

NOTICE

Notice is hereby given that the Forty first Annual General Meeting of the Members of E.I.D.- Parry (India) Limited will be held on Friday, August 5, 2016 at 4.30 p.m. at The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600014 to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

RESOLVED THAT:

- (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Independent Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and the report of the Independent Auditors thereon,

be and are hereby received and adopted.

2. Appointment of Director

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

RESOLVED THAT Mr. A. Vellayan (DIN: 00148891) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.

3. Appointment of Statutory Auditors

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

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai (Firm Registration No. 008072S) as Statutory Auditors of the Company from the conclusion of this meeting till the conclusion of the 42nd Annual General Meeting of the Company be and is hereby ratified on a remuneration of Rs. 27,00,000/- (Rupees Twenty Seven Lakh only) plus service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit as approved by the Board of Directors of the Company.

SPECIAL BUSINESS

4. Appointment of Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 & 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. (Ms) Rca Godbole (DIN:07306268) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years from this Annual General Meeting.

5. Remuneration of Cost Auditors

To consider and if deemed 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 Rs.10,10,000/- (Rupees Ten Lakh Ten Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses payable to M/s. Geeyes & Co., Cost Accountants (Firm Registration Number 000044) for conduct of 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.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. Issue of Non-Convertible Debentures

To consider and if deemed fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company and such other rules/regulations, as may be applicable, consent be and is hereby accorded to the Board of Directors of the Company to offer, invite and issue secured / unsecured redeemable non-convertible debentures, aggregating up to Rs.300 Crore (Rupees Three Hundred Crore), on private placement basis to Nationalised Banks/Indian Private Banks/Foreign Banks/Other Banks/Financial Institutions/Other eligible investors in one or more tranches during a period of one year from the date of passing of this resolution within the overall borrowings limits of the Company as approved by the members from time to time and on such terms and conditions as the Board of Directors of the Company may determine and consider proper and most beneficial to the Company including, without limitation, as to when the said Debentures are to be issued, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, to give effect to this resolution.

7. Appointment of Director

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

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions. If any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S. Suresh (DIN 06999319), be and is hereby appointed as a Director of the Company.

8. Appointment of Deputy Managing Director and payment of remuneration

To consider and if deemed fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Article 121 of the Articles of Association of the Company and the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. S. Suresh as the Deputy Managing Director of the Company for a period of three years with effect from 1st July, 2016 upto 30th June, 2019 on the terms and conditions including remuneration as set out below with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 1956.

RESOLVED FURTHER THAT Mr. S. Suresh, Deputy Managing Director, be paid remuneration by way of salary, allowances, incentive, and perquisites subject to necessary approvals and in accordance with the Sections 197 and 198 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 as specified below with effect from 1st July, 2016.

(i) Salary

Rs. 2,59,555 in the range of Rs. 2,50,000-7,50,000.

The increments will be decided by the Nomination and Remuneration Committee and the Board.

(ii) Allowances and Perquisites

Allowances like House Rent Allowance, Leave Travel Allowance, Special Allowance, Additional Special Allowance and/or any other allowance as determined by the Nomination and Remuneration Committee

Perquisites shall include provision of furnished/unfurnished accommodation, personal accident insurance, reimbursement of medical expenses incurred for self and family, club subscription, provision of cars as per the rules of the company in force from time to time and any other perquisites, benefits, amenities as may be decided from time to time and approved by the Nomination and Remuneration Committee and the Board.

Perquisites shall be valued in terms of actual expenditure incurred by the company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be valued as per income tax rules.

(iii) Incentive

Based on the achievement of the performance parameters laid down, an amount not exceeding 25% of CTC as may be determined by the Nomination and Remuneration Committee.

(iv) Retirement Benefits

- (a) Contribution to Provident Fund, Superannuation Fund and Gratuity as per the approved scheme of the company in force from time to time.
- (b) Encashment of leave as per rules of the company in force

(v) ESOP

Grant of stock options under the Company's ESOP Scheme as may be determined by the Compensation and Nomination Committee from time to time.

RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, where in any financial year, during the currency of the tenure of Mr. S Suresh, Deputy Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to Mr. S. Suresh by way of salary, perquisites and allowances as specified above in terms of the Schedule V of the Companies Act, 2013.

GENERAL

- (i) In the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Mr. S. Suresh, Deputy Managing Director as may be determined by the Board or Nomination and Remuneration Committee, shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and rules made there under.
- (ii) Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.
- (iii) Mr. S. Suresh, Deputy Managing Director will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
- (iv) Mr. S. Suresh, Deputy Managing Director, will be subject to all other service conditions as applicable to any other senior management employee of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board
For E.I.D.-Parry (India) Limited

G. Jalaja
Company Secretary

Chennai
June 18, 2016

Registered Office:

'Dare House', Parrys Corner, Chennai - 600 001.

CIN: L24211TN1975PLC006989

Tel. :+91-044-25306789

Fax.:+91-044-25341609

E-mail:investorservices@parry.murugappa.com

Website:www.eidparry.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. Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Items Nos. 4 to 8 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 29, 2016 to Friday, August 5, 2016 (both days inclusive).
5. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Karvy Computershare Private Limited ("Karvy") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
6. Members holding shares in electronic mode are requested to keep their e-mail 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 e-mail addresses, advise any change in their address, bank mandates by writing to Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032 quoting their folio number(s).
7. 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.
8. 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.
9. Pursuant to the provisions of Section 123, 124 of the Companies Act, 2013 and Section 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1996-97 to 2008-09 (special dividend) from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The due dates on which the unclaimed dividends would be transferred to IEPF for the financial year 2008-09 (Interim and Final Dividend) onwards are given in the Corporate Governance Report. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 4th August, 2015 (date of last Annual General Meeting) on the website of the Company (www.eidparry.com) as also on the website of the Ministry of Corporate Affairs.
10. In terms of Section 152 of the Companies Act, 2013, Mr. A.Vellayan, Director retires by rotation at the Meeting and being eligible, offers himself for reappointment. The Board of Directors of the Company commend his re-appointment. Brief resume of Mr.A.Vellayan, nature of his expertise in specific functional areas, names of listed companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is provided in the Notes forming part of this Notice.
11. 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.
12. 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).
13. Pursuant to Regulation 36 (1) & 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 20, 101, 108 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 email 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.

14. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
15. Members are requested to hand over the 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.
16. 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.
17. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
18. The route map showing directions to reach the venue of the Annual General Meeting is annexed
19. Remote e-voting & Insta-poll
 - a. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
 - (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client 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.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. 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.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
 - vii. 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 "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. 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.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), 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).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id rsaevoting@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format " E.I.D.-Parry (India) Limited_Event No."
 - (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
 - i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
 - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

- b Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting. However, these Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. I L Murthy, Manager (Unit: Name of the Company) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Monday, the 1st August, 2016 (9.00 A.M. IST) and ends on August 4, 2016 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 29, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. July 29, 2016.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., July 29, 2016, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. 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
 - ii. 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.
 - iii. Member may call Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
- f. Mr. R. Sridharan, M/s R. Sridharan & Associates, Company Secretaries, Chennai is appointed as a scrutinizer to scrutinise the remote e-voting and voting at the AGM venue in a fair and transparent manner.
- g. 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 scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the company www.eidparry.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the stock exchanges.
- h Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, viz., August 05, 2016.

PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN/ATTENDANCE REGISTRATION

Web Check- in / Attendance Registration: Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

- a. Log on to <https://karisma.karvy.com> and click on “Web Checkin for General Meetings (AGM/EGM/CCM)”.
- b. Select the name of the company: E.I.D.- Parry (India) Limited
- c. Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No & “CAPTCHA” as directed by the system and click on the submission button.
- d. The system will validate the credentials. Then click on the “Generate my attendance slip” button that appears on the screen.
- e. The attendance slip in PDF format will appear on the screen. Select the “PRINT” option for direct printing or download and save for the printing.
- f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
- g. After registration, a copy will be returned to the Member.
- h. The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., Monday, the 1st August, 2016 (9.00 A.M. IST) and ends on August 4, 2016 (5.00 P.M. IST).
- i. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

Statement pursuant to Section 102 of the Companies Act, 2013

The following Statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 8 of the accompanying Notice:

Item No. 4

Pursuant to the provisions of Section 149 of the Act read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, every listed company shall have atleast one Woman Director.

Dr. (Ms) Rca Godbole was appointed as an Additional Director of the Company by the Board on 1st November, 2015 to hold office up to this annual general meeting pursuant to Section 161 of the Companies Act, 2013. A notice has been received from a member proposing Dr. (Ms) Rca Godbole as a candidate for the office of Director of the Company.

Dr. (Ms) Rca Godbole has given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, she fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and is independent of the management.

The Board considers that the continued association of Dr. (Ms) Rca Godbole would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director of the Company.

The terms and conditions of appointment of Dr. (Ms) Rca Godbole as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.

The Board recommends the ordinary resolution at Item No.4 for approval by the Members.

Except Dr. (Ms) Rca Godbole, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the Notice.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Geeyes & Co., Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

The Board recommends the Ordinary Resolution at Item No.5 for approval by the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No.6

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed thereunder deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of secured debentures. The Board of Directors will decide whether to issue debentures as secured or unsecured.

In order to augment long term resources for financing, inter alia, the capital expenditure and for general corporate purposes, the Board may, at an appropriate time, offer or invite subscription for secured redeemable non-convertible debentures, in one or more series / tranches on private placement.

Accordingly, consent of the members is sought for passing the Special Resolution as set out at Item No. 6 of the Notice. This resolution is an enabling resolution and authorises the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a period of one year from the date of passing this resolution.

The Board recommends the Special Resolution set out at Item No.6 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Item No. 7 & 8

The Board of Directors of the Company ('the Board') at their meeting held on June 18, 2016, on the recommendation of the Nomination & Compensation Committee, appointed Mr. S.Suresh as an Additional Director of the Company.

The Board at the said meeting, on the recommendation of the Nomination & Compensation Committee, also appointed Mr. S.Suresh as the Deputy Managing Director of the Company for a period of three years with effect from 1st July, 2016 up to 30th June, 2019 on a remuneration as set out in the Resolution subject to the limits prescribed under Schedule V of the Companies Act, 2013.

The appointment and remuneration of Mr. S.Suresh is subject to approval of the shareholders. In terms of the Articles of Association of the Company Mr. S.Suresh is not liable to retire by rotation.

A Notice under Section 160 of the Act along with requisite deposit has been received from a member proposing Mr. S. Suresh as a candidate for the office of Director of the Company. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Notice.

The Company has incurred loss for the financial year 2015-16 caused by drastic fall in sugar selling price which touched an all time low during the year. The future profitability of the Company depends upon the trend in sugar prices, the Govt policies on the Sugarcane price, the estimated sugar cane production and availability. In the event during the tenure of Mr. Suresh, the Company's profits is inadequate in terms of Part II, Section II of Schedule V of the Companies Act, 2013, the remuneration payable would require approval of the shareholders by way of a Special Resolution. Hence, the subject Resolution is proposed as a special Resolution and the required additional information pursuant to schedule V Part II Section II (B) of the Companies Act, 2013 is annexed to this notice.

The Board recommends the Resolutions at Item No.7 and 8 for approval by the Members.

Except Mr. S.Suresh, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions set out at Item No. 7 and 8 of the Notice.

By Order of the Board
For **E.I.D. - Parry (India) Limited**

Chennai
June 18, 2016

G.Jalaja
Company Secretary

**DETAILS PERTAINING TO DIRECTORS AS REQUIRED UNDER REGULATION 36 OF THE SEBI
(LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

| Name of the Director | Mr. A.Vellayan | Dr. (Ms) Rca Godbole | Mr.S. Suresh |
|---|--|---|---|
| Date of Birth | 09.01.1953 | 04.12.1968 | 16.04.1966 |
| Date of Appointment | 01.11.1999 | 01.11.2015 | 01.07.2016 |
| Qualifications | Diploma in Industrial Administration from Aston University, Birmingham, U.K and Masters in Business Studies from the University of Warwick Business School, U.K. | A trained plant molecular biologist with a PHD from Freiburg, Germany and a post graduate in Biochemistry (MSc.) from University of Bombay. | Mechanical Engineering Graduate with a Post Graduate Diploma in Industrial Engineering and an MBA with specialization in Finance. |
| Expertise in specific functional Area | He has over 30 years of industrial experience. | She has over seven years of rich experience in Research. | He has over 26 years of experience across different industries in the areas of Sales & Marketing, Manufacturing, Industrial Relations, Supply Chain, Management of Special Projects, Industrial Engineering and business turnarounds. |
| Directorship in other Listed Companies | Coromandel International Limited Kanoria Chemicals & Industries Limited | Nil | Nil |
| Chairman/Member of the Committees of the Boards of which he is a Director | Nil | Nil | Nil |
| No. of shares held in the Company | 344540 | Nil | Nil |
| Inter-se relationship with any Director | Nil | Nil | Nil |

None of the above Directors are related to any of the key managerial personnel of the Company.

Details of attendance at the Board Meetings in respect of Mr. A Vellayan and Dr. (Ms) Rca Godbole are provided in the Report on Corporate Governance.

STATEMENT PURSUANT TO SCHEDULE V PART II SECTION II (B) OF THE COMPANIES ACT, 2013

I. General Information:

- (i) Nature of Industry: The Company is engaged in the manufacturing and marketing of sugar, bio pesticides and Nutraceuticals.
- (ii) Date or expected date of commencement of commercial production: The Company was incorporated on September 22, 1975 and has been operating in the states of Tamil Nadu, Puducherry, Andhra Pradesh and Karnataka.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- (iv) Financial performance based on given indicators - as per published audited financial results for the accounting year ended March 31, 2016:

| Particulars | 2013 – 2014 | 2014 – 2015 | 2015 – 2016 |
|----------------------|---------------|---------------|---------------|
| Gross Income | 194548 | 226504 | 239541 |
| Profit Before Tax | (3110) | 13598 | (9616) |
| Profit After Tax | 2,653 | 14,825 | (6,645) |
| Networth | 127416 | 136408 | 128558 |
| Dividend on Equity % | - | 300 | - |

(v) Foreign Investments or collaborators, if any: (as on 18.06.2016)

| Foreign Holding | No of Equity Shares | % to the paid up equity share capital |
|-------------------|---------------------|---------------------------------------|
| NRIs | 1352052 | 0.77 |
| OCBs | 5040 | 0.03 |
| Foreign Nationals | 216680 | 0.12 |
| FII's | 18818250 | 10.70 |

II. Information about the appointee:

Mr. S. Suresh

(i) Background details:

Mr. S. Suresh is a Mechanical Engineering Graduate with a Post Graduate Diploma in Industrial Engineering and an MBA with specialization in Finance. He has over 26 years of experience across different industries in the areas of Sales & Marketing, Manufacturing, Industrial Relations, Supply Chain, Management of Special Projects, Industrial Engineering and business turnarounds.

(ii) Past Remuneration drawn:

Not applicable since Mr.S. Suresh was appointed as Deputy Managing Director w.e.f. July 1, 2016.

(iii) Recognition & Awards / Achievements:

Nil

(iv) Job Profile and suitability:

Mr. S. Suresh is appointed as the Deputy Managing Director of the Company . He will report to the Managing Director and will be entrusted with the duties and responsibilities as decided by the Managing Director. He will also be responsible to perform such other duties as may from time to time be entrusted by the Board. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities as a Deputy Managing Director.

(v) Remuneration proposed:

The terms of remuneration proposed are detailed in the resolution.

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration paid to similar senior level appointees in other companies.

(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Besides the remuneration proposed, the appointee does not have any other pecuniary relationship with the Company.

III. Other Information :

(i) Reasons for inadequate profits :

The Company has a consistent profit and dividend track record. However, during the year 2015/16, the Company incurred a loss of Rs.66.45 Crore as against Profit after tax of Rs.148.25 Crore in previous year. The Company's primary revenue stream is from sugar and sugar related products. Sugarcane price which is determined by the Govt has shown an increasing trend year after year. The year 2015-16 was a challenging year of the Company as the Sugar industry faced 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. This coupled with the high sugar cane procurement cost adversely affected the financial performance of the Company. The future profitability of the Company depends upon the trend in sugar prices, the Govt policies on the Sugarcane price , the estimated sugar cane production and availability.

(ii) Steps taken or proposed to be taken for improvement:

The Company has been focussing on a number of initiatives including Total Productivity Management, Cost Management especially fixed cost reduction and improvement in all around efficiency and effectiveness across all parameters. The Company has been working on its sales mix with increased sales to institutions. The Company's overall strategy is to make a differentiation in all aspects whether in products or in processes to sustain a competitive advantage in the face of the continuous risk of the cyclical in sugar prices and rising cane costs.

(iii) Expected increase in productivity and profits in measurable terms:

The Initiatives taken have already borne results in improving the operational parameters in several areas such as power/steam consumption, downtime, etc. The Govt also has been taking steps to help the sugar industry in terms of various 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. However, the single most factor which would drive the performance of the Company is the volatility in sugar selling price and the uncertainty in Sugar cane cost.

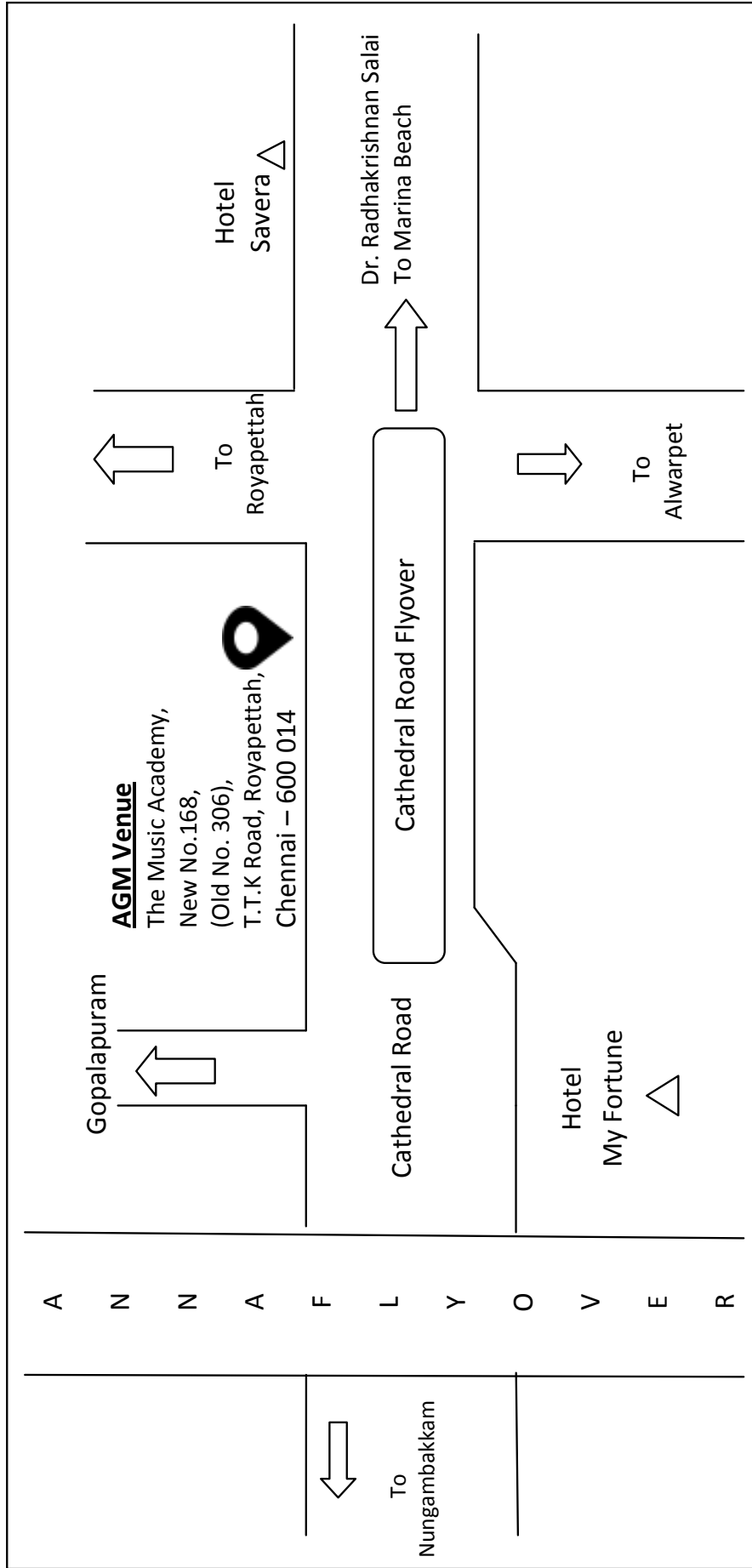
III. Other Disclosures :

Disclosures relating to remuneration and other terms of appointment are available in the Resolution. Remuneration payable to Mr S Suresh with effect from 1st July, 2016, will form part of the Corporate Governance report for the year ended March 31, 2017.

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2015-16. Mr. S. Suresh satisfies the conditions laid down in Schedule V to the Companies Act, 2013. The terms of appointment of Mr. S Suresh, as required under Section 190 of the Companies Act, 2013 is available for the inspection of the members at the registered office in accordance the Articles of Association of the Company.

The Route Map for the AGM venue is given in the next page

ROUTE MAP TO AGM VENUE





E.I.D.-PARRY (INDIA) LIMITED

(CIN: L24211TN1975PLC006989)

'Dare House', Parrys Corner, Chennai - 600 001.

e-mail: investorservices@parry.murugappa.com | website: www.eidparry.com

Tel: 044-25306789 Fax: 044-25341609

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) holding 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 41st Annual General Meeting of the company, to be held on the Friday, August 5, 2016 at 4.30 p.m. at The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Resolution | Vote# | | |
|---------|---|-------|---------|---------|
| | | For | Against | Abstain |
| 1. | a) Adoption of Standalone financial statements of the Company for the financial year ended March 31, 2016, the Reports of the Board of Directors and the Auditors thereon and b) Adoption of Consolidated financial statements of the Company for the financial year ended March 31, 2016, the Reports of the Board of Directors and the Auditors thereon. | | | |
| 2. | Appointment of Director in place of Mr. A. Vellayan (DIN: 00148891) who retires by rotation and being eligible, seeks re-appointment. | | | |
| 3. | Ratification of appointment of Statutory Auditors. | | | |
| 4. | Appointment of Dr. (Ms) Rca Godbole (DIN: 07306268) as an Independent Director. | | | |
| 5. | Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2017. | | | |
| 6. | Issue of Non-Convertible Debentures on a private placement basis. | | | |
| 7. | Appointment of Mr. S. Suresh (DIN: 06999319) as a Director. | | | |
| 8. | Appointment of Mr. S. Suresh (DIN: 06999319) as Deputy Managing Director and payment of remuneration. | | | |

Signed this _____ day of _____ 2016.

Affix revenue stamp

| | |
|--------------------------------------|---------------------------------------|
| _____ Signature of shareholder(s) | _____ 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.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the notice convening the 41st Annual General Meeting.
3. It is optional to put a '✓' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' or 'Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in the box before submission.



getting future-ready



E.I.D.-PARRY (INDIA) LIMITED
ANNUAL REPORT 2015-16



contents

Corporate Overview

| | |
|-----------------------|-----|
| Getting future ready | i |
| Financial Highlights | xii |
| Corporate Information | 01 |

Management Reports

| | |
|------------------------------------|----|
| Board's Report | 02 |
| Management Discussion and Analysis | 34 |
| Corporate Governance Report | 47 |

Financial Statements

| | |
|-----------------------------------|-----|
| Standalone Financial Statements | 63 |
| Consolidated Financial Statements | 110 |

Cautionary Statement

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of the risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expect, project, intend, plan, believe and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, our actual result could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

getting future-ready

At E.I.D Parry, 2015-16 was a threshold year. Of turbulence and trash shedding. Of volatility and the will to surmount. It was a year of riding the curve of resilience, re-engineering and resurgence.

In a test-by-fire environment, the Company transitioned to redefine boundaries. Build capabilities to combat challenges. Consolidate competencies. Co-create a sustainable and inclusive eco-system.

Reinventing itself, EID Parry forged ahead on a forward course. Getting future-ready...

Getting future-ready invokes a larger vision- of sustainability and inclusive value creation.

A sustainability embedded vision, is mandatory for a business to be future ready. At E.I.D Parry sustainability is central to our core vision of 'Enriching life through agriculture'.

Agriculture is the most important sector in India, contributing to a major part of the economy. Ranked among the major sugar manufacturers in India, E.I.D Parry has played a pioneering role in introducing the most advanced farming technologies and creating value for its large farmer base.

The Company is the first in Asia and among the select few in the world to get the Bonsucro international certification for sustainable sugar production. Developing new, high yield cane varieties, improving yield through scientific methods of cultivation, converting trash into farm nutrients, promoting water soil and energy management - Parry continues to partner with the farmers, working towards an inclusive and sustainable growth.

Central to the certification, is the Company's reaffirmation to a socially and environmentally responsive business model and a strategic direction to leverage the global demand for sustainably produced sugar.

Sugar business is cyclical, heavily dependent on unpredictable weather patterns, macroeconomic trends and volatile market prices. The past year pushed the sugar industry across the globe to a record low in prices.

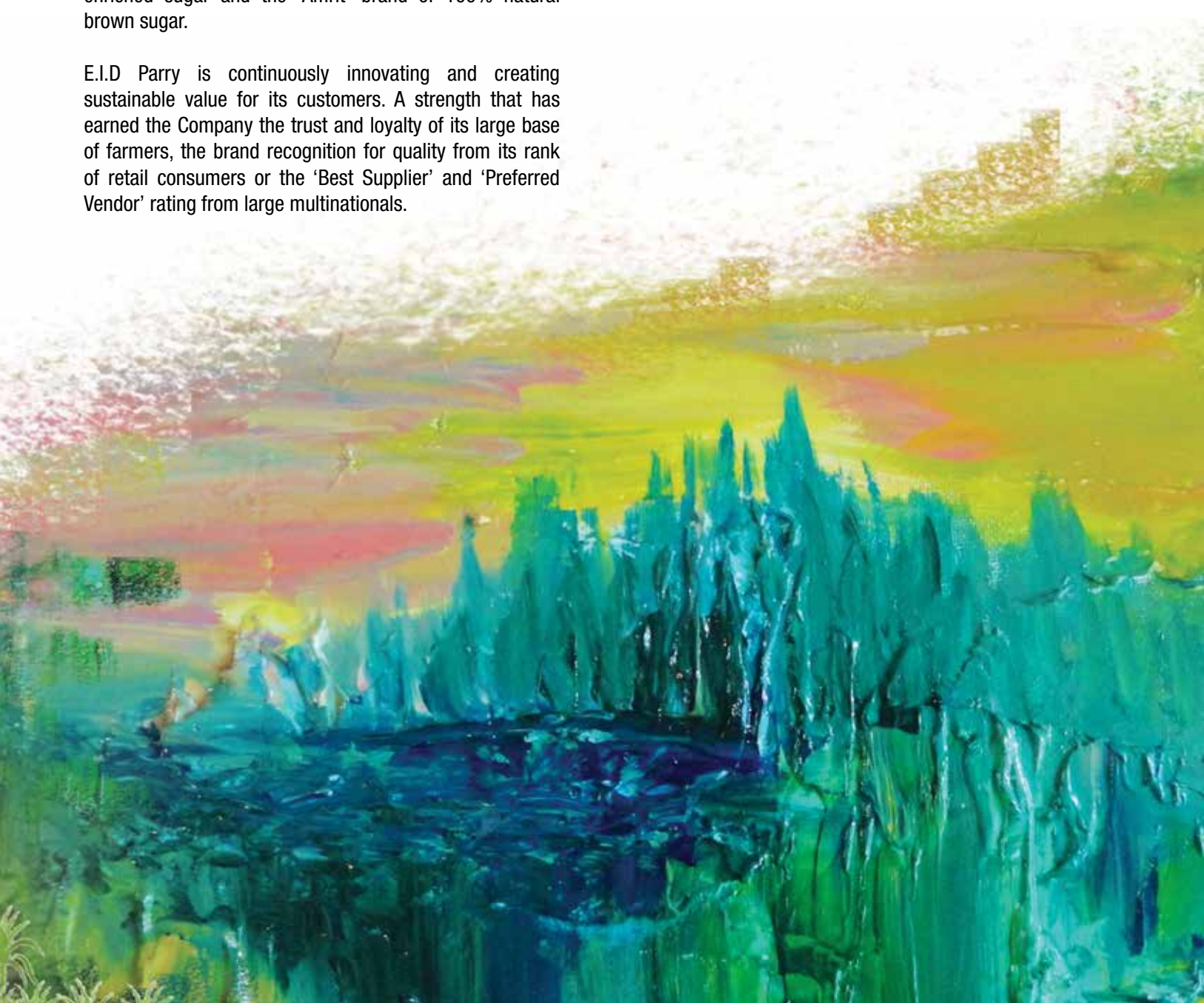
In line with its future-ready strategies for sustainable growth and to de-risk the business, the Company mapped out plans to reduce the dependence on sugar by extending the core business in less cyclical areas: ethanol, bio fuels, power, differentiated products. Integrated operations, capacity utilization, new business streams - 2015-2016 set a strategic direction.



In a very difficult market environment for the sugar business, the Company expanded its share of Institutional sales of premium sugar products, customised to critical specifications, for pharmaceutical, food and beverage majors. An import-substitute sugar product for paediatrics was an important new product development for the pharmaceutical industry. In the retail space, the Company enlarged its presence with the Vita brand of Vitamin-A, enriched sugar and the 'Amrit' brand of 100% natural brown sugar.

E.I.D Parry is continuously innovating and creating sustainable value for its customers. A strength that has earned the Company the trust and loyalty of its large base of farmers, the brand recognition for quality from its rank of retail consumers or the 'Best Supplier' and 'Preferred Vendor' rating from large multinationals.

The focus on anticipating and exceeding customer needs, with more efficient, safer and value added products and service, and a larger vision of sustainability and inclusive value creation lends the Company a future-ready capability to meet a dynamic global environment and changing market dynamics.



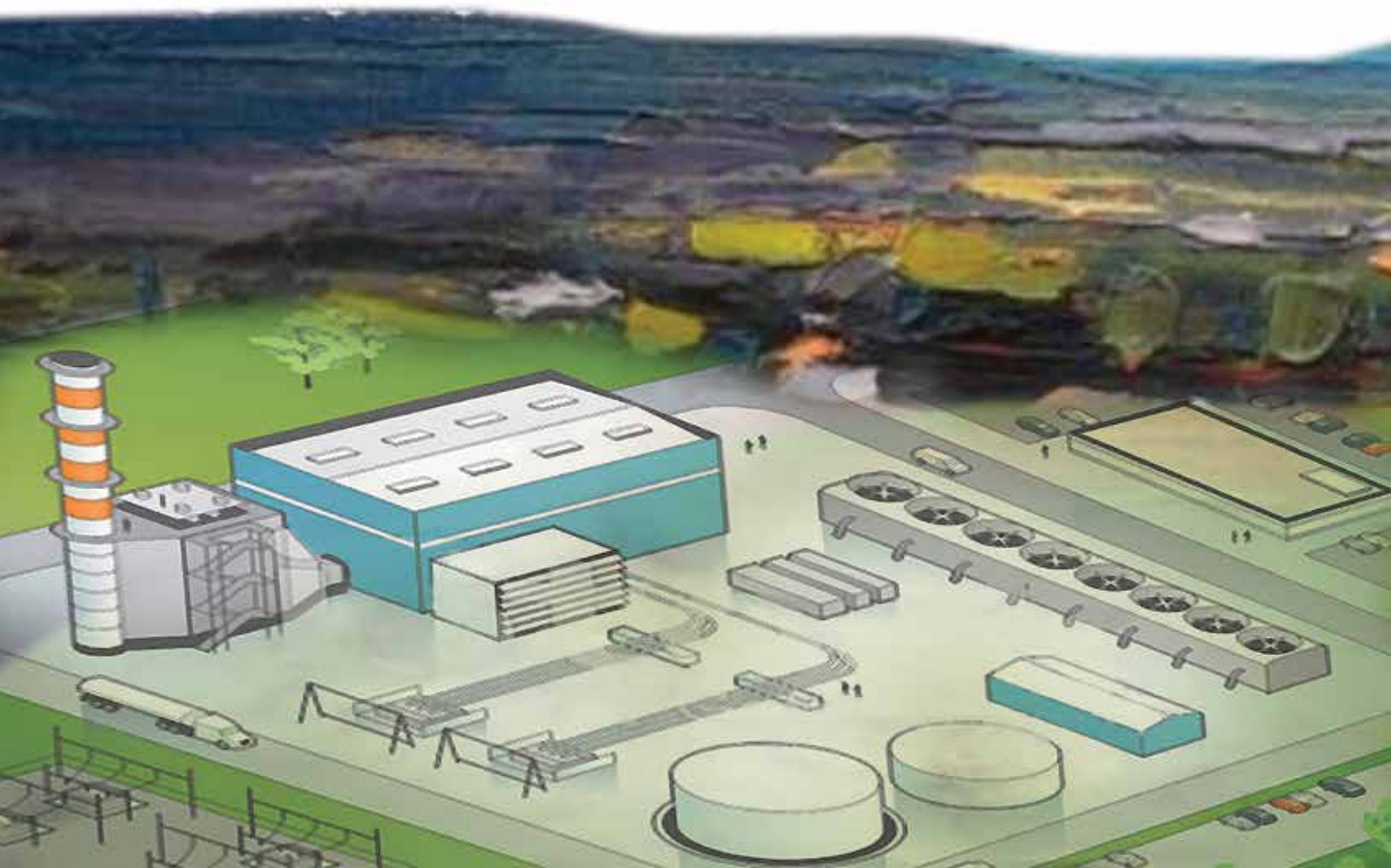
Getting future-ready demands a drive for excellence, and a passion for pushing boundaries...

At E.I.D Parry, we are doing just that...

An overarching drive for excellence. An unrelenting pursuit to redefine boundaries. At E.I.D Parry, raising the bar in people and process efficiencies is integral to the work culture.

The Company has continuously remained the forerunner in the sugar industry in operational efficiencies. The fully integrated manufacturing facilities, with automated control systems ensure process optimization, enhance productivity and provide global quality standards.

Automation, intelligent design and energy efficient processes will define the factories of the future. And E.I.D Parry has taken calibrated measures to make its manufacturing plants the best-in-class in the industry. Maximizing efficiencies and paring down energy consumption, the Company has emerged as the most energy efficient sugar manufacturer in India, with the best operating parameters.



The manufacturing plants continuously work towards reducing water, power and steam consumption. With zero ground water withdrawal in sugar manufacturing and zero effluent discharge for its cogen operations, the Company has emerged the best-in-class in the sugar industry for operating efficiencies and sustainable processes.

With accreditations for the highest standards in Quality, Safety Health and Environment, the Company has earned a preferred vendor rating from large multinational pharma, food and beverage manufacturers.


In a dynamic global market environment, change is a constant. Keeping pace with volatility and change will determine future-ready companies. E.I.D Parry has adopted cutting edge IT technologies to facilitate data driven decision making and business planning, to track market trends, asses impact on policy divergence, build buffers to avoid fiscal vulnerabilities and strengthen the strategic agility for a future-ready ecosystem.







Customer-centricity and change adaptability are vital for being future-ready.



At E.I.D Parry, customer-centricity and the adaptability to changing market needs are an integral part of the company's work principle.

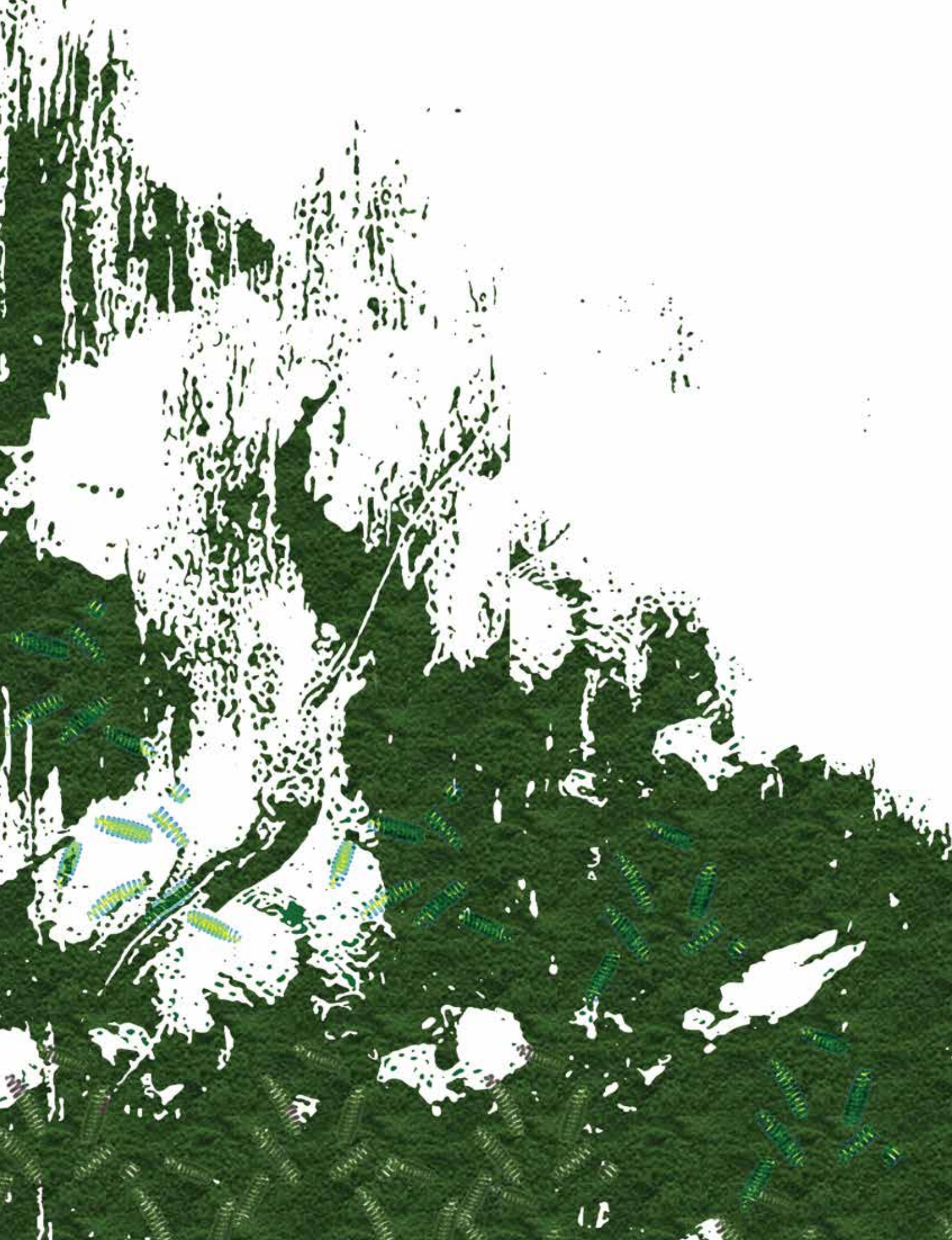
Parry is a pioneer in azadirachtin based bio-pesticides in India and a global leader in the plant extract bio-pesticide segment. The Company's manufacturing facility at Thygavalli is the largest in the world with the capability to produce azadirachtin of the highest purity and stability. A competitive edge for the business as it expands its footprints across the globe.

According to estimates, currently 10 to 16% of global crop production is lost to pest infestation. Besides lack of awareness, the indiscriminate use of chemical based pesticides has contributed significantly to crop loss. Globally, bio pesticides are emerging as a promising alternative to synthetics due to its advantages, viz., environmental safety, target-specificity, efficacy, biodegradability and suitability in Integrated Pest Management (IPM), besides the increasing demand for organically grown food.

E.I.D Parry's Bio-Products division, with its wide and varied experience in safe and sustainable crop protection, has positioned itself well to cater to the growing organic needs of the farmers and consumers. In India, the business has enhanced its presence with focused market penetration and personalised customer service. Sales force automation (SFA) coupled with IT based Farmer Care Services (FCS) with 'farmer- first' motto, has resulted in sales force activity tracking and real-time problem resolution of farmers. In Americas and EU, the Company maintained its competitive edge, with value-for-money product offerings in the 'agriculture' segment and differentiated products in the 'Home & Garden' and "Tree Injection" segments, besides foraying into Afro-Asian markets with a patented bio-stimulant.

Genome sequencing of neem trees across India for expanding neem seed sourcing, introduction of a novel extraction process, maximising manufacturing efficiencies, registrations and label expansions for new pest management, exploring biocides market opportunities, intensive R&D focus on microbial bio-pesticides and organic alternatives to achieve integrated water management, integrated weed management, etc., demonstrates the division's future-ready business direction.





Getting future-ready by strengthening the value chain and innovating to address Human Health.

E.I.D Parry Nutraceuticals, is leveraging its pioneering leadership to gain pole position in the Health and Wellness space.

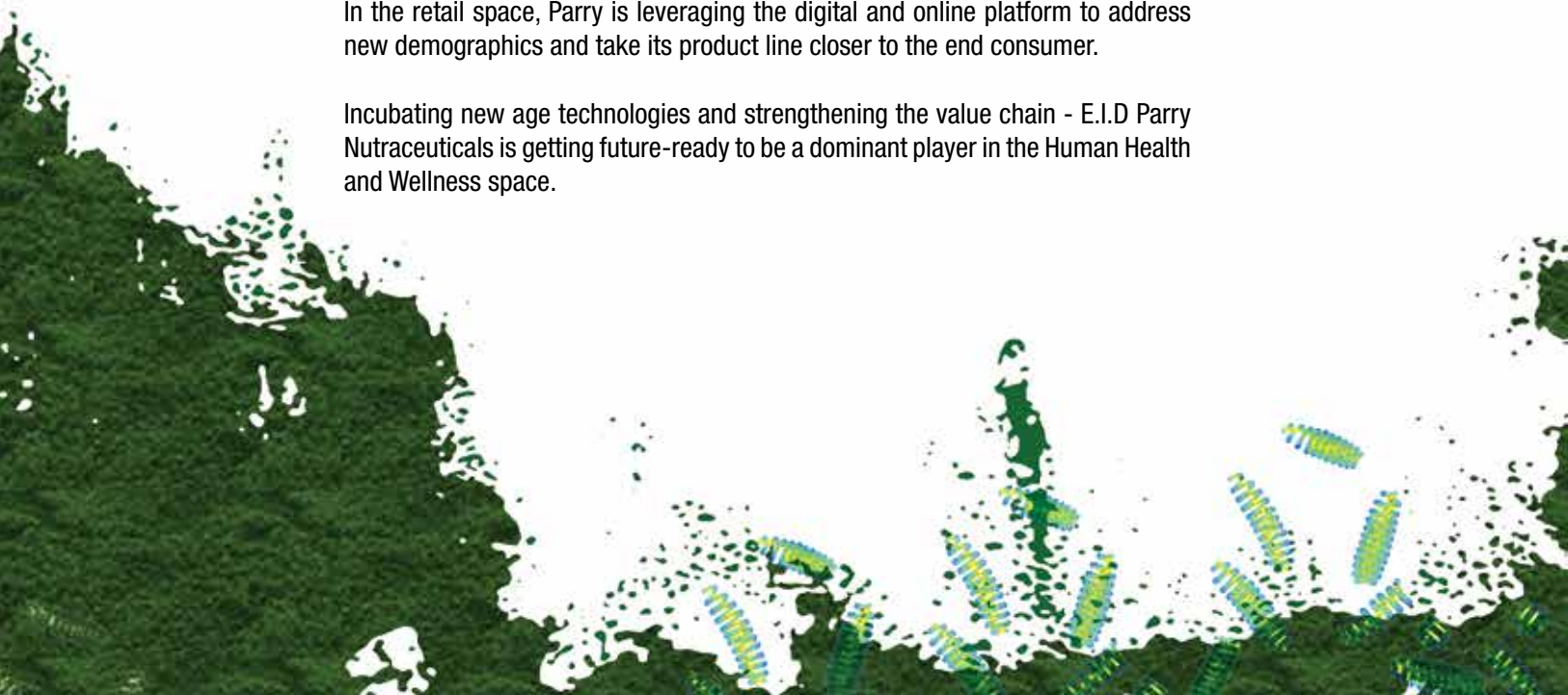
Globally, the Health and Wellness industry is in the midst of a transition. With a growing shift towards natural and organic products, Companies which are at the leading edge of innovation, quality and technical expertise will be the industry leaders of the future. E.I.D Parry, Nutraceuticals, has positioned itself strongly in the field of Human Health and Wellness and is gearing up to race ahead in this dynamic industry.

Parry is the only company in the world, with the capability to produce all the three algae based dietary supplements, viz., Spirulina, Chlorella and Astaxanthin- a strength that lends it a future advantage. Adopting the 'farm to formulation' strategy, the business has consolidated its position, in the Micro Algal value chain, with fully integrated global operations, enabling speed to market products. In line with this, Organic Chlorella, a dietary supplement which aids in detoxification, tissue regeneration and healthy ageing was launched during the year.

Expanding its product portfolio in the wellness space is part of the future-ready strategies of the business. The micro algal product line includes Green foods like Spirulina, Chlorella and carotenoids such as Astaxanthin while the larger product portfolio includes unique ingredients such as Krill Oil, Saw Palmetto, Chia, Lycopene and Lutein. The company is also working on a vegetarian source Algal Omega 3 Complex. Looking ahead, Parry will continue to strengthen its access to unique ingredients and develop breakthrough formulations which are backed clinically.

While Western Europe and North America remain Parry's key markets, the coming years will see rapid expansion in the Asia Pacific and Indian Sub continent regions. In the retail space, Parry is leveraging the digital and online platform to address new demographics and take its product line closer to the end consumer.

Incubating new age technologies and strengthening the value chain - E.I.D Parry Nutraceuticals is getting future-ready to be a dominant player in the Human Health and Wellness space.





Future

An empowered people force driven with the passion to accelerate change, collaborate and co-create a new future.

At E.I.D Parry, we believe an empowered and trained workforce is vital to accelerate change and get future-ready.

'Execution Excellence' was one of the core competencies that was identified as a vital strategy to gain business leadership and develop a future-ready people resource. Across the Company, execution excellence became the driving force, inspiring teams to be change catalysts, to redefine existing patterns and build a culture that continuously pushes the boundaries of perfection and enhance the sustainable value of the organization. The focus was to operate out of the comfort zone, build the resilience to meet the challenges of the unreckoned and gain an agility to shift gears transitioning to the future. A transformation that would not only give a competitive edge but would also provide a pioneering leadership.

Workshops and training modules were deployed to hone capabilities and usher a quantum shift in working methods, people strategies, processes and products. Cascading execution excellence as a work culture, with a focus on change management, execution management, performance agility and learning related competencies, the aim was to develop a team of motivated and prepared people, ready to chart a new course.

Talent management initiatives designed to build a leadership pipeline, were deployed based on the nine key competencies identified by the Murugappa Group, for steering business leadership. HI POs or high potential individuals from Senior Management were selected for a rigorous Individual Development Plan (IDP) in line with the talent strategy and the individual's career growth.

A parallel exercise was rolled out for identifying and selecting potential high performers and business leaders for Senior Management roles. Designed in two different modules, for succession planning and talent nurturing, the training was based on the five-step approach to understanding the DNA of strategic business capabilities. A rigorous review mechanism by a steering committee was put in place to monitor and track the progress of the Individual Development Plan of the team members.

To create a motivated and vision driven workforce, Employee Engagement levels were enhanced through Focused Group Discussions (FGD) and impact analysis. Based on the findings from the survey by an independent external agency, pain points at each of the locations were addressed by 'Engagement Leaders', comprising the core Senior Management team of Business and HR Heads monitoring the progress with 'engagement champions' or Unit HR Heads on improvement initiatives.

Across the Company, empowered teams driven with the passion to accelerate change are trained and ready to collaborate and co-create a new future.

FINANCIAL HIGHLIGHTS - TEN YEARS AT A GLANCE

Standalone

₹ in Lakh except ratios

| Particulars | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 @ | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|-------------------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Profitability Items | | | | | | | | | | |
| Gross Income | 73,869 | 72,932 | 1,70,599 | 1,33,526 | 1,47,386 | 1,75,364 | 2,41,448 | 1,94,548 | 2,26,504 | 2,39,541 |
| Gross Profit (PBDIT) | 20,109 | 1,898 | 96,539 | 35,536 | 18,927 | 27,447 | 60,562 | 26,237 | 38,918 | 15,153 |
| Depreciation & Amortisation | 3,287 | 4,403 | 5,017 | 6,933 | 7,370 | 7,397 | 10,787 | 9,731 | 10,193 | 10,457 |
| Profit/(Loss) Before Interest & Tax | 16,822 | (2,505) | 91,522 | 28,603 | 11,557 | 20,050 | 49,775 | 16,506 | 28,725 | 4,696 |
| Finance costs | (211) | 1,345 | 2,682 | 3,857 | 4,817 | 6,443 | 13,668 | 19,616 | 15,127 | 14,312 |
| Profit/(Loss) before Tax | 17,033 | (3,850) | 88,840 | 24,746 | 6,740 | 13,607 | 36,107 | (3,110) | 13,598 | (9,616) |
| Tax | 4,291 | (2,192) | 19,644 | 4,218 | (1,186) | (125) | 2,936 | (5,763) | (1,227) | (2,971) |
| Profit/(Loss) after Tax | 12,742 | (1,658) | 69,196 | 20,528 | 7,926 | 13,732 | 33,171 | 2,653 | 14,825 | (6,645) |
| Balance Sheet Items | | | | | | | | | | |
| Net Fixed Assets | 48,256 | 61,999 | 85,942 | 84,650 | 80,986 | 80,876 | 1,28,652 | 1,52,515 | 1,49,968 | 1,45,146 |
| Investments | 11,736 | 18,344 | 48,561 | 68,282 | 43,414 | 68,278 | 87,110 | 54,478 | 68,293 | 77,838 |
| Net Current Assets | 35,616 | 33,537 | 26,584 | 27,561 | 61,572 | 63,604 | 1,04,089 | 1,06,014# | 83,987# | (11,527)# |
| Total Capital Employed | 95,608 | 1,13,880 | 1,61,087 | 1,80,493 | 1,85,972 | 2,12,758 | 3,19,851 | 3,13,007 | 3,02,248 | 2,11,457 |
| Shareholders Funds | 53,005 | 50,607 | 96,346 | 1,09,066 | 1,14,474 | 1,21,223 | 1,34,162 | 1,27,432 | 1,36,408 | 1,28,558 |
| Borrowings | 35,236 | 58,161 | 53,853 | 57,552 | 58,809 | 78,971 | 1,72,309 | 1,78,559 | 1,60,211 | 80,934 |
| Deferred Tax Liability | 7,367 | 5,112 | 10,888 | 13,875 | 12,689 | 12,564 | 13,380 | 7,016 | 5,629 | 1,965 |
| Total | 95,608 | 1,13,880 | 1,61,087 | 1,80,493 | 1,85,972 | 2,12,758 | 3,19,851 | 3,13,007 | 3,02,248 | 2,11,457 |
| Ratios | | | | | | | | | | |
| Book Value per share (₹) | 60 | 57 | 113 | 127 | 66 | 70 | 77 | 73 | 78 | 73 |
| EPS (₹) | 14.28 | (1.86) | 77.80 | 23.81 | 4.58 | 7.92 | 19.08 | 1.51 | 8.43 | (3.78) |
| Dividend on Equity % | 295 | 25 | 1,000 | 500 | 200 | 400 | 600 | - | 300 | - |

@ Regrouped based on Revised Schedule VI to Companies Act, 1956

Includes long term loans and advances and Other non-current assets and excludes current investments and short term borrowings.

Notes :-

1. Parry Nutraceuticals Ltd was merged effective September 1, 2006.
2. The equity shares of ₹ 2 each were subdivided into shares of ₹1 each with effect from December 24, 2010.
3. Haliyal and Sankili units of Parys Sugar Industries Limited were merged with effect from April 1, 2012.
4. Sadashiva Sugars Limited was merged effective April 1, 2013.
5. Parry Phytoremedies Private Limited was merged effective April 1, 2014.

CORPORATE INFORMATION AS ON MARCH 31, 2016

BOARD OF DIRECTORS

A. Vellayan, Chairman
 V. Ravichandran, Vice Chairman
 V. Ramesh, Managing Director
 Anand Narain Bhatia
 V. Manickam
 M.B.N. Rao
 Rca Godbole

COMPANY SECRETARY

G. Jalaja

CORPORATE MANAGEMENT TEAM

V. Ramesh, Managing Director
 M.A.M. Arunachalam, President - Strategy & Business Development
 V. Suri, Sr. Vice President & Chief Financial Officer
 G. Jalaja, Sr. Vice President Management Audit & Company Secretary
 S. K. Sathyavrdhan, Sr. Vice President (HR)
 T. Rajasekar, Sr. Vice President & Head - Manufacturing
 T. M. Shankar, Vice President-Commercial & Corporate Affairs
 L. K. Baburaj, Sr. Associate Vice President & Head - Bio Products
 M. M. Muthiah, Business Head - Nutraceuticals

REGISTERED OFFICE

'Dare House', Parrys Corner, Chennai - 600 001.
 CIN : L24211TN1975PLC006989

AUDITORS

Deloitte Haskins & Sells, Chartered Accountants
 Chennai

BANKERS

State Bank of India

INVESTOR CONTACTS

Registrar and Transfer Agents

Karvy Computershare Private Limited
 Unit : E.I.D.- Parry (India) Limited
 Karvy Selenium Tower B,
 Plot No. 31& 32, Gachibowli, Financial District,
 Nanakramguda, Hyderabad - 500 032.
 Tel. : +91-40-67161500
 Fax : +91-40-23001153
 Toll free: 1800-345-4001
 E-mail : einward.ris@karvy.com

Company

G. Jalaja
 Company Secretary
 Tel. : +91-44 - 25306789
 Fax : +91-44 - 25341609
 E-mail : investorservices@parry.murugappa.com
 Website : www.eidparry.com

BOARD'S REPORT TO THE MEMBERS OF E.I.D.-PARRY (INDIA) LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting the Forty First Annual Report together with the audited financial statements for the year ended 31st March, 2016.

COMPANY PERFORMANCE

The financial summary, results of operations and state of affairs of the Company for the year are summarized below :

₹ in Crore

| Particulars | Standalone | | Consolidated | |
|--|----------------|---------------|-----------------|---------------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Gross Revenue | 2,395.41 | 2,265.04 | 15515.06 | 14,064.19 |
| Profit Before Interest and Depreciation (EBITDA) | 151.53 | 389.18 | 986.32 | 1,119.12 |
| Finance Charges | 143.12 | 151.27 | 435.25 | 419.74 |
| Depreciation | 104.57 | 101.93 | 249.07 | 244.10 |
| Net Profit Before Tax | (96.16) | 135.98 | 302.00 | 455.28 |
| Provision for Tax | (29.71) | (12.27) | 146.55 | 178.93 |
| Net Profit After Tax before minority interest | (66.45) | 148.25 | 156.03 | 276.35 |
| Share of Profit/(Loss) from Associate | - | - | 0.58 | - |
| Minority Interest | - | - | 142.09 | 159.56 |
| Net Profit After Tax after minority interest | (66.45) | 148.25 | 13.94 | 116.79 |
| Balance of profit brought forward | 298.50 | 244.56 | (240.14) | (57.96) |
| Depreciation impact on reserves | - | (3.10) | (5.31) | (10.75) |
| Transfer from Debenture Reserve | 40.00 | - | 40.00 | - |
| Amalgamation adjustments | (1.57) | - | - | - |
| Balance available for appropriation | 270.48 | 389.71 | (191.51) | 48.08 |

Dividend and 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.

Share Capital

The Paid up Equity Share Capital of the Company as on March 31, 2016 was ₹17.58 Crore. During the year under review, there was no change in the share capital and the Company has not granted any stock options.

Consolidated Operations

Consolidated Revenue of your Company for the year was ₹15,515 Crore, 10.32%

higher than ₹14,064 Crore in the previous year. Overall expenses for the year was ₹15,238 Crore as against ₹13,609 Crore in the previous year. Operating Profit (EBITDA) was ₹ 986 Crore as against ₹1,119 Crore in the previous year. Profit after Tax and minority interest for the year at ₹14 Crore, was lower by 88.06% over ₹117 Crore, in the previous year.

Standalone Operations

Standalone Revenue of your Company for the year was ₹2,395 Crore, 5.74% higher than ₹2,265 Crore in the previous year. Operating Profit (EBITDA) was ₹152 Crore, as against ₹ 389 Crore in the previous year. Loss after Tax (excluding exceptional item) for the year was at ₹66 Crore as against profit after tax of ₹148 Crore for the previous year.

During the year, the Company's overall performance was greatly impacted by the low sugar price for the first nine months of the Financial Year. This single factor completely overshadowed the satisfactory performance on a host of technical and operating parameters that the Company achieved during the year. While the cane crushed and sugar produced were marginally lower, the sales volumes were higher as compared to last year. The technical efficiencies of the plants were better than the previous year in majority of the parameters. The lower sugar selling price that prevailed during the first three quarters, only showed an upward trend during the end of the financial year.

During the year the cane crushed by the TN plants was at 23.47 LMT as against 27.97 LMT of last year. The crush rate and crush days was at 13340 TCD and 176 as against

15052 TCD and 186 of last year. The average recovery was at 9.14% as against 9.08% of last year. The units generated from the Cogen units in TN were 3284 Lakh units as against 2610 Lakh units of last year. The Company realised a good price for the power exported mainly due to the exit from the long term PPA and entering into the short term power supply arrangement under the Tender floated by the State Government Electricity Utilities. During the year, the performance of the plants in TN were partly affected by continuous and unprecedented rain in several district of the state resulting in flood causing havoc. The Standing cane crop was also damaged and the operations were disrupted. Another reason for the adverse performance is the stoppage of operations of Pettavatalai and Puducherry units due to unavailability of sufficient quantity of cane, which were diverted to other Plants in TN. During the year, all the Plants in Tamilnadu have performed well in all technical parameters reducing the risk associated with the decline in sugar price to a large extent. The steam to fuel ratio, the Bagasse %, the average crush rate and days were higher than last year. The Company's profit improvement programme, loss reduction programme launched in the face of the all time low sugar price borne fruit with all around commitment by the employees.

The performance of the plants in Karnataka and AP was also comparatively better than the last year. The cane crushed was at 25 LMT as against 21.66 LMT last year. The crush rate and crush days was at 13878 TCD and 180 as against 13172 TCD and 164 last year. The average recovery was at 11.38% as against 12.18% of last year in Karnataka and 9.37% as against 9.55% in Andhra Pradesh. The units generated from the Cogen units were 2696 Lakh units as against 1898 Lakh units of last year. In Bagalkot, the Company kicked off the programme of Total Productivity Management (TPM) after its successful implementation in Nellikuppam and Pudukottai. This is going to positively impact the operations at the unit after a full scale implementation and commitment of the employees to strive towards excellence. The Haliyal Plant continues to be a star performer with a recovery rate of 12%, one of the highest in Karnataka. The Haliyal Plant is 6500 TCD

plant with latest diffuser technology and zero incineration technology for its distillery plant. The Company has earmarked Haliyal as a model unit dedicated exclusively for institutional sales and Retail brands. During the year the Haliyal Plant was also selected for Bonsucro certification, being the next to the Pugalur and Nellikuppam plants in Tamilnadu. The major challenge for the Company in Karnataka is to maintain and enhance its command area in face of stiff competition and no mechanism for ensuring cane area demarcation where new sugar licenses are being considered by the State Government in spite of the unavailability of cane area. The Karnataka Sugar Cane Control Board which had determined sugar cane price for the 2013-14 sugar season for the first time after promulgation of the Karnataka Sugarcane (Regulation of supply and purchase) Act, 2013 and challenged by the Industry is pending before the Hon'ble Supreme Court. The Board thereafter had not determined any price consequent to a massive fall in sugar price and the consequent increase in FRP.

Last year 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. For the sugar year 2015-2016, the Commission for Agricultural Costs and Prices (CACP) has recommended a Fair and Remunerative Price (FRP) @ ₹ 2300/MT for a basic recovery rate of 9.5% with a premium of ₹ 2.42 for every 0.1% increase in the recovery rate. In Tamil Nadu, the State government increased the SAP to ₹ 2850/MT in SY2016 from ₹ 2650/MT in SY2015. The Company after series of negotiations held with the farmers associations and representatives has paid a price of ₹2300/MT plus a transportation cost of ₹140/MT as against ₹ 2240/MT (including transport) of last year. In Karnataka, the Company paid the FRP of @₹ 2300/MT plus the harvesting and transportation charges. The Company is one of the few in the Country to have discharged its obligation towards the farmers at a time when the entire industry was in crisis.

There has been a steady increase in the FRP, without any corresponding increase in the sale price of sugar. For a recovery of 9.5%/MT, the FRP has continued to rise from ₹ 2100/MT in SY 2013-14 to ₹ 2200/MT for SY 2014-15 to ₹ 2300/MT for SY 2015-2016. However, for SY 2016-2017, the Government has continued with the FRP of ₹ 2300/MT. Further in order to enable the industry to meet the high cane cost in the light of the adversity caused by all time low sugar selling price, the Central Government announced a production subsidy of ₹ 45/MT of cane, subject to certain conditions to be satisfied by sugar mills. During the year, the Government of India also announced a number of incentive and benefits for the Industry viz. hike in import duty of sugar, abolition of the Duty Free Import Authorization Scheme, Interest Subvention scheme, remunerative prices for ethanol procurement etc to meet the high cane cost which improved the sentiments of the Industry. In Tamilnadu, the Company could not fully reap the benefit of ethanol procurement programme due to the non- allotment of molasses for ethanol production by the State Government.

The ability of the sugar industry to secure a linkage between cane price and sugar realizations is critical for the long-term viability of the Industry. The CACP has also recommended 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. Unless such linkage is established as advocated by the Dr. Rangarajan committee and as implemented by the states of Karnataka/ Maharashtra with the Central Government support for any difference between any such price and the FRP is holistically adopted, the high cane procurement cost will continue to remain the single most cause of concern for the Industry.

During the year the sugar prices touched a record low of around ₹ 19,500/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 were on a rising trend with prices increased marginally in August 2015 with the government's proposal of exporting surplus sugar. 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. Reports suggest that due to scanty rainfall and lower water availability in reservoirs in Maharashtra and North Karnataka, the sugarcane availability and consequently the sugar production will be lower which is also expected to have a positive impact on sugar selling price.

During the year, Bio Pesticides division of the company maintained its performance with its revenue grown by 12% primarily from growth in Aza products. The Nutraceuticals Division's revenue has marginally reduced by 4% due to intense competition faced by the business in Spirulina segment. The Nutraceuticals Division launched Organic Chlorella, a dietary supplement which helps in Detoxification, Tissue regeneration and Healthy ageing. The company is probably the only company in the world with the capability to produce all the three algae based dietary supplements viz., Spirulina, Chlorella and Astaxanthin. During the year, The Company also entered into E-Retail segment through launch of Spirulina. In the case of Bio Pesticides, Parry's Azadirachtin, with the highest purity and best stability, continued to command a premium and maintain its leadership position both in the agriculture and Indoor garden segments. The business has launched new products sourced from USA, Agriplus and Fulcrum, in the domestic market which has gained momentum in all the regions due to its efficacy. The business has identified highly critical pest segments and the potential gaps in managing them through agro chemicals and commenced its effort to embark upon collaborative projects with Contract Research Organisations to develop patentable microbial strains to address these gaps.

The Company's overall strategy and direction is to make a differentiation in all aspects whether in products or in processes to sustain a competitive advantage which can only weigh down the continuous risk of cyclicity in sugar prices and rising cane costs. The Company has been continuously working towards optimising its sales mix with increased sales to institutional and retail segments and has achieved a number of milestones to ensure a longer and sustainable relationship with its customers. The ISO 22000, food safety certificate and Bonsucro Certification are efforts in this direction. The Company has been selected as preferred supplier by several MNC's and Indian Companies due to the consistency in quality and adoption of best practices. The Company's foray into retail marketing, which though fraught with several challenges, poised to grow and enhance significantly with a range of products. The Company believes that its sheer commitment to quality and the power of its strong and trustworthy brand "Parry", which has been recognised and valued by cross segments of the markets and customers over the years will bear fruit. During the year the Company launched the retail brand "Parry Amrit" which has been well accepted by the customers. During the year, the Company launched several execution excellence projects to drive intensity and passion in the commitment to complete tasks geared towards achievement of the organisational objectives.

PERFORMANCE OF BUSINESS SEGMENTS

Sugar

During the year, the sugar cane crushed in Tamilnadu dropped from 27.97 LMT last year to 23.46 LMT in 2015-16. The overall recovery in Tamilnadu improved to 9.14% from 9.08% last year. Crushing in Andhra Pradesh was lower at 6.00 LMT as compared to 6.38 LMT in the previous year.

The Sugar factories at Haliyal and Bagalkot crushed 19.01 LMT which is 24.4% higher than 15.27 LMT last year. This was achieved by capacity addition, plant modernization coupled with higher operating days in 15-16. But the cane plantation in 15-16 was affected due to drought and power crisis, which

would impact the next year cane crushing volume.

The sugar division crushed 48.51 LMT in 2015-16 (49.62 LMT last year). Overall recovery of all the units was 10.05%, down from 10.10% last year.

Power

Cogeneration plants at Nellikuppam, Pugalur and Pudukottai continued to export power under Short Term Open Access (STOA) during the year. However TANGEDCO hardly drew any power from these plants during the 3rd quarter of the year, forcing the plants to operate at sub-optimal level. The situation improved from mid of February 16 after the company revised its offer for supply of power at a lower price.

During the year, the company obtained Environmental clearance for expansion of its Cogen plant at Pudukottai from 15.5 MW to 19.5 MW.

Distillery

The company produced 657.42 Lakh Litres of alcohol during the year 15-16 as against 643.12 Lakh litres in 14-15, an increase of 2% over the previous year.

Due to reduced availability of cane, the company continued to source molasses (a by-product of Sugarcane) by participating in tenders floated by from Tamilnadu Sugar Cooperative Federation.

During the year 15-16, the company has sold 130 Lakh Litres of Ethanol, which is higher by 45 Lakh litres as compared to FY 14-15.

During the year, the company secured Environmental clearance from the Ministry of Environment & Forests to operate its Nellikuppam Plant for 365 days (from 225 days).

The company is in the process of expanding its Extra Neutral Alcohol production facility to 75KLPD from 30 KLPD.

There is no significant change in the delivery price of ethanol, during the year.

During the year the sugar division registered a turnover of ₹ 2171 Crore as against ₹ 1948 Crore in the previous year.

The increase in Sugar division's sales was mainly driven by higher sugar volumes, better realisation of sugar price during the second half of the financial year and increased power and distillery realisation.

Bio-Pesticides

The Bio-Pesticides Division registered a turnover of ₹ 104 Crore in 2015-16 as compared to ₹ 94 Crore in the previous year, accounting for 4% of the Company's revenue. The sale of Aza Products registered a growth of 14% over 2014-15. Export sale of Neemazal Technical registered a growth of 15% over 2014-15. USA accounted for 63% of Export sales, while Europe and Asia accounted for 33% and 4% respectively. Domestic sales registered a growth of 15% over 2014-15 enabled by growth of Aza & Non Aza products by 12% & 18% respectively. PBIT for the year was higher at ₹ 2,673 Lakh against ₹ 2,652 Lakh in 2014-15.

Nutraceuticals

The Nutraceuticals Division's standalone turnover was at ₹ 72 Crore in 2015-2016 as compared to ₹ 74 Crore of previous year representing 3% of the Company's turnover. About 86% of this represents exports. Turnover declined by 4% over previous year. Premium organic Spirulina sales dropped by 22% mainly due to decrease in demand from the Asia pacific market on account of intense price competition from competitors.

EID Parry's Nutraceutical Business includes 2 wholly owned subsidiaries – US Nutraceuticals LLC., (Valensa) and Alimtec SA. Valensa is based in Florida, USA and is into the business of Natural Products which it markets as Ingredients and Condition Specific Formulations for Joint, Cardio and Eye Health. Valensa registered sales of ₹ 169 Crore which represents a degrowth of 1.13 % over the previous year Alimtec SA, based in Chile, has an expertise in the manufacture of

Astaxanthin, a core ingredient in Valensa's formulations. Alimtec registered sales of ₹ 4 Crore as compared to ₹ 6 Crore in the previous year.

On a consolidated basis the Nutraceutical Business registered sales of ₹ 235 Crore as compared to ₹ 230 Crore in the previous year

A detailed analysis on the business segments is included in the "Management Discussion and Analysis" Report, which forms part of this Report.

SUBSIDIARY COMPANIES

There has been no change in the nature of business of the subsidiaries during the year under review. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its Subsidiary Companies, which is forming part of the Annual Report. A statement containing the salient features of the financial statements of the Subsidiary Companies is given in **Annexure-A** to this Report.

The name of Silkroad Sugar Private Limited, a wholly owned subsidiary company, was changed to Parry Sugars Refinery India Private Limited with effect from July 15, 2015. During the year, US Nutraceuticals LLC., a subsidiary of the Company sold 2% stake in its subsidiary Labelle Botanics LLC., (Labelle). Consequent to the sale, Labelle has become an associate of the Company.

In accordance with the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company containing standalone and consolidated financial statements has been placed on the website of the Company, www.eidparry.com. Further, the audited accounts of the Subsidiary Companies and the related detailed information have also been placed on the website of the Company www.eidparry.com. The annual accounts of the Subsidiary Companies will also be available for inspection by any shareholder/debenture trustees at the Registered office of the Company and of the Subsidiary Companies

concerned during working hours upto the date of the Annual General Meeting. A copy of annual accounts of subsidiaries will be made available to shareholders seeking such information at any point of time.

Amalgamation of Subsidiaries

The Hon'ble High Court of Bombay, vide its Order dated April 30, 2015 sanctioned the Scheme of Amalgamation of Parry Phyto Remedies Private Limited with E.I.D.- Parry (India) Limited with appointed date of April 01, 2014. Upon filing of the said Order by both the transferor and transferee companies with Registrar of Companies, Pune on June 12, 2015 and Registrar of Companies, Chennai on June 16, 2015, the Amalgamation became effective from June 16, 2015.

The Board of Directors have approved a Scheme of Amalgamation for amalgamating Parrys Sugar Industries Limited, a subsidiary of the Company with the Company effective April 1, 2016 subject to the approval of the shareholders and various statutory and regulatory authorities.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the financial year ended March 31, 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 judgments 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

Mrs. Shyamala Gopinath stepped down from the board of the company with effect from August 05, 2015. The board places on record its deep appreciation for the contributions made by Mrs. Shyamala Gopinath as a member of the Board and its sub-committees during her tenure in office.

Dr. (Ms) Rca Godbole was appointed as an additional director of the Company with effect from November 01, 2015 and holds office upto the ensuing annual general meeting of the company.

Your Company has received required notices under the provisions of section 160 of the Companies Act, 2013 ("the Act") proposing the candidature of Dr. (Ms) Rca Godbole as a director along with the requisite deposit. Your board recommends the appointment of Dr. (Ms) Rca Godbole as an independent director for a term as proposed in the notice of the ensuing annual general meeting.

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr.A.Vellayan, Chairman retires by rotation at the forthcoming Annual General Meeting

and being eligible offers himself for reappointment. As required under Regulation 36(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume, expertise, relationships with directors inter-se, details of other directorships and the membership of Committees of the Board and shareholding of Mr.A. Vellayan are annexed to the Notice convening the 41st Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act 2013 and also comply with Regulations 16 & 25 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. V. Ramesh, Managing Director, Mr. V.Suri, Chief Financial Officer and Ms. G.Jalaja, Company Secretary are the Key Managerial Personnel of the Company as per section 203 of the Companies Act, 2013.

Number of Meetings of the Board

Six Meetings of the Board of Directors were held during the year, 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 Regulations 4 and 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out evaluation of its own performance, the performance of Committees of the Board and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been given in the Corporate Governance Report.

Policy on Directors' Appointment and Remuneration and Other Details

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment

of Directors, Senior Management and their remuneration and also framed the criteria for determining qualifications, positive attributes and independence of directors. The Remuneration Policy and criteria for Board nominations are given in Annexure - **B1 & B2** to this Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Deloitte, Haskins & Sells, Chartered Accountants, (FR No.008072S) Chennai were appointed as Statutory Auditors of the Company by the shareholders at the 39th Annual General Meeting held on July 30, 2014 to hold office upto the conclusion of the 42nd Annual General Meeting, subject to the ratification of the appointment by members every year. M/s. Deloitte Haskins & Sells, being eligible have expressed their willingness to continue as the auditors of the Company and accordingly, the ratification of their appointment is recommended to the shareholders.

Cost Auditors

As per the requirement of the Central Government and pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company's cost records are subject to Cost Audit.

The Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. Geeyes & Co, Cost Accountants, Chennai as the Cost Auditors to audit the cost accounting records maintained by the Company for the financial year 2016-17 on a remuneration of ₹10,10,000/- plus service tax as applicable and reimbursement of out of pocket expenses. A resolution seeking members' ratification for the remuneration payable to the Cost Auditor forms part of the notice convening the Annual General Meeting.

The cost audit report for the financial year 2014-15 was filed with the Ministry of Corporate Affairs on September 30, 2015.

Secretarial Auditors

The Board appointed M/s. R Sridharan & Associates, Practicing Company Secretaries, Chennai as the Secretarial Auditors to undertake the Secretarial Audit of the Company for the year 2015-16. The Report of the Secretarial Auditors is provided in **Annexure-C** to this Report.

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

INTERNAL FINANCIAL CONTROL

The Company has adequate Internal Controls with proper checks and balances 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 Company's Internal Audit division reviews the controls across the key processes and submits reports periodically to the Management and significant observations are also presented to the Audit Committee for review. There is also a follow up mechanism to monitor implementation of the various recommendations.

RISKS, CONCERNS AND THREATS

The Company has a Risk Management Committee. Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), stipulating the constitution of Risk Management Committee is not mandatory for the Company.

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 robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The Company has formulated a Risk Management Policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is known for its tradition of philanthropy and community service. As part of its initiative under "Corporate Social Responsibility" drive, the Company has undertaken activities in the field of Education and Healthcare besides other CSR activities for the benefit of community in and around its local areas of operations. The Company is committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like healthcare, drinking water & sanitation and the like to underprivileged;
- Work towards eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar programmes;
- Promotion of sports through training of sports persons;
- Undertake rural development projects

The Company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Committee has formulated and

recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at www.eidparry.com.

As per the provisions of the Companies Act, 2013, the Company was not required to spend any amount towards CSR activities for the year 2015-16. However, as the company has been actively involved in various CSR activities in the past, an amount of ₹ 82.81 Lakh was spent during the year. The Annual Report on CSR activities is given in **Annexure-D** to this Report.

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

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for their approval on a quarterly basis. The policy on Related Party Transactions as approved by the Board is available at the web link: http://www.eidparry.com/ContentFiles/Downloads/Policy/RPT_Policy.pdf

Disclosure under Schedule V of Listing Regulations, 2015

There were no loans and advances in the nature of loans to associate companies as well as to firms/ companies in which Directors are interested during the financial year 2015/16.

EMPLOYEE STOCK OPTION SCHEME

The Company has not granted any Employee Stock Options during the year 2015-16. The details of the Options granted upto March 31, 2016 and other disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the Company's website at http://www.eidparry.com/ContentFiles/Downloads/Policy/RPT_Policy.pdf

The Company has received a certificate from the Statutory Auditors of the Company that the Scheme had been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the resolutions passed by the Members in this regard.

CORPORATE GOVERNANCE

The report on corporate governance along with a certificate from the Auditors as required under the Listing Regulations, is annexed to this Report. The report also contains the details required to be provided on the board evaluation, remuneration policy, implementation of a risk management policy, whistleblower 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 Regulation 17(8) read with Schedule II of Part B of the Listing Regulations.

In terms of the provisions of Regulation 34(2) of the Listing Regulations, the Management Discussion and Analysis forms part of this Report.

AWARDS & RECOGNITIONS

Following are the Awards won by EID's factories from SISSTA (The South Indian Sugarcane & Sugar Technologists Association) for the year 2015-16.

| Plant | Category | Remarks |
|-------------|--|--------------------------------|
| Nellikuppam | Best Sugarcane development | Silver award |
| Sivaganga | Best paper on By-product-K Ash | Silver award |
| Sankili | Best Cogen plant Best distillery plant | Golden Award Silver Award |
| Haliyal | Best Sugarcane development Best Cogen plant | Platinum Award Silver Award |

- In the case of Nellikuppam this is the second consecutive year our plant won this award and the fourth award in the last five sugar years.
- Our Pudukottai unit participated in 25th Kaizen Competition & Conference held by CII-TPM Club held at Bangalore and won Best Kaizen Award for JH activity done in C Masseurite Centrifugal machine. The unit won this award within few months of horizontal deployment of TPM.
- The business bagged "Asia Pacific Congress Award-2015" for developing Sustainable Strategies at Parry (under the title – Role of HR in driving Business Practices leading to Sustainable Sugar production referring to Bonsucro certification at Pugalur unit).
- Our Pugalur unit was awarded 2nd Prize for adopting Best Safety Practices by CII. The award was given in the SAFECON Conference 2015 held by CII on 22nd August 15.
- In the 16th National Award for Excellence in Energy Management 2015 conducted at Hyderabad, CII certified our Pudukottai unit as "Excellent Energy Efficient Unit".
- Our Nellikuppam unit received award from M/s Abbott Health Care Nutrition division for product quality, commitment & good service. M/s Abbott recognized

EID Parry India Ltd as one of their Customer Centric Partners for the year 2015.

- Nellikuppam unit was certified by Bonsucro for production of sugarcane, sugar, molasses & bagasse in compliance with Bonsucro production standards. Nellikuppam is the 2nd factory to get this certification after Pugalur.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred an amount of ₹ 3,32,952/- being the unclaimed dividend for the year 2007-08 and an amount of ₹ 24,63,012/- being the unclaimed dividend for the year 2008-09 to the Investor Education and Protection Fund established by the Central Government.

DISCLOSURES

Audit Committee

The Audit Committee comprises of Independent Directors namely Mr. M B N Rao as the Chairman and Mr. Anand Narain Bhatia, Mr. V Manickam and Dr. (Ms) Rca Godbole as Members.

CSR Committee

The CSR Committee comprises of Mr. V. Manickam, Independent Director as the Chairman and Mr. V. Ravichandran, Non-Executive Non Independent Director and Mr. V. Ramesh, Managing Director as members.

Vigil Mechanism & Whistle Blower Policy

The Company has a Vigil Mechanism for directors and employees to report genuine concerns and grievances and provides necessary safeguards against victimisation of employees and directors.

The Audit Committee reviews on a quarterly basis the functioning of the Whistle Blower and vigil mechanism. The Vigil Mechanism and Whistle Blower Policy have been posted on the Company's website at www.eidparry.com and the details of the same are given in the Corporate Governance Report.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars relating to conservation of energy, technology absorption, research and development, foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in **Annexure - E** to this Report.

Loans, Guarantees and Investments

During the financial year, the Company had given loans, guarantees and made investments within the limits as prescribed under Sections 185 and 186 of the Companies Act, 2013 details of which are given in **Annexure- F** to this Report.

Credit Rating

During the year, rating agency CRISIL has downgraded its credit rating to the Company's Long term Bank facilities and Debt Programmes to 'CRISIL A+ / Stable' from 'CRISIL AA-/ stable' and reaffirmed "CRISIL A1+" rating for its short term borrowing.

Particulars of Employees and Related Disclosures

The information required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2016 are given in **Annexure - G** to this Report.

Extract of Annual Return

The extract of the Annual Return of the Company in Form MGT-9 is given in **Annexure - H** to this Report.

GENERAL

Your Directors state that no disclosure or reporting 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 save and except ESOS referred to in this Report.

The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.

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

ACKNOWLEDGEMENT

The Board places on record, its appreciation for the cooperation and support received from investors, customers, suppliers, employees, government authorities, banks and other business associates.

On behalf of the Board

Chennai
May 10, 2016

A. Vellayan
Chairman

ANNEXURE - A TO THE BOARD'S REPORT
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES
PURSUANT TO SECTION 129(3) READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014.

PART - A : Subsidiaries

Rupees in lakh except Exchange Rate

| Sl. No. | Name of subsidiary company | Reporting Currency | Reporting period | Exchange Rate | Share Capital | Reserves & Surplus | Total Liabilities* | Total Assets # | Total Income (incl. other income) | Profit/ (Loss) Before Tax | Provision for Tax | Profit/ (Loss) after Tax | Proposed Dividend (incl. Dividend Tax) | Investments (included in Total Assets) | Percentage of shareholding |
|---------|---|--------------------|------------------|---------------|---------------|--------------------|--------------------|----------------|-----------------------------------|---------------------------|-------------------|--------------------------|--|--|----------------------------|
| 1 | Coromandel International Limited | INR | 31-Mar-16 | - | 2,913 | 235,154 | 646,185 | 884,252 | 1,156,437 | 53,513 | 17,374 | 36,139 | 14,025 | 38,311 | 60.81 |
| 2 | Parry Chemicals Limited | INR | 31-Mar-16 | - | 1,000 | 559 | 7 | 1,566 | 121 | 74 | 26 | 48 | - | - | 60.81 |
| 3 | CFL Mauritius Ltd | USD | 31-Dec-15 | 66.16 | 10,281 | 12,744 | 11 | 23,036 | - | (23) | - | (23) | - | 22,747 | 60.81 |
| 4 | Coromandel Brasila Ltda | BRL | 31-Dec-15 | 16.72 | 471 | (571) | 114 | 14 | 108 | (29) | 8 | (37) | - | - | 60.81 |
| 5 | Sabero Europe BV | EURO | 31-Mar-16 | 75.42 | 19 | (21) | 2 | * | - | * | - | * | - | - | 60.81 |
| 6 | Sabero Australia Pty.Ltd | AUD | 31-Mar-16 | 50.77 | 30 | (51) | 22 | 1 | - | (17) | - | (17) | - | 1 | 60.81 |
| 7 | Sabero Organics America SA | BRL | 31-Dec-15 | 16.72 | 888 | (572) | 102 | 418 | 226 | 6 | - | 6 | - | - | 60.77 |
| 8 | Sabero Argentina SA | ARS | 31-Dec-15 | 5.12 | 18 | (17) | * | 1 | 18 | 1 | - | 1 | - | - | 57.77 |
| 9 | Parry Infrastructure Co. Pvt Ltd | INR | 31-Mar-16 | - | 500 | 930 | 1,598 | 3,028 | 270 | 35 | 11 | 24 | - | 1,239 | 100.00 |
| 10 | Parrys Investments Limited | INR | 31-Mar-16 | - | 90 | 45 | - | 135 | 3 | 2 | - | 2 | - | 14 | 100.00 |
| 11 | Parry America Inc | USD | 31-Dec-15 | 66.35 | 52 | 1,379 | 2,425 | 3,856 | 5,214 | 357 | 174 | 183 | - | - | 100.00 |
| 12 | Parrys Sugar Limited | INR | 31-Mar-16 | - | 150 | 113 | 1 | 264 | 14 | 14 | - | 14 | - | 260 | 100.00 |
| 13 | US Nutraceuticals LLC | USD | 31-Dec-15 | 66.35 | 6,399 | 843 | 4,941 | 12,183 | 17,549 | 1,107 | - | 1,107 | - | 843 | 93.52 |
| 14 | Parry Agrochem Exports Ltd | INR | 31-Mar-16 | - | 5 | 21 | - | 26 | 1 | 1 | - | 1 | - | 26 | 100.00 |
| 15 | Parrys Sugar Industries Ltd | INR | 31-Mar-16 | - | 11,552 | (10,008) | 29,814 | 31,358 | 29,234 | (2,599) | - | (2,599) | - | 1,407 | 65.00 |
| 16 | Parry Sugars Refinery India Pvt Ltd | INR | 31-Mar-16 | - | 30,728 | (29,751) | 168,571 | 169,548 | 116,861 | (7,745) | - | (7,745) | - | 3,303 | 100.00 |
| 17 | Alimtec S A | CHP | 31-Mar-16 | 0.10 | 5,726 | (3,129) | 433 | 3,030 | 426 | (243) | - | (243) | - | - | 100.00 |
| 18 | Coromandel Agronegocios De Mexico S A De C.V. | MXN | 31-Dec-15 | 3.86 | 2 | (86) | 199 | 115 | 1,033 | 144 | - | 144 | - | - | 60.81 |
| 19 | Liberty Pesticides and Fertilisers Ltd | INR | 31-Mar-16 | - | 75 | 155 | 5 | 235 | 18 | 18 | 7 | 11 | - | - | 60.81 |
| 20 | Dare Investments Ltd | INR | 31-Mar-16 | - | 500 | (5) | 12 | 507 | - | (1) | - | (1) | - | 500 | 60.81 |

* (Non-current liabilities + Current liabilities)

(Non-current assets + Current Assets)

PART B : Joint Ventures and Associates

| Name of the Entity | Coromandel SQM (India) Pvt. Ltd. | Yanmar Coromandel Agrisolutions Pvt. Ltd. | Coromandel Getax Phosphates Pte. Ltd. | Sabero Organics Philippines Asia Inc. | Labelle Botanics LLC |
|---|----------------------------------|---|---------------------------------------|---------------------------------------|----------------------|
| Relationship | Joint Venture | Joint Venture | Joint Venture | Associate | Associate |
| Latest audited balance sheet | March 31, 2016 | March 31, 2016 | March 31, 2016 | March 31, 2016 | March 31, 2015 |
| Number of shares held | 5,000,000 | 9,004,000 | 500,000 | 318 | NA |
| Amount of Investment (₹ In lakh) | 500 | 900 | 219 | * | 843 |
| % of shareholding | 30.41 | 24.32 | 30.41 | 24.17 | 45.82 |
| Networth attributable to the Company (₹ in Lakh) | 795 | 572 | 115 | * | 446 |
| Profit/(loss) considered in consolidation (₹ in Lakh) | 75 | (260) | (33) | * | 58 |

*less than a Lakh

Notes :

1. All the Joint Ventures / Associates have been considered for consolidation.
2. There are no Joint Ventures / Associates which have been liquidated or sold during the year.
3. Sabero Organics Philippines Asia Inc. did not have any significant operations during the year 2015-16. There is significant influence due to percentage of voting share capital.

For and on behalf of the Board of Directors

V. Ramesh
Managing Director

A Vellayan
Chairman

G Jalaja
Company Secretary

V Suri
Chief Financial Officer

Chennai
May 10, 2016

ANNEXURE - B1 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 and Commission.

2.2 As approved by the shareholders, Commission is paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Section 198 of the Companies Act, 2013. The Commission paid is restricted to a fixed sum within the above limit annually on the basis of their tenor in office during the financial year.

2.3 The payment of the Commission to the NEDs is placed before the Board every year for its consideration and approval.

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.

2.4 Keeping with evolving trends in industries and considering the time and efforts spent by specific non-executive directors, the practice of paying differential commission is considered by the Board.

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 fee 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:

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

4.2 In addition, select senior executives are eligible for long-term incentive plan in the form of ESOPs, as per the scheme in force from time to time. Grants under the Scheme are approved by the N & R Committee.

4.3 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.

4.4 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.

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

Health-Related:

- 4.5.1 Health (hospitalization) insurance
- 4.5.2 Accident and Life insurance

Retirement-Related :

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

4.6 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.

4.7 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.

4.8 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.

4.9 Employees may be eligible for ESOPs as per the ESOP programme approved by the Shareholders and in force from time to time. The objective of the ESOP scheme will be to reward employees for their contribution to the long term growth and profitability of the Company by providing a platform to share the value they create for the Company.

4.10 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 - B2 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 E.I.D.-Parry (India) Limited 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 judgment

- Demonstrates intelligence, maturity, wisdom and independent judgment.
- 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 relative 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 - C TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
E.I.D.- Parry (India) Limited,
'Dare House', Parrys Corner, Chennai 600 001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **E.I.D.-PARRY (INDIA) LIMITED** (Corporate Identification Number L24211TN1975PLC006989) (**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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 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 for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 (to the extent applicable);

(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) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA and hence, the requirement of complying with the provisions of the Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder does not arise.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) During the year under review, the Company has not issued any new securities mandating compliance of the provisions of 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 and the Employee Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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 Company has not delisted its Securities from any of the Stock Exchanges in which it is listed during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise; and

h) The Company has not bought back any Securities during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;

(vi) Other Applicable Laws:-

- Factories Act, 1948;
- Acts and Rules relating to Sugar industries including The Sugar Cess Act, 1982, The Sugar Development Fund Act, 1982, The Sugar (Packing & Marking) Order, 1970, The Sugar Cane (Control) Order, 1999;
- Insecticides Act, 1968;
- Labour Laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of

sexual harassment, dispute resolution welfare, provident fund, insurance, compensation etc;

- Industries (Development & Regulation) Act, 1991;
- Acts relating to consumer protection including The Competition Act, 2002;
- Acts and Rules prescribed under prevention and control of pollution;
- Acts and Rules relating to Environmental protection and energy conservation;
- Acts and Rules relating to Electricity, motor vehicles, explosives, Boilers etc.;
- Acts relating to protection of IPR;
- The Information Technology Act, 2000;
- The Legal Metrology Act, 2011;
- The Food Safety & Standards Act, 2006;
- Land revenue laws and
- Other local laws as applicable to various plants and offices.

With respect to Fiscal laws such as Income Tax, Central Excise Act, VAT Act, Central Sales Tax and Service Tax based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses / regulations of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India, applicable with effect from 1st July, 2015.

(ii) The Listing Agreements entered into by the Company with BSE Limited, and the National Stock Exchange of India Limited

and the Uniform Listing Agreement entered with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (applicable with effect from 1st December, 2015).

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

We further report that :

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

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Meetings that are convened at shorter notice and agenda/ notes on agenda which are circulated less than the specified period, the necessary compliance under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with. There are certain businesses that can be transacted through Video Conferencing / Audio Visual means as provided for under the Companies Act, 2013 and the relevant Rules made there under. The Company has properly convened & recorded in compliance with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 businesses that have been transacted through Video Conferencing / Audio Visual means.

Based on the verification of the records and minutes, the decisions of the Board/ Committee Meetings were taken with the consent of the Board of Directors / Committee

Members and no Director/ Member had dissented on any of the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the members who voted against the resolution(s) have been recorded.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion the management has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with all applicable laws including labour laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has -

- a) Obtained order dated 30th April, 2015 from the Hon'ble High Court of Judicature, Bombay, for approving the scheme of amalgamation of M/s Parry Phytoremedies Private Limited with the Company.
- b) Obtained the approval of the Board of Directors at their meeting held on 29th May, 2015 to invest in the equity capital of Silkroad Sugar Private Limited for an amount aggregating to ₹ 50 Crore.
- c) Obtained the approval of the Board of Directors at their meeting held on March 28, 2016 for making investments in its Subsidiary Companies as mentioned below:
 1. ₹ 35 Crore in 8% Redeemable Cumulative Preference Shares of Parrys Sugar Industries Limited at par
 2. ₹ 65 Lakh of Equity Shares of Parrys Investments Limited, a wholly owned subsidiary at par
 3. Upto ₹35 Crore in 8% Redeemable Cumulative Preference Shares of Parry Sugars Refinery India Private Limited, a wholly owned subsidiary at par in one or more tranches.

For R.Sridharan & Associates
Company Secretaries

Place : Chennai
Date : May 10, 2016

CS R.Sridharan
CP No. 3239
FCS No. 4775

ANNEXURE - D TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

E.I.D.- Parry (India) Limited (EID Parry) believe that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. EID Parry has been carrying out CSR activities for a longtime through AMM Foundation while also extending CSR activities to the local communities in and around its factories located in the States of Tamil Nadu, Andhra Pradesh and Karnataka.

EID Parry had identified the following broad programme areas with focus on quality service delivery and empowerment:

Providing basic health care facilities to economically backward societies across geographical areas, Improving access to education, Provision of Skill Development/ Vocational Training, Rural Development, Environmental sustainability, Promoting Sports, arts & culture and Sustainable livelihood.

EID Parry's CSR Policy has been hosted on its website at www.eidparry.com.

2. The Composition of the CSR Committee.

Mr. V. Manickam, Independent Director is the Chairman and Mr. V. Ravichandran, Non-Executive, Non Independent Director and Mr. V. Ramesh, Managing Director are its members.

3. Average net profit of the company for last three financial years (excluding dividend received from subsidiary Company):
₹ (2,379.67) Lakh

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
Nil

5. Details of CSR spent during the financial year:

Total amount spent for the financial year:
₹ 82.81 Lakh

Amount unspent, if any: Not Applicable

Manner in which the amount spent during the financial year is detailed below.

₹ in Lakh

| Sl. No. | CSR project or Activity identified | Sector in which the Project is covered | Projects or programmes | Amount outlay (budget) project or programmes wise | Amount spent on the projects or Programmes Sub-heads: | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|---------|---|--|---|---|---|--|---|
| | | | 1. Local area or other 2. Specify the State and district where projects or programmes was undertaken | | 1. Direct Expenditure on projects or programmes 2. Overheads | | |
| 1 | Promotion of Education - Renovation of school building & Promotion of education | Education | Tamilnadu- Nellikuppam, Cuddalore Dist. | 1.25 | - | - | Direct |
| 2. | Support to orphanage | Sustainable Livelihood | Tamilnadu- Nellikuppam, Cuddalore Dist. | 0.50 | 0.08 | 0.08 | Direct |
| 3. | Medical camp at neighbouring villages | Healthcare | Tamilnadu- Nellikuppam, Cuddalore Dist | 0.50 | - | - | Direct |
| 4. | Support to local municipality programmes | Rural Development | Tamilnadu- Nellikuppam, Cuddalore Dist. | 1.50 | 1.67 | 1.67 | Direct |
| 5 | Medical Camp for local public | Health care | Tamilnadu - Pugalur, Karur Dist. | 0.50 | - | - | Direct |

₹ in Lakh

| Sl. No. | CSR project or Activity identified. | Sector in which the Project is covered (Class No. of Schedule VII to the Companies Act, 2013, as amended) | Projects or programmes | Amount outlay (budget) project or programmes wise | Amount spent on the projects or Programmes Sub-heads: | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|---------|--|---|---|---|---|--|---|
| | | | 1. Local area or other 2. Specify the State and district where projects or programmes was undertaken | | 1. Direct Expenditure on projects or programmes 2. Overheads | | |
| 6 | Supply of Infrastructure facility for local administration | Rural Development | Tamilnadu - Pugalur, Karur Dist. | 1.00 | - | - | Direct |
| 7 | Supply of Infrastructure facility for local administration | Rural Development | Tamilnadu - Pettavaithalai, Trichy Dist. | 3.00 | 0.20 | 0.20 | Direct |
| 8 | Supply of Infrastructure facility for local administration | Rural Development | Tamilnadu - Pudukottai, Trichy Dist. | 1.90 | - | - | Direct |
| 9 | Medical camp for local villages | Health Care | Tamilnadu - Pudukottai, Trichy Dist. | 1.00 | - | - | Direct |
| 10 | Infrastructure to Government school | Education | Puducherry | 0.75 | - | - | Direct |
| 11 | Infrastructure to Government school | Education | Thyagavalli, Cuddalore Dist. | 3.00 | - | - | Direct |
| 12 | Supply of Infrastructure facility to local school | Education | Tamilnadu - Sivaganga Dist. | 0.55 | 0.55 | 0.55 | Direct |
| 13 | Supply of Infrastructure facility to local villages | Rural Development | Tamilnadu - Sivaganga Dist. | 0.50 | - | - | Direct |
| 14 | Support to local municipality Programmes | Rural Development | Tamilnadu - Sivaganga Dist. | 0.50 | 0.50 | 0.50 | Direct |
| 15 | Infrastructure support for local primary Health Centre | Health care | Tamilnadu - Sivaganga Dist. | 0.50 | - | - | Direct |
| 16 | Medical camp to local villages | Health care | Tamilnadu - Sivaganga Dist. | 0.50 | - | - | Direct |
| 17 | Promotion of Education / support to local Balawadi school | Education | Karnataka - Haliyal, Uttar Kannada Dist | 2.75 | 2.62 | 2.62 | Direct |
| 18 | Supply of safe drinking water to villages | Rural Development | Karnataka – Ramdurg Dist | 0.80 | - | - | Direct |

| Sl. No. | CSR project or Activity identified. | Sector in which the Project is covered (Class No. of Schedule VII to the Companies Act, 2013, as amended) | Projects or programmes | Amount outlay (budget) project or programmes wise | Amount spent on the projects or Programmes Sub-heads: | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|--------------|---|---|---|---|---|--|---|
| | | | 1. Local area or other 2. Specify the State and district where projects or programmes was undertaken | | 1. Direct Expenditure on projects or programmes 2. Overheads | | |
| 19 | Infrastructure support to local Primary Health Centre | Health care | Karnataka – Ramdurg Dist | 1.00 | - | - | Direct |
| 20 | Medical camp | Health care | Karnataka - Bagalokot Dist. | 1.00 | - | - | Direct |
| 21 | Mobile Health Van Facility | Health care | Andhra Pradesh - Sankili, Srikakulam Dist | 20.00 | 19.50 | 19.50 | Implementing Agency - HelpAge India |
| 22 | Promotion of Education | Education | Andhra Pradesh - Sankili, Srikakulam Dist | 8.00 | 9.07 | 9.07 | Direct |
| 23 | Supply of safe drinking water to villages | Rural Development | Andhra Pradesh - Sankili, Srikakulam Dist | 4.00 | - | - | Direct |
| 24 | Disaster Relief - Flood Relief | Rural Development | Karnataka - Haliyal, Uttar Kannada Dist | - | 26.62 | 26.62 | Direct |
| 25 | Mobile Health Van Facility | Health care | Karnataka - Haliyal, Uttar Kannada Dist | 100.00 | 22.00 | 22.00 | Implementing Agency - AMM Foundation |
| Total | | | | 155.00 | 82.81 | 82.81 | |

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report - Not applicable.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Chennai
May 10, 2016

V. Ramesh
Managing Director

V. Manickam
Chairman, CSR Committee

ANNEXURE - E TO THE BOARD'S REPORT

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

- Thermal energy:

Ensuring high levels of uniform crushing, improving the mill and boiler efficiencies, optimizing the water addition to Process, decreasing the moisture in bagasse were practiced uniformly across units. At Nellikuppam, a scheme to improve the better utilization of heat transfer area of the evaporators was implemented to reduce the steam % cane. Increasing the spent wash brix from 56 to 60 in Sivaganga distillery was done to increase throughout while saving on coal.

- Electrical energy:

Providing VFD for motors at appropriate places, optimizing on pumping requirements to ensure full utilization of the equipments are some of the actions done to save electrical energy

(ii) Steps taken for utilization of alternative sources of energy

- Press mud was used as a fuel in boilers to reduce bagasse and coal consumption

- At Pudukottai, heating of the turbine condensate to improve the Rankine efficiency was implemented to improve the steam fuel ratio.
- Focus was on improving the Bagasse dryer throughout from 28 tph to 45 tph at Haliyal plant.

(iii) Capital Investment on Energy

Conservation Equipments

- A new biodigester has been erected and commissioned at Nellikuppam during December 2015 which increased the bio gas generation and resulted in generating 100 tpd of additional steam.

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption and benefits derived

- To run the Nellikuppam distillery for 350 days, a new technology to convert the liquid effluent to solids was implemented during October 2015 which converts waste in to wealth.

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- A pilot trial to concentrate cane juice with low grade energy using a Membrane Distillation was undertaken with the collaboration of Hitachi, Japan, by Corporate technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

₹ in Lakh

| | 2015-16 | 2014-15 |
|---------------------------------|---------|---------|
| Foreign exchange earned | 25,154 | 17,898 |
| Foreign exchange outgo : | | |
| (i) Towards expenditure | 3,447 | 1,021 |
| (ii) Towards dividend | 3 | 5 |

ANNEXURE - F TO THE BOARD'S REPORT

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

DETAILS OF LOANS GIVEN

₹ in Lakh

| Name of the entity | Alimtec S.A |
|--|---|
| Loans outstanding as on April 01, 2015 | - |
| Loans given during the year | 265 |
| Loans outstanding as on March 31, 2016 | 265 |
| Purpose for the loan given | Expansion & working capital requirement |

DETAILS OF GUARANTEES PROVIDED

₹ in Lakh

| Name of the entity | Parry Sugars Refinery India Private Limited | |
|-----------------------------|--|---|
| Amount (₹ in Lakh) | Particulars | Purpose |
| Long Term Guarantee | | |
| 30,000 | Guarantee given to Debenture Trustee - IDBI Trusteeship Services Limited | Issue of Debentures for repaying the high cost loans availed by Parry Sugars Refinery India Private Limited |
| 6,000 | Guarantee given to Debenture Trustee - IDBI Trusteeship Services Limited | Issue of Debentures for repaying the high cost loans availed by Parry Sugars Refinery India Private Limited |
| 36,000 | | |
| Short Term Guarantee | | |
| 30,000 | Corporate Guarantee issued in favour of Yes Bank Limited | Working Capital requirement |
| 15,750 | Corporate Guarantee issued in favour of Deutsche Bank AG | Working Capital requirement |
| 10,000 | Corporate Guarantee issued in favour of HDFC Bank Limited | Working Capital requirement |
| 17,000 | Corporate Guarantee issued in favour of Kotak Mahindra Bank Limited | Working Capital requirement |
| 24,700 | Corporate Guarantee issued in favour of HDFC Bank Limited | Working Capital requirement |
| 97,450 | | |

| Name of the entity | Parry Sugars Refinery India Private Limited | |
|------------------------------|--|-----------------------------|
| Amount (₹ in Lakh) | Particulars | Purpose |
| Letter of Undertaking | | |
| 1,500 | Letter of undertaking issued in favour of Aditya Birla Finance Limited | Working Capital requirement |

DETAILS OF INVESTMENTS

The details of investments made by the Company have been given in Note no. 11 & 12 of the Annual Accounts.

ANNEXURE - G TO THE BOARD'S REPORT

PARTICULARS OF EMPLOYEES

(A) Information as per Section 197(12) read with Rule 5(1) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 :

- (1) The ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

| Name of Director | Ratio |
|--------------------------|--------|
| Mr. A. Vellayan | 0.61 |
| Mr. V. Ravichandran | 1.23 |
| Mr. V Ramesh | 62.32 |
| Mr. Anand Narain Bhatia | 1.65 |
| Mr. V. Manickam | 1.26 |
| Mr. M. B. N. Rao | 1.17 |
| Mrs. Shyamala Gopinath # | 0.28 # |
| Dr. (Ms) Rca Godbole # | 0.61 # |

for part of the year

The median remuneration of employees of the Company during the Financial year 2015-16 was ₹ 2,30,781/-

- (2) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

| NAME | % increase in remuneration |
|--------------------------------------|----------------------------|
| Mr. A.Vellayan, Chairman | (*) |
| Mr. V. Ravichandran, Vice Chairman | (*) |
| Mr. V. Ramesh, Managing Director | 32.51 |
| Mr. Anand Narain Bhatia, Director | (*) |
| Mr. V. Manickam, Director | (*) |
| Mr. M.B.N.Rao, Director | (*) |
| Mrs. Shyamala Gopinath, Director# | (*) |
| Dr. (Ms) Rca Godbole, Director# | (*) |
| Mr. V. Suri, Chief Financial Officer | 6.51 |
| Ms. G.Jalaja, Company Secretary | 7.86 |

for part of the year

(*) The remuneration of the Non-Executive Directors comprises commission and sitting fees paid for attending the Board/Committee meetings. There was no increase in Sitting fee during the year. The actual payment of sitting fee is based on the number of meetings attended by the Director. Since the Company has incurred a loss, no commission is being paid for the year 2015-16. In view of the aforesaid facts, the calculation of the percentage increase in remuneration of Non Executive Directors would not be meaningful and hence not provided.

- (3) The percentage increase in the median remuneration of employees in the financial year: 13.22%
- (4) The number of permanent employees on the rolls of company: 2637
- (5) The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 6.46%. 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 the remuneration of the Key Managerial Personnel against the performance of the Company

| | |
|---|----------|
| Aggregate remuneration of Key Managerial Personnel (KMP) in FY 16 (₹ in Lakh) | 279.79 |
| Revenue (₹ in Lakh) | 2,39,541 |
| Remuneration of KMPs (as % of revenue) | 0.12 |
| Profit Before Tax (PBT) (₹ in Lakh) | (9,616) |
| Remuneration of KMP (as % of PBT) | NA |

(7) Variations in the market capitalization of the company, price earning ratio as at the closing date of the current financial year and previous financial year:

| | 31.03.2015 | 31.03.2016 | % Change |
|---|------------|------------|----------|
| Market Capitalization of the Company (in ₹ Crore) | 3092.32 | 3833.64 | 23.97 |
| Closing Price at the BSE Ltd. (in ₹) | 175.90 | 218.05 | |
| Price Earnings Ratio as at the closing date | 20.86 | negative | |

(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:

Not comparable as there was no public issue.

(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 the average salary of the employees is 6.46% as compared to increase in the managerial remuneration which is 22.23%. Refer to point no. (6) above for KMP remuneration.

(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 | Ms. G. Jalaja, Company Secretary |
|-------------------------------------|-------------------------------------|---|-------------------------------------|
| Remuneration in FY16 (₹ in Lakh) | 143.81 | 69.84 | 66.14 |
| Revenue (₹ in Lakh) | 239541 | | |
| Remuneration as % of Revenue | 0.06 | 0.03 | 0.03 |
| Profit Before Tax (PBT) (₹ in Lakh) | (9616) | | |
| Remuneration (as % of PBT) | NA | NA | NA |

(11) The key parameters for any variable component of remuneration availed by the directors:

The key parameters for variable component of remuneration availed by the Directors are as per the remuneration policy of the Company. In respect of Non-executive Directors the variable component is based on the approval of the Board/Shareholders not exceeding 1% of the net profit of the Company.

(12) The 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: NA

(13) Affirmation that the remuneration is as per the remuneration policy of the company :

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

(B) Information as per Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(a) Employed throughout the year with remuneration aggregating to not less than ₹ 60,00,000 per annum:

| Name/(Age) | Designation of the Employee/ Duties | Remuneration (₹) | Qualification/ Experience (Years) | Date of Commencement of Employment | Previous Employment | % of equity shares held in the Company | Whether relative of any director or manager |
|------------------------------|--|------------------|---|------------------------------------|----------------------------------|--|---|
| Mr. V.Ramesh (58) | Managing Director | 14381178 | B.Com., Grad CWA, PGDM (IIM) (35) | 30.01.2014 | Carborundum Universal Limited | Nil | No |
| Mr. Manoj Kumar Jaiswal (52) | Executive Vice President – Management Development Centre | 8827536 | M.Sc., MBA (25) | 19.08.2008 | Infosys Technologies Limited | Nil | No |
| Mr. Rajasekar. T (57) | Vice President and Head - Manufacturing | 7844503 | B.Tech (Hons) in Electronics Engineering (31) | 17.10.2011 | Asian Paints Limited | Nil | No |
| Mr. V. Suri (56) | Sr Vice President and Chief Financial Officer | 6983842 | B.Com., C.A., CWA (29) | 19.10.2013 | Coromandel International Limited | Nil | No |
| Ms. G. Jalaja (58) | Company Secretary | 6613845 | B.Com., ACA, FCS (32) | 05.08.1983 | Nil | Nil | No |

(b) Employed for part of the year with remuneration aggregating to not less than ₹ 5,00,000 per month:

| Name/(Age) | Designation of the Employee/ Duties | Remuneration (₹) | Qualification/ Experience (Years) | Date of Commencement of Employment | Previous Employment | % of equity shares held in Company | Whether relative of any director or manager |
|--------------------------------|---|------------------|--|------------------------------------|--------------------------|------------------------------------|---|
| Mr. Srikanthan Srinivasan (54) | Sr. Vice President & Head- Nutraceuticals | 6082465 | BE-Agri PGDBM – IIM Ahmedabad (27) | 22.01.2014 | Symrise Pvt. Limited. | Nil | No |
| Mr. Rajesh Kumar (47) | Executive Vice President | 6706556 | BTech- Chemical Engg.- IIT , Kanpur (21) | 16.09.2014 | United Breweries Limited | Nil | No |

Notes:

- The nature of employment of all employees above are contractual.
- Remuneration as shown above includes salary, allowances, leave travel assistance, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund. Medical facilities and perquisites valued in terms of actual expenditure incurred by the Company in providing the benefits to the employees excepting in case of certain expenses where the actual amount of expenditure cannot be ascertained with reasonable accuracy, and in such cases, notional amount as per income tax rules has been adopted.
- Remuneration as shown above does not include amount attributable to compensated absences as actuarial valuation is done for the Company as a whole only.
- Further, no employee of the Company is covered by the Rule 5 (2) (iii) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

ANNEXURE -H TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on 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:

| | | |
|---|---|--|
| 1 | CIN | L24211TN1975PLC006989 |
| 2 | Registration Date | 22.09.1975 |
| 3 | Name of the Company | E.I.D.- Parry (India) Limited |
| 4 | Category / Sub-Category of the Company | Public Company Limited by shares |
| 5 | Address of the Registered office and contact details | 'Dare House', Parrings Corner, Chennai – 600 001. Tel : +91 44 2530 6789 Fax.:+91 44 2534 1609 E-mail:investorservices@parry.murugappa.com Website:www.eidparry.com |
| 6 | Whether listed company | Yes |
| 7 | Name, Address and Contact details of Registrar and Transfer Agents, if any* | Karvy Computershare Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda,Gachibowli, Hyderabad - 500 008 Tel : 040 6716 1500 Fax : 040 2300 1153 Toll Free : 1800-345-4001 E-Mail : einward.ris@karvy.com; |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

Business activities contributing 10 % or more of the total turnover of the company :

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Sugar | 10721 | 72 |
| 2 | Alcohol | 1101 | 12 |

III. PARTICULARS OF HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES :

| Sl. No. | Name and address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % of Shares Held | Applicable Section |
|---------|---|-----------------------|----------------------------------|------------------|--------------------|
| 1 | Coromandel International Limited Coromandel House, 1-2-10 Sardar Patel Road Secunderabad 500003 | L24120TG1961PLC000892 | Subsidiary | 60.81 | 2 (87) |
| 2 | Liberty Pesticides & Fertilizers Limited F-225, Mewar Industrial Area, Udaipur 313 003 | U24124RJ1978PLC001807 | Subsidiary | 60.81 | 2 (87) |
| 3 | Parry Chemicals Limited Corporate Office / Coromandel House 1-2-10 Sardar Patel Road, Secunderabad 500003 | U74999MH1995PLC088809 | Subsidiary | 60.81 | 2 (87) |

| Sl. No. | Name and address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % of Shares Held | Applicable Section |
|---------|---|-----------------------|----------------------------------|------------------|--------------------|
| 4 | CFL Mauritius Limited IFS Court, Bank Street, Twenty Eight Cybercity, Ebène 72201, Republic of Mauritius | 081272C1/GBL | Subsidiary | 60.81 | 2 (87) |
| 5 | Sabero Europe BV Markerwaardweg 8, 1606 AS, Venhuizen, Postbus 23, 1606 zg, Venhuizen | NA | Subsidiary | 60.81 | 2 (87) |
| 6 | Sabero Australia Pty Ltd Level 6, 110-116 Sussex Street, Sydney, NSW-2000 | NA | Subsidiary | 60.81 | 2 (87) |
| 7 | Sabero Organics America S.A. Avenida Raja Gabaglia 1492/605, Gutierrez, Belo Horizont, MG, CEP 30441-194 | 04-016-649/0001-51 | Subsidiary | 60.77 | 2 (87) |
| 8 | Sabero Argentina SA Marcelo T, DeAlevar 1430. Argentina | NA | Subsidiary | 57.77 | 2 (87) |
| 9 | Coromandel Agronegocios de Mexico SA de CV (earlier Sabero Organics Mexico S.A. de C.V.) Campos Eliseos 219, 2, Palmas Polanco, Miguel Hidalgo, Didrito, Federal-11560 | NA | Subsidiary | 60.81 | 2 (87) |
| 10 | Coromandel Brasil Ltda Rua Jorge Caixe, 132, sala 01, jd Nomura Cotia, Sao Paulo, Brazil. | 10.599.435/0001-58 | Subsidiary | 60.81 | 2 (87) |
| 11 | Coromandel SQM (India) Private Ltd. Coromandel House, 1-2-10 Sardar Patel Road Secunderabad 500003 | U24100TG2009PTC06540 | Joint Venture | 30.41 | 2 (6) |
| 12 | Coromandel Getax Phosphates Pte. Ltd., Singapore 3 Temasek Avenue #31-02 Centennial Tower, Singapore 039190 | 200808374N | Joint Venture | 30.41 | 2 (6) |
| 13 | Dare Investments Limited Coromandel House, 1-2-10 Sardar Patel Road Secunderabad 500003 | U65110TG2012PLC080296 | Subsidiary | 60.81 | 2 (87) |
| 14 | Yanmar Coromandel Agrisolutions Pvt. Ltd. Coromandel House, 1-2-10 Sardar Patel Road Secunderabad 500003 | U29253TG2014PTC094854 | Associate | 24.32 | 2 (6) |
| 15 | Sabero Organics Philippines Asia Inc. 2005B 20th Floor West Tower, Philippine Stock Exchange, Exchange Road, Ortigas Center, Pasig City 1605 | NA | Associate | 24.17 | 2 (6) |
| 16 | Parrys Sugar Industries Limited Venus Building, 3rd Floor, 1/2, Kalyanamantapa Road, Jakkasandra, Koramangala, Bengaluru - 560 034 | L28100KA1986PLC049077 | Subsidiary | 65.00 | 2 (87) |
| 17 | Parry Sugars Refinery India Private Limited 'Dare House', Parrys Corner, Chennai-600001 | U15421TN2006PTC058579 | Subsidiary | 100.00 | 2 (87) |
| 18 | Alimtec S.A. 617 Almirante Latorre, St. Santiago De Chile | NA | Subsidiary | 100.00 | 2 (87) |
| 19 | Parry America Inc., 6565 N MacArthur Blvd Suite 225 Irving TX 75039 | NA | Subsidiary | 100.00 | 2 (87) |

| Sl. No. | Name and address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % of Shares Held | Applicable Section |
|---------|---|-----------------------|----------------------------------|------------------|--------------------|
| 20 | US Nutraceuticals LLC., (Valensa International) 2751 Nutra Lane, Eustis, FL 32726 | NA | Subsidiary | 93.52 | 2 (87) |
| 21 | Parry Infrastructure Company Private Limited 'Dare House', Parris Corner, Chennai - 600 001. | U45203TN2006PTC058518 | Subsidiary | 100.00 | 2 (87) |
| 22 | Parry Agrochem Exports Limited 'Dare House', Parris Corner, Chennai - 600 001. | U24131TN1996PLC035030 | Subsidiary | 100.00 | 2 (87) |
| 23 | Parris Sugar Limited 'Dare House', Parris Corner, Chennai - 600 001. | U15421TN2005PLC058106 | Subsidiary | 100.00 | 2 (87) |
| 24 | Parris Investments Limited 'Dare House', Parris Corner, Chennai - 600 001. | U65993TN1983PLC009910 | Subsidiary | 100.00 | 2 (87) |
| 25 | La Bella Botanics LLC 604, 1 st Ave NE, P.O. Box:226, Jasper, FL-32052. | NA | Associate | 45.82 | 2 (6) |

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

i) Category-wise Share Holding :

| Category of Shareholders | No. of Shares held at the beginning of the year as on April 01, 2015 | | | | No. of Shares held at the end of the year as on March 31, 2016 | | | | % change during the year |
|--|---|----------|-----------------|----------------------|---|----------|-----------------|----------------------|--------------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 4833510 | - | 4833510 | 2.75 | 4833510 | - | 4833510 | 2.75 | - |
| B) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 72089444 | - | 72089444 | 41.00 | 72089444 | - | 72089444 | 41.00 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other - Trust | - | - | - | - | - | - | - | - | - |
| Sub-total (A1) | 76922954 | - | 76922954 | 43.75 | 76922954 | - | 76922954 | 43.75 | - |
| AA. Promoter Group | | | | | | | | | |
| a) Individual/ HUF | 2207286 | - | 2207286 | 1.25 | 2201886 | - | 2201886 | 1.25 | - |
| B) Central Govt | - | - | - | - | - | - | - | - | - |
| C) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 356780 | - | 356780 | 0.21 | 356780 | - | 356780 | 0.21 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other - Trust | 95430 | - | 95430 | 0.05 | 95430 | - | 95430 | 0.05 | - |
| Sub-total (AA) | 2659496 | - | 2659496 | 1.51 | 2654096 | - | 2654096 | 1.51 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other – Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A2) | - | - | - | - | - | - | - | - | - |
| Total Promoters & Promoter Group (A) = (A1)+(AA)+(A2) | 79582450 | - | 79582450 | 45.26 | 79577050 | - | 79577050 | 45.26 | - |

| Category of Shareholders | No. of Shares held at the beginning of the year as on April 01, 2015 | | | | No. of Shares held at the end of the year as on March 31, 2016 | | | | % change during the year |
|---|---|----------------|------------------|----------------------|---|----------------|------------------|----------------------|--------------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds /UTI | 10468653 | - | 10468653 | 5.95 | 5225364 | - | 5225364 | 2.97 | 2.98 |
| b) Banks/ Financial Institutions | 64968 | 32008 | 96976 | 0.06 | 265150 | 32008 | 297158 | 0.17 | -0.11 |
| c) Central Government | - | - | - | - | - | - | - | - | - |
| d) State Government(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | 12107175 | - | 12107175 | 6.89 | 10167580 | - | 10167580 | 5.78 | 1.11 |
| g) Foreign Institutional Investors | 19703265 | - | 19703265 | 11.21 | 16046047 | - | 16046047 | 9.13 | 2.08 |
| h) Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| i) Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| j) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total B(1) : | 42344061 | 32008 | 42376069 | 24.11 | 31704141 | 32008 | 31736149 | 18.05 | 6.06 |
| 2. NON-INSTITUTIONS | | | | | | | | | |
| a) Bodies Corporate | 9414208 | 70031 | 9484239 | 5.39 | 11794504 | 70101 | 11864605 | 6.75 | -1.36 |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto ₹ 2 Lakh | 23771967 | 3097729 | 26869696 | 15.29 | 25449042 | 2941883 | 28390925 | 16.15 | -0.86 |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh | 15388237 | 401620 | 15789857 | 8.98 | 21397962 | 401620 | 21799582 | 12.40 | -3.42 |
| c) Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| d) NBFCs Registered with RBI | - | - | - | - | 18050 | - | 18050 | 0.01 | -0.01 |
| e) Others (specify) | | | | | | | | | |
| i) Trusts | 166340 | - | 166340 | 0.09 | 175490 | - | 175490 | 0.10 | -0.01 |
| ii) Overseas Corporate Bodies | - | 5040 | 5040 | - | - | 5040 | 5040 | - | - |
| iii) Non Resident Indians | 950245 | 226572 | 1176817 | 0.67 | 1211713 | 206932 | 1418645 | 0.81 | -0.14 |
| iv) Foreign Nationals | - | 216680 | 216680 | 0.12 | 14640 | 216680 | 231320 | 0.13 | -0.01 |
| v) Clearing Members | 75766 | - | 75766 | 0.05 | 526098 | - | 526098 | 0.30 | -0.25 |
| Sub-Total B(2) : | 49766763 | 4017672 | 53784435 | 30.59 | 60587499 | 3842256 | 64429755 | 36.65 | -6.06 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 92110824 | 4049680 | 96160504 | 54.70 | 92291640 | 3874264 | 96165904 | 54.70 | - |
| Total (A)+(B) | 171693274 | 4049680 | 175742954 | 99.96 | 171868690 | 3874264 | 175742954 | 99.96 | - |
| c) Shares held by Custodians for GDRs and ADRs | 70400 | 1530 | 71930 | 0.04 | 70400 | 1530 | 71930 | 0.04 | - |
| GRAND TOTAL (A+B+C) : | 171763674 | 4051210 | 175814884 | 100.00 | 171939090 | 3875794 | 175814884 | 100.00 | - |

(ii) Shareholding of Promoters

| SI No. | Name of the Promoters | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding 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 | Murugappa Holdings Limited | 58735204 | 33.41 | - | 58735204 | 33.41 | - | - |
| 2 | Ambadi Investments Private Limited | 9323240 | 5.30 | - | 9323240 | 5.30 | - | - |
| 3 | Ambadi Enterprises Ltd | 4030000 | 2.29 | - | 4030000 | 2.29 | - | - |
| 4 | S Vellayan | 620810 | 0.35 | 0.01 | 620810 | 0.35 | 0.01 | - |
| 5 | Arun Alagappan | 408820 | 0.23 | 0.03 | 408820 | 0.23 | 0.01 | - |
| 6 | Arun Venkatachalam | 348540 | 0.20 | - | 348540 | 0.20 | - | - |
| 7 | A Vellayan | 344540 | 0.20 | 0.01 | 344540 | 0.20 | 0.01 | - |
| 8 | M V Murugappan | 338720 | 0.19 | - | 338720 | 0.19 | - | - |
| 9 | A Venkatachalam | 320220 | 0.18 | 0.01 | 320220 | 0.18 | 0.01 | - |
| 10 | M A M Arunachalam | 316000 | 0.18 | 0.03 | 316000 | 0.18 | 0.11 | - |
| 11 | M V Subbiah | 334670 | 0.19 | 0.02 | 334670 | 0.19 | 0.02 | - |
| 12 | V Narayanan | 235610 | 0.13 | - | 235610 | 0.13 | - | - |
| 13 | V Arunachalam | 220320 | 0.13 | - | 220320 | 0.13 | - | - |
| 14 | M M Venkatachalam | 200500 | 0.11 | - | 200500 | 0.11 | - | - |
| 15 | M.M.Veerappan | 199500 | 0.11 | - | 199500 | 0.11 | - | - |
| 16 | M M Muthiah | 191500 | 0.11 | - | 191500 | 0.11 | - | - |
| 17 | M V Muthiah | 189000 | 0.11 | - | 189000 | 0.11 | - | - |
| 18 | M M Murugappan | 185670 | 0.11 | - | 185670 | 0.11 | - | - |
| 19 | M V Subramanian | 123250 | 0.07 | - | 123250 | 0.07 | - | - |
| 20 | M M Murugappan | 20000 | 0.01 | - | 20000 | 0.01 | - | - |
| 21 | M.A.Alagappan | 13640 | 0.01 | - | 13640 | 0.01 | - | - |
| 22 | M.A.Alagappan | 210000 | 0.12 | - | 210000 | 0.12 | 0.01 | - |
| 23 | M V Murugappan | 6200 | - | - | 6200 | - | - | - |
| 24 | M V Subbiah | 6000 | - | - | 6000 | - | - | - |
| 25 | Carborundum Universal Limited | 1000 | - | - | 1000 | - | - | - |
| | Total | 76922954 | 43.75 | 0.11 | 76922954 | 43.75 | 0.11 | - |

Note : The above table does not include the holdings of promoter group aggregating to 2654096 shares (1.51%) as at March 31, 2016.

(iii) Change in promoters' shareholding

There is no change in the number of shares held by the Promoters.

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

| Name of the Shareholders | Shareholding at the beginning of the year (01-04-15) | | Cumulative Shareholding end of the year (31-03-16) | |
|---|---|-------------------------------------|---|-------------------------------------|
| | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| Life Insurance Corporation of India | 7291474 | 4.15 | 6550665 | 3.73 |
| Government Pension Fund Global | 4477774 | 2.55 | 5298977 | 3.01 |
| Hitesh Satishchandra Doshi | 1039790 | 0.59 | 3810845 | 2.17 |
| ICICI Lombard General Insurance Company Ltd | 1695421 | 0.96 | 3500000 | 1.99 |
| Sundaram Mutual Fund | 3027295 | 1.72 | 2997887 | 1.71 |
| Govindlal M Parikh | 2225293 | 1.27 | 2846225 | 1.62 |
| General Insurance Corporation of India | 2967748 | 1.69 | 2350500 | 1.34 |
| Nemish S Shah | 2079531 | 1.18 | 2079531 | 1.18 |
| GHI LTP Ltd | 2026208 | 1.15 | 1859896 | 1.06 |
| Vinod M Shah | 1032500 | 0.59 | 1832500 | 1.04 |

* The shares of the Company are traded on a daily basis and hence the datewise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder.

(v) Shareholding of Directors and Key Managerial Personnel:

| 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 (01.04.2015) | | | | |
| 1. Mr. A. Vellayan | 344540 | 0.20 | 344540 | 0.20 |
| 2. Ms.G Jalaja | 10502 | 0.01 | 10502 | 0.01 |
| Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer / bonus/ sweat equity etc): | NIL | | | |
| At the End of the year (31.03.2016) | | | | |
| 1. Mr. A. Vellayan | 344540 | 0.20 | 344540 | 0.20 |
| 2. Ms.G Jalaja | 10502 | 0.01 | 10502 | 0.01 |

No other Director/KMP were holding shares at the beginning or end of the year.

V. INDEBTEDNESS

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

₹ In Crore

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | - | |
| i) Principal Amount | 1253 | 592 | | 1845 |
| ii) Interest due but not paid | - | - | | - |
| iii) Interest accrued but not due | 35 | | | 35 |
| Total (i+ii+iii) | 1288 | 592 | - | 1880 |
| Change in Indebtedness during the financial year | | | - | |
| • Addition | 286 | 230 | | 516 |
| • Reduction | -539 | 562 | | -1101 |
| Net Change | -253 | -332 | - | -585 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 989 | 260 | - | 1249 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 47 | - | - | 47 |
| Total (i+ii+iii) | 1036 | 260 | - | 1296 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ In Lakh

| Sl. No. | Particulars of Remuneration | Mr. V.Ramesh, Managing Director |
|---------|---|---------------------------------|
| 1. | Gross salary : (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites under section 17(2) Income-tax Act,1961 | 143.52 0.29 |
| 2. | Stock Option | - |
| 3. | Sweat Equity | - |
| 4. | Commission - as % of profit - Others, specify... | - - |
| 5. | Others | - |
| | Total (A) | 143.81 |
| | Ceiling as per the Companies Act @ 5% of the Net Profit | NA |

B. Remuneration to Other Directors:

₹ In Lakh

| Sl. No. | Particulars of Remuneration | Fee for attending Board / Committee Meetings | Commission | Others | Total Amount |
|-----------|--|--|------------|----------|--------------|
| 1. | Non-Executive Independent Directors | | | | |
| a. | Mr. Anand Narain Bhatia | 3.80 | - | - | 3.80 |
| b. | Mr. V. Manickam | 2.90 | - | - | 2.90 |
| c. | Mr. M. B. N. Rao | 2.70 | - | - | 2.70 |
| d. | Mrs. Shyamala Gopinath | 0.65 | - | - | 0.65 |
| e. | Dr. (Ms) Rca Godbole | 1.40 | - | - | 1.40 |
| | Total (1) | 11.45 | - | - | 11.45 |
| 2. | Other Non-Executive Directors | | | | |
| a. | Mr. A. Vellayan | 1.40 | - | - | 1.40 |
| b. | Mr. V. Ravichandran | 2.85 | - | - | 2.85 |
| | Total (2) | 4.25 | - | - | 4.25 |
| | Total (B= 1+2) | 15.70 | - | - | 15.70 |
| | Total Managerial Remuneration | 15.70 | - | - | 15.70 |
| | Ceiling as per the Companies Act @1% of the Net Profit | NA | | | |

C. Remuneration to Key Managerial Personnel other than Managing Director

₹ In Lakh

| Sl. No. | Particulars of Remuneration | Company Secretary | Chief Financial Officer | Total |
|---------|---|-------------------|-------------------------|---------------|
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 65.92 | 69.42 | 135.34 |
| | (b) Value of perquisites under section 17(2) Income-tax Act, 1961 | 0.21 | 0.42 | 0.63 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax | Nil | Nil | Nil |
| 2. | Stock Option | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil |
| 4. | Commission as % of profit, others, specify | Nil | Nil | Nil |
| 5. | Others, please specify | Nil | Nil | Nil |
| | Total | 66.13 | 69.84 | 135.97 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | ----- Nil ----- | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. Other Officers in default | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2015-16

GLOBAL OUTLOOK

The global economy in 2015 reflected a subdued growth at 3.1% as against the projected estimate of 3.5%, primarily, the result of a slowdown in some developing economies and emerging markets which account for nearly 70% of global growth. While advanced economies continued their modest recovery, the slowdown and rebalancing of the Chinese economy, lead to subdued global demand and weak investment. Lower commodity prices put a fiscal strain on emerging, commodity-dependent economies in Latin America, Africa and parts of Asia and is further projected to weigh on growth prospects in 2016–17. Brazil and Russia are however expected to grow despite their current economic distress. (World Economic Outlook- Update Jan 2016)

Oil prices continued to plunge with production exceeding consumption and leading to a global oil surplus. While lower oil prices strained the fiscal positions of fuel exporters and contributed to balance sheet vulnerabilities, it also had a cascading effect on the investments in the oil and gas extraction sector and subtracted from global aggregate demand. The expected increase in oil consumption by importers has been less than expected primarily because of continued deleveraging in some of these economies. The recovery in advanced economies, particularly the U.S gained traction particularly the last year

Overall global growth is projected at 3.4 percent in 2016 and 3.6 percent in 2017 according to the survey of the International Monetary Fund (IMF). However, trends for the future indicate that developing and emerging economies, including India, would be major growth drivers outpacing the mature economies, in the coming decade.

Global Outlook for Gross Domestic Product Growth rates, 2015-2025



Note: Projections are based on trend growth estimates, which - for the period 2016-2020 - are adjusted for remaining output gaps. Color ramp is based on GDP growth rates in 2016.

Source: The conference Board Global Economic Outlook 2016, February 2016.

INDIAN ECONOMY

Among the developing economies, India's growth remained strong with a 7.6% GDP growth. Despite a slackening in capital spending and a 18% double-digit decline in exports, economic growth accelerated in Fiscal Year 2015 driven by strong domestic demand and low commodity prices. India and the rest of emerging Asia are generally projected to continue growing at a robust pace, although some countries could be impacted from strong headwinds from China's economic rebalancing and global manufacturing weakness.

According to the Asian Development Bank, economic growth in India is projected to dip marginally to 7.4% in FY2016 due to a slowdown in public investment, stressed corporate balance sheets, and declining exports, then accelerate to 7.8% in FY2017 as newly strengthened bank and corporate finances allow a revival in investment. The government's budget for year 2016 reflects a fiscal consolidation strategy, with balancing measures to spur the rural economy and improve the business environment.

Going forward, strong private consumption is expected to fuel robust growth rates if unhindered by slow reform implementation.

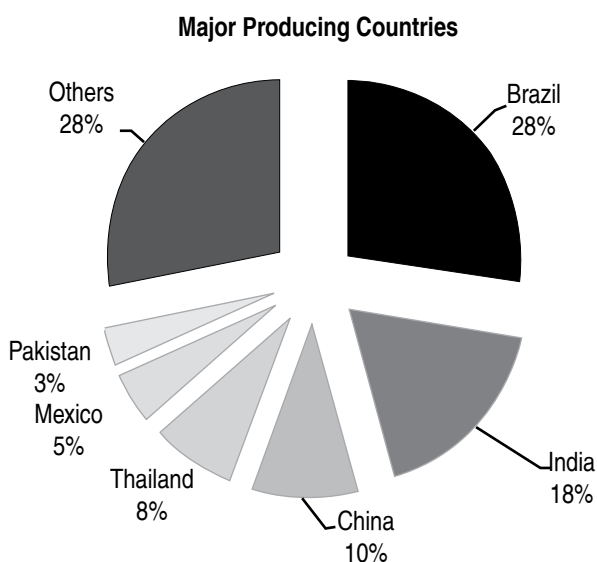
GLOBAL TRENDS IN SUGAR

The global sugar industry has had to contend with oscillating and unstable production and price levels during the past five-year window.

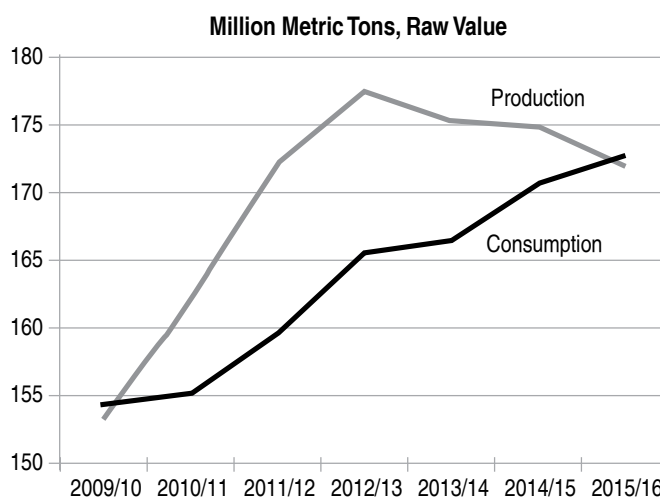
After riding the peak in 2012, world sugar prices continued to plummet with high global production and surplus stocks-to-use ratio pushing prices down across the major sugar producing countries.

Brazil, the largest sugar producer in the world, reduced stocks with lower exportable supplies due to El Nino generated rains disrupting cane crushing in the last 6 months of 2015 and a higher percentage of sugarcane diverted to meet the mandated ethanol blend in gasoline from 25 to 27 percent and the increase in federal and state taxes for gasoline. While the U.S recorded an increase in sugar production, consumption showed a slight dip, with a decline in imports especially from Mexico being stopped with antidumping and countervailing rules. Sugar production in Thailand is supposed to remain flat despite increase in area due to drought induced fall in yield. Myanmar emerged as one of the largest importers of white sugar during the past year, with most of the sugar, according to reports, going to China. China's consumption is projected to outpace supplies with a decline in sugarcane planting area due to high production costs.

According to the USDA estimate, the next five years is expected to augur well for the industry with a growing global sugar consumption, rising demand for renewable energies, and supportive government policies. Due to cyclical, however, world price of sugar is still expected to remain highly volatile.



Global sugar production for 2015-16 is estimated at 172 million MT, down by 3 million MT, with decrease in Brazil, India, the European Union and Ukraine more than offsetting the increase in Australia,



Russia, and Turkey. Consumption is projected to reach a record 173 million, drawing ending stocks down to 40 million. Global imports are expected to grow to a record 52 million tonnes.

INDIAN SUGAR INDUSTRY

India is the world's largest consumer and second largest producer of sugar. According to Indian Sugar Mills Association (ISMA), the all India sugar production upto March 31, 2016 stood at 23.7 million tonnes, with a drop of 1.1 million tonnes compared to last year. The fall of 4.43% in production for the corresponding period of previous year, was mainly due to drought impacting yields in Maharashtra, Karnataka and Andhra Pradesh and the destruction of planted crops by El Nino induced floods in Tamil Nadu. Further, poor planting for the new season is forecast to impact production in SY 2016-2017 with production estimated at 24 million tonnes. Consequently, sugar prices are expected to rise, due to the drought affected fall in sugar production in Maharashtra and Karnataka in SY 2016-17.

The current year's sugar production is almost equal to the domestic consumption. The sugar mills opened the current season with a significantly high opening stock of 91 lakh tonnes. 11.5 lakh tonnes of sugar has been physically exported in the current season and as compared to contracts finalized till now, another 3 lakh tonnes are expected to move in the next couple of months. Unless and until further export contracts take place, 91 lac tonnes of opening stocks will get drawn down to around 75 lakh tonnes which is still a significantly high opening balance for October 1, 2016.

Sugar inventories, are however expected to decline in SY 2015-16, as domestic sugar consumption at 25.5 million tonnes coupled with exports at around 1.5 million tonnes will exceed the sugar production forecast at 26 million tonnes. Despite the Government announcing an export subsidy of ₹ 4,000 per tonne in February 2015, raw sugar exports did not gain traction. For SY 2015-16 exports are forecast around 1.5 million tonnes, much less than the Government mandated target of 3.2 million tonnes.

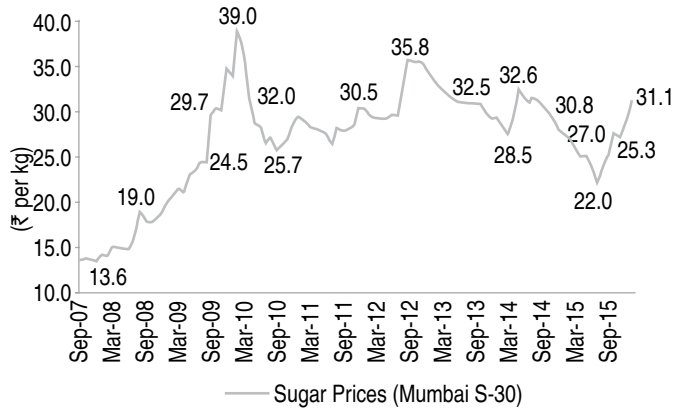
Sugarcane Price

There has been a steady increase in the Fair and Remunerative Price (FRP) stipulated by the Central Government at which sugar mills are obliged to purchase sugarcane from farmers, without any corresponding increase in the sale price of sugar. For a recovery of 9.5% per tonne, the FRP has continued to rise from Rs 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 tonne.

In addition to the FRP, some State Governments fix a higher price for cane, called the State Advised Price (SAP). Over the past few years, the SAP has continuously increased, even as sugar prices have registered a downward graph. Sugarcane accounts for around 80 per cent of the cost of sugar production. Consequently, rising sugarcane prices have led to an escalation in production costs, affecting operating margins and putting mills under pressure.

Further, in the past year, the free fall in sugar prices tumbling below cane prices, increased the debt burden of the mills and led to a liquidity crunch. In Tamil Nadu, the Government has fixed the State Advised Price (SAP) of sugarcane for the 2015-16 season at ₹ 2,850 per tonne, the highest in the country. The Government of Andhra Pradesh has exempted sugar from the levy of 5% Value Added Tax w.e.f September 23, 2015.

In Tamil Nadu, in addition to the 5% VAT on sugar, the restrictions on the production and supply of ethanol together with an additional 14.5% VAT imposed on distilleries has made the State alcohol unattractive to brewers with potable alcohol from other states available at lower prices with just 2% or nil CST. The steep fall in sugar prices have taken a toll on the financial health of sugar mills in Tamil Nadu.



Key Government Initiatives for the Sugar Sector

Sugar

The Rangarajan Committee recommendations for the sugar industry still awaits full implementation by the sugar producing States. While Karnataka and Maharashtra have rationalised sugarcane pricing partly, in line with the recommendation from SY 2014-15, linking sugarcane prices to the realisation of sugar and its by-products, the other States like TamilNadu have not fallen in line. This has created an uneven playing field with sugar from non adhering States priced higher than the others and creating a market imbalance.

The operating margins of the domestic sugar industry have been on a declining trend over the last 5 years, from a high of around 15.5% in 2009-10 to a low of around 1.5% in 2014-15. High sugarcane costs and subdued sugar prices have deteriorated profitability of the mills.

The past year has been a very challenging one for the sugar industry. The surplus stocks from SY 2014-15 continued to hold sugar prices down, with escalating production costs adding to the debt burden of the mills.

To provide reprieve to the sugar mills, the Central Government introduced a number of relief measures during the year:

- Increased the basic customs duty on raw sugar imports from 25% to 40% with effect from April 30, 2015, to reduce imports.
- Notified a scheme on June 23, 2015, extending soft loans to sugar mills, to help them from the liquidity crunch and clear the mounting cane arrears to farmers for SY 2014-15,

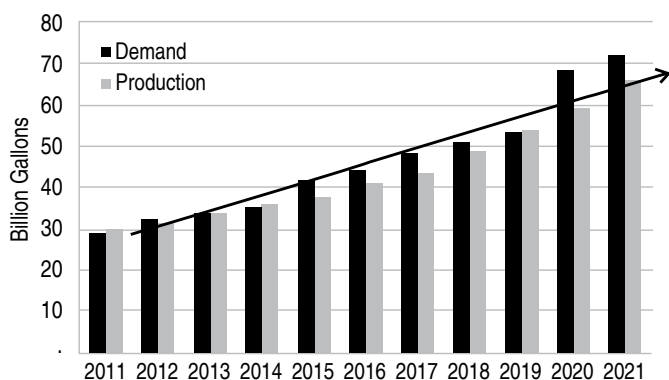
In addition to the export subsidy of ₹ 4,000/MT, for raw sugar announced in February 2015, the Government of India, in September 2015, specified a Minimum Indicative Export Quota (MIEQ) for each sugar mill to reduce their high sugar inventories and to achieve financial liquidity. The total MIEQ target for the country was set at 40 LMT in a year. A production subsidy scheme, was announced in November 2015, of ₹ 4.50 per quintal of cane crushed in SY2015-16. Availing this subsidy was however subject to the compliance of the mills to export 80% of MIEQ and despatch atleast 80% of the ethanol orders placed by the Oil Manufacturing Companies. (OMC's).

Effective February 2016, increased the Cess payable on sugar to ₹ 1240 per tonne from ₹ 240 per tonne by amending The Sugar Cess (Amendment) Bill 2015. The supportive measures extended by the Central Government have helped the sugar industry greatly and placed it back on the path of revival.

Ethanol

World-wide ethanol is gaining prominence as a fuel substitute as countries driven by rising concerns over environmental pollution focus on bio-fuels and green energy to reduce emissions. The possibility of rising crude prices in the future, have also led Governments to consider a switch to alternate fuels and support ethanol blending with petrol to reduce dependence on oil imports. Around 85% of the total ethanol produced in the world is used as a fuel blend.

Stringent legislation of emission standards, government intervention by way of subsidies, and tax incentives by both developed and developing countries is expected to lend traction to future growth. China and India, within Asia-Pacific, represent lucrative markets to explore.



India's ethanol program is based on producing ethanol from sugar molasses, a by-product of the sugar industry and not directly from sugarcane or corn as in most other countries. This is mainly done in the interest of food security.

In India, the Government first proposed ethanol blending with petrol in 2003, and made it mandatory in 2007. The ethanol-blended fuel programme (EBP) by the Centre helps integrated sugar mills with distilleries to supply ethanol to oil marketing companies to produce ethanol-blended automobile fuel. The additional revenue from ethanol is expected to support sugar mills to pay farmers the sugarcane price. The industry is cash strapped because of continuous low sugar prices in recent years. The price of sugarcane by-products such as molasses, bagasse and spirit, including ethanol, is critical for the viability of the sugar mills and their ability to pay farmers.

For the first time in SS 2015-2016, the Government is on-course to achieve its ethanol blending target of 5%. The blending level is still lower than that of Brazil (25-30%) and US (15%). However, the Government of India has set a target of reaching a 10% blending of ethanol by 2018.

The company secured orders from Oil Manufacturing Companies (OMCs) for supply of ethanol to the tune of 276 Lakh Litres between December 2015 and November 2016 including 108 Lakh litres from the distilleries in Tamil Nadu. While the distilleries in Karnataka and Andhra Pradesh have started supplying ethanol, only 7 Lakh litres of ethanol could be supplied by Tamil Nadu distillery, due to very low allotment of molasses by the State Government. This has hampered mills from utilizing this revenue stream to compensate the loss in sugar sales in a stressed market.

In August 2015, the three OMCs invited Expression of Interest (EOI) for supply of 266 crore litres of ethanol during the period December 2015 and November 2016 including 20 crore litres from Tamil Nadu.

COMPANY PERFORMANCE

Sugar Division

The Company is ranked among the leading sugar manufacturers in India with 9 sugar mills spread across Tamil Nadu, Puducherry, Andhra Pradesh and Karnataka, including a standalone distillery in Sivaganga.

2015-16 was a watershed year for the sugar business. The Company demonstrated resilience and sustained one of the toughest business environments, balancing the challenges of a highly volatile market with internal efficiencies, focused cost management measures and fiscal prudence. Escalating sugarcane costs pitted against plummeting sugar prices, skewed the business equilibrium and impacted operating margins.

The milling operations at Tamil Nadu were impacted due to a weak monsoon affecting cane supply and recovery at Pettavaithalai and Pudukottai while unprecedented floods in the coastal regions of Cuddalore during November- December 2015, played havoc with cane crops and impacted new planting. As a result, Nellikuppam factory commenced its operations later than planned for SY 2015-16. Due to reduced availability of cane, both Ariyur (except for a month) and Pettavaithalai plants were not operated during the year. However, sugarcane from these factories were diverted to Nellikuppam, Pugalur and Pudukottai plants, leading to better capacity utilization.

The total cane crushed in Tamil Nadu dropped to 23.46 LMT in 2015-16 as against 27.97 LMT crushed in the previous year. The overall recovery in Tamil Nadu improved from 9.08% in 2014-15 to 9.14% in 2015-16. Crushing in Andhra Pradesh was lower at 6.00 LMT compared to 6.38 LMT in the previous year.

The sugar factories at Haliyal and Bagalkot recorded a 24.4% increase in the total cane crushed at 19.01 LMT in 2015-16 as against 15.27 LMT in the previous year. This was achieved with higher operating days in 2015-16, together with capacity augmentation and plant modernization executed during the previous year. However, severe drought and power crisis have affected new cane planting in 2015-16, with an impending negative impact on next year cane crushing volume.

The sugar division crushed 48.51 LMT in 2015-16 (49.62 LMT last year). Overall recovery of all the units was 10.05%, down from 10.10% last year.

Supportive measures by the Central Government on minimum export quota, ethanol blending program, increase in import duty has helped the revival of the sugar industry.

Going forward, the future augurs well, signs of which is witnessed in Q4 of 2015-16.

Operational Performance: (Standalone)

| Particulars | 2015-16 | 2014-15 |
|--------------------------------|---------|---------|
| Cane Crushed (Lakh MT) | 48.51 | 49.62 |
| Recovery (%) | 10.05% | 10.10% |
| Sugar Produced (LMT) | 4.99 | 5.05 |
| Power Generated (Lakh Units) | 5,980 | 4,667 |
| Alcohol Produced (Lakh Litres) | 657.42 | 643.12 |
| Sugar Sold (LMT) | 6.36 | 4.86 |

Financial Performance: (Standalone)

₹ in Lakh

| Particulars | Sugar | | Cogen | | Distillery | | Total | |
|-------------|----------|----------|---------|---------|------------|---------|----------|----------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Revenue | 1,69,215 | 1,53,807 | 19,302 | 13,783 | 28,628 | 27,198 | 2,17,145 | 1,94,788 |
| EBITDA** | (10,015) | 7,540 | 9,577 | 4,861 | 6,262 | 7,495 | 5,823 | 19,896 |

** Earnings before interest, tax, depreciation and amortization

Distillery

The Company's alcohol production from molasses, a by-product of sugar, touched 657.42 lakh litres in 2015-16 as against 643.12 lakh litres in 2014-15, an increase of 2% over the previous year.

Due to reduced availability of cane, the Company continued to source the required quantity of molasses by participating in tenders floated by the Tamil Nadu Sugar Co-operative Federation.

The Company sold 130 Lakh Litres of Ethanol in 2015-16, which is higher by 45 Lakh litres compared to FY 2014-15.

During the year, the Company secured Environmental clearance from Ministry of Environment & Forests to operate its Nellikuppam Plant for 365 days from 300 days.

Power

The Cogeneration plants at Nellikuppam, Pugalur and Pudukottai continued to export power under Short Term Open Access (STOA) during the year. However TANGEDCO hardly drew any power from these plants during the 3rd quarter of the year, forcing the plants to operate at sub-optimal level. The situation improved from mid February 2016 after the company revised its offer for supply of power at a lower price.

During the year, the company obtained Environmental clearance for expansion of its Cogen plant at Pudukottai from 15.5 MW to 19.5 MW

SUGARCANE

EID Parry is one of the few companies in the Sugar industry meeting the commitment towards the farmer regarding cane payments. The Company continues to focus on yield improvement and drought management activities such as three tier nursery program, trash shedding, mulching, drip irrigation, bore well, etc.

The Company is among the pioneers in the Sugar Industry promoting sustainable cultivation practices such as pro-tray seedling methods, wider row spacing, ratoon management, bio-manuring, soil management. The company facilitated increasing the productivity of land and labour by mechanization of farm operations. The Company helped in scaling up production of high sugar varieties in Karnataka and Andhra Pradesh mills.

Select farmers across Pugalur and Nellikuppam are now adopting best global practices in terms of sustainable sugarcane cultivation and working towards improving social and environment footprints, which also focus on increasing farm income in their hand.

MANUFACTURING

The Company adopted the execution excellence model to optimise efficiencies, reduce wastage and evolve a future ready working matrix.

- Deployed TPM (Total Productive Maintenance) across the plants at Nellikuppam, Pudukottai and Bagalkot, with a focus on zero defects, accidents and breakdowns.

- Achieved a benchmark in sustainable water utilisation with the Water Management Systems at Sugar factories calibrated to ensure "zero fresh water" consumption from river, bore well, canal, etc.

- Reduced effluent generation and emission levels to near zero levels. To ensure transparency in operations, an online measurement system is maintained to monitor emission and effluent parameters and the details communicated to the State Pollution Control Boards.

- Promoted the 'Waste to Wealth initiative'. All distilleries have been equipped with Zero Liquid Discharge facility with the waste from the effluent converted into potash rich fertilizer, used for enriching the soil.

- Continued the process of sustainable practices in Sugar Production, with the 'Bonsucro Certification" for Nellikuppam and Haliyal.

- The Company has worked systematically to improve crush rates per day, steam and power consumption and many other technical and operating parameters.

MARKETING AND SALES

Overall, E.I.D Parry sold over 6.36 LMT of sugar during the year across Tamil Nadu, Puducherry, Karnataka and Andhra Pradesh regions as against 4.86 LMT in the year 2014-15.

Institutional Sales

E.I.D Parry with its strong quality systems has positioned itself as a preferred sugar supplier to several institutional customers. The institutional segment accounts for a significant part of Parry's total annual sales. The Company's roster of institutional customers has shown a steady increase over the years with customer lock-in measures, stringent quality systems, global certification standards and customized product offerings.

During the year, the Company sold over 2.04 LMT of sugar directly to institutions, accounting for 32% of total sales.

The strategic locations of the Company's mills at Karnataka provide a competitive edge in servicing national customers who seek large volumes at lowest landed cost. The plant at Sankili, by virtue of its location, is well placed to serve food processing plants located out of North Andhra Pradesh, Orissa, Jharkand and Chattisgarh

Retail Sales

In the retail space, the Parry brand continued to expand its market presence. Amrit 100% Original Cane Sugar was test launched during the year. New product variants are in the pipeline for trial and commercialisation.

The Haliyal plant has been developed as an additional production hub for Retail and Institutional sales as part of the Company's strategy to explore new and potential markets and build a robust distribution network.

QUALITY

Across Plants, surveillance audits and re-certifications were conducted for Quality, Environment, Food Safety and Occupational Health & Safety (OHSAS 18001). Focused quality enhancement initiatives were rolled out to enable the Company to benchmark with the best-in-class and be future ready. to meet the challenges of a globally competitive market.

During the year Nellikuppam and Haliyal Plants continued to sustain Food Safety Systems Certification (FSSC 22000) and certification for Supplier's Guiding Principles (SGP) compliance. Nellikuppam Refinery received the highest Level 3 Qualification from a multinational Pharma Company, making the Plant eligible for supplying to global customers. While Haliyal achieved the Plant approval from a major beverage multinational, Kakinada received Certifications for ISO 9001, QMS, FSSC 22000 and Halal, making the plant eligible for large institutional sales.

ENERGY

The Company's focus on getting future ready with respect to energy and resource conservation has made it's Co-gen and the sugar factories the best in its class with respect to efficiency and environment friendly operations.

The thrust on energy conservation has earned the Company various awards and recognitions, few of which are listed below,

- "Excellent Energy Efficient Unit"- National award by CII on three occasions
- "National Energy Conservation Award" from Bureau of Energy Efficiency, Government of India.

Energy Conservation:-

On generation side the boiler operating efficiencies have been maximised by resorting to:

- Reduction in bagasse moisture from a level of 50.5% to 48%
- Refiring of 'Unburnt' ash collected from the boiler after blending with press mud which is another by product and a bio mass
- Reduction in bagasse moisture through bagasse driers to reduce the moisture from 50% to a level of 42% using the waste heat in the boiler flue gas.

On the consumption side, the steam consumption has been reduced to an average of 35% on cane crushed.

Extensive deployment of variable frequency drives, optimisation of pumps and fans, conversion to Energy Efficient Gear Boxes and lighting systems have resulted in reduced specific energy consumption at the Co Generation plants and sugar factories.

Execution Excellence

At E.I.D Parry, execution excellence was adopted as a core competency to develop people, process and business capabilities. The strategy was to exceed defined goals through change management, execution management, performance agility and new learning to build an organization that is future ready.

RESEARCH & DEVELOPMENT

In pursuant of its strategy to be future ready, E.I.D Parry has continuously developed innovative and cutting technologies that are sustainable and enhance yield and productivity. The only sugar manufacturer in India and among the select few in the world with a dedicated Cane Breeding and Research Centre, E.I.D Parry has pioneered many scientific practices in the sugar industry.

- Introduced and expanded new proprietary varieties of Parry to increase the yield and recovery in all mills of Tamil Nadu.
- Promoted Farmer Support Programmes for capacity building of farmers in sustainable sugarcane production. A total of 500 farmers were put through a two-day training at Sugarcane Breeding institute, Coimbatore.
- Advocated the use of bio-control agents and bio pesticides for reducing yield loss and for promoting sustainable farming practices. by developing trichogramma centres through farmer-entrepreneur model.
- Formed international collaborations to measure the water and carbon footprints of sugarcane and work out mitigation plans for efficient water use.
- Promoted new organic fertilizers like K-ash as a replacement for Muriate of Potash.
- Developed clean seed cane plots using 2/3 tier nursery systems by monitoring and controlling major diseases in cane varieties.
- Established the tissue culture hardening centers in Karnataka to promote new varieties and aid in 3 tier nursery program through clean cane production.
- Benchmarked trials at Nellikuppam and Pugalur to compare the water saving by various methods.
- Conducted financial literacy program for more than 15000 farmers covering the 5 mills in Tamil Nadu.

Bonsucro Certification

The Company holds the distinction of being the first in Asia to be certified with the Bonsucro international certification for sustainable sugar production. The Pugalur Plant was the first mill in the world to receive the Bonsucro certification dealing with small holder farmers.

This was followed by the certification of the Nellikuppam Plant in January 2016, the oldest mill in the world to be Bonsucro certified. During the year, one of Parry's farmers from Pugalur was co opted to the Bonsucro Board as farmer representative.

Bonsucro is a global non-profit, multi-stakeholder organization fostering the sustainability of the sugarcane sector through its leading metric-based certification scheme and its support for continuous improvement for members. With a membership of more than 400 members from 36 countries representing all areas of the supply chain, and a growing awareness and commitment on the part of many end users to procure sustainable sugar by 2020, EID Parry has the first mover advantage.

The Company has initiated the process of establishing the Bonsucro certification standards across its other units, with Haliyal Plant going through the certification in April 2016.

Bio-Pesticides Division

Industry Overview

Crop protection products play a pivotal role in agriculture by keeping crops safe from being damaged by pests, weeds and diseases. Till recent times, chemical derivatives were mostly used for protecting the crops. The growing awareness of risks to human health and environment caused by such chemical derivatives, and the toxic residues they leave in the food chain have encouraged the advanced economies to introduce stringent regulatory controls. This has led to the emergence of green chemistry molecules and bio-pesticides as effective alternatives for synthetics paving way for establishing IPM (Integrated Pest Management) and IRM (Insect Resistance Management) as the viable options for achieving effective crop protection and production.

Bio pesticides are the fastest-growing crop protection market sector increasing at twice the compound annual growth rate of the crop protection market as a whole. The North American and European market for bio pesticides are estimated at \$830 million and \$762 million respectively and both are estimated to exceed the \$1 billion mark by 2017. The combined markets of Asia, Australia, Latin America, Africa and Middle East for Bio pesticides are estimated at \$1.3 billion which has grown @ 18% CAGR in the past decade. Latin America has seen the strongest growth, with a CAGR of 22% followed by Asia and Australasia at 18% and Africa and Middle East at 12%. Specifically in India the bio pesticide consumption is estimated to grow at a CAGR of 18%. Overall, there are sufficient indicators that this trend would continue and the global market for bio pesticides would grow to \$ 6.9 billion by 2019 at a CAGR of 13.9%.

Operating Results

The division registered revenue of ₹ 10,459 Lakh in 2015-16 accounting for 4 % of the Company's revenue. The sale of Aza

Products registered a growth of 14% over 2014-15. Export sale of Neemazal technical registered agrowth of 15% over 2014-15. USA accounted for 63% of Export sales, while Europe and Asia accounted for 33% and 4% respectively. Parry's Azadirachtin, with the highest purity and best stability, continued to command a premium and maintain its leadership position both in the agriculture and Indoor garden segments.

In the domestic market, amidst severe drought situation across the states ,sales of Aza products grew by 12%, the non Aza product segment registered a growth of 18% over 2014-15. The business capitalized on the surge in the Neem Oil requirement for coating the urea of fertilizer companies. In the domestic market, the sale of new products sourced from USA, Agriplus and Fulcrum, gained momentum.

Financial Performance

Revenue for the year was ₹ 10,459 Lakh as compared to ₹ 9,357 Lakh of previous year. PBIT for the year was ₹ 2,673 Lakh against ₹ 2,652 Lakh in 2014-15.

In ₹ lakh

| Details | 2015-16 | 2014-15 |
|---------|---------|---------|
| Revenue | 10,459 | 9,357 |
| EBITDA* | 2,798 | 2,754 |

*Earnings before interest, tax, depreciation and amortization.

Standalone Financial Performance:

Outlook

Biopesticide usage in agriculture is projected to grow at the fastest CAGR of 16% from 2015 to 2020 buoyed by the enactment of stringent government regulations in different countries across the world, curbing and phasing out the use of highly toxic synthetic pesticides that are harmful on beneficial insects. The increased awareness on honeybee safety has led to reduction in usage of bee toxic pesticides in developed countries like USA and EU resulting in steady growth of bio pesticides usage. Biopesticides are emerging as the essential tool for the preservation of trade around the world with EU leading the way with the establishment of arbitrary maximum residue limits that create a de facto global standard. This regulatory reality is driving greater adoption of biopesticides, especially among horticulture producers.

Growing awareness of farmers of the long term benefits of bio pesticides for soil health, reduction in the chemical pesticide spraying cycles and the resultant cost gain have been a major driver for the acceptance of nature based pest control products as an integral part of sustainable farming practices. Reflecting a positive trend, the farming community in India has started to move away from low cost, high toxic, broad spectrum crop protection products to high cost, low dose and highly target specific new chemistry synthetics, besides safe and effective bio-products

The biopesticide market has witnessed huge investments by MNCs, primarily by way of acquisitions during the past few years. Intensive marketing strategies by these multinationals have propelled the growth of the bio pesticide segment. Reduced level of toxicity, safety to users and consumers, eco friendliness, sustained and assured protection, lower pre harvest intervals, etc. have made Biopesticides, the product of choice worldwide.

Microbial bio pesticides dominate the segment with > 60% market share and find extensive use in horticulture, agriculture and forestry. North America, Japan and Europe have emerged as major users. India has emerged as a hub for export of microbial products to various countries in Europe, Africa and Middle East. Since the manufacturing is done using fermentors and micro organisms, manufacturing operations can be carried out without the constraints of seasonality and raw material availability.

E.I.D Parry, after identifying highly critical pest segments and the potential gaps in managing them through agro chemicals has commenced its effort to embark upon collaborative projects with Contract Research Organisations to develop patentable microbial strains to address these gaps. In addition, with the need for developing a differentiated Aza and Abda formulation for seed treatment, Parry has forayed into this segment working with seed coating specialists to develop special seed treatment formulations. Importing and marketing of high concentrated humic products for vegetables is another area of focus while manufacturing and marketing of high quality by-products viz., neem cake and neem oils part of EID's future ready strategies for growth.

Nutraceuticals Division

Industry Overview

The global Nutraceutical market is currently valued at around \$195 billion. The market is expected to reach around \$280 billion by 2020, at a compound annual growth rate of 7.5% from 2014 to 2020. The Nutraceutical market constitutes the functional foods and beverages market and the dietary supplements market. The market share of three main Nutraceuticals product categories is: Functional foods (~33%), functional beverages (~40%), and dietary supplements (~27%). Dietary supplements market, the key target segment for Parry is expected to grow slower at ~4.0% CAGR.

According to 'India Nutraceuticals Market Forecast & Opportunities, 2017', the Nutraceuticals market in India is expected to grow tremendously in the next five years. The market is being strongly driven by an increasing health consciousness, rising disposable incomes, increasing number of people being affected by lifestyle diseases resulting in healthcare spending, and the shifting age structure of the Indian population, with higher median age. As a result, the Indian Nutraceuticals market is expected to reach US\$ 6.1 billion by 2020 as compared to US\$ 2.8 billion at present.

Operating Results

The Nutraceuticals Division's turnover was ₹ 7164 lakh for the year ended 31st March, 2016 representing 3% of the Company's revenue. About 86% of this represents exports. Overall sales has registered a degrowth of 4% over 2014-15. Sales of premium organic spirulina dropped 22% mainly due to decrease in demand from Asia pacific market on account of intense price competition from competitors.

In line with its future ready strategies of expanding the range innovative products for the wellness space, the Company launched Organic Chlorella, a dietary supplement which helps in Detoxification, Tissue regeneration and Healthy ageing. E.I.D Parry is probably the only company in the world, with the capability to produce all the three algae based dietary supplements viz., Spirulina, Chlorella and Astaxanthin. During the year, the business entered into E-Retail segment through the launch of Spirulina in Amazon.

Parry's Spirulina is Certified Organic as per USDA NOP, Naturland (Germany) and ECOCERT (France) Standards - the only Organic Spirulina to meet 3 major standards. The Company also holds major quality certifications such as ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System) and ISO 14001 (Environment Management System) and is also Kosher and Halal certified for its manufacturing facilities. Parry's brand of Organic Spirulina is the only Spirulina in the world that has been verified by USP - Dietary Ingredient Verification Program which emphasises on Good Manufacturing Practices. Parry's Spirulina received GRAS (Generally Recognised As Safe) from USFDA affirming its safety because of low contaminants. The product meets with California Prop 65 Safety norms (for heavy metal content) even at a much higher intake quantity, which highlights its safety. During the year, the new product Organic Chlorella powder and tablet has been added in the scope for Organic Certificate / Kosher and Halal.

Financial Performance

Revenue for the year was ₹ 7164 Lakh as compared to ₹7433 Lakh of previous year. PBIT for the year was ₹ 1008 Lakh as against ₹ 1800 Lakh in 2014-15. Drop in Spirulina sales by 20% and scaling down of Astaxanthin operations during the year have resulted in reduction in profits during the current year. The business has initiated action to improve Spirulina sales by focusing on Multi level marketing customers in Asia, Comprehensive Key Account Management in North America and Australia and gaining significant volumes in Natural colors industry in Europe.

Standalone Financial Performance:

| In ₹ lakh | | |
|-----------|---------|---------|
| Details | 2015-16 | 2014-15 |
| Revenue | 7,164 | 7,433 |
| EBITDA* | 1,324 | 2,087 |

*Earnings before interest, tax, depreciation and amortization.

Outlook

Global trends in Nutraceutical ingredients will result in developing regions achieving much faster growth in both consumption and production than developed regions. Omega-3 fish oils will lead gains, reflecting clinically proven cardiovascular benefits and expanding use in dietary supplements and nutritional therapies. There is a big drive from consumers for natural food colors and Parry is working on various projects on developing natural food colors eg., Phycocyanin and Chlorophyll from Spirulina, red colour from Lycopene to replace anthocyanins, etc., The business is focusing on moving up the value chain by offering value added and more consumer appealing products from microalgae ingredients –Spirulina and Chlorella. The business will also focus on Astaxanthin production during winter months to maximize the yield.

STANDALONE FINANCIALS:

I) Results of Operations

Turnover:

In ₹ Crore

| Business Segments | 2015-16 | 2014-15 |
|--------------------|--------------|--------------|
| Sugar | 1,692 | 1,538 |
| Cogen | 193 | 138 |
| Distillery | 286 | 272 |
| Sugar Total | 2,171 | 1,948 |
| Bio-Pesticides | 104 | 94 |
| Nutraceuticals | 72 | 74 |
| Total | 2,347 | 2,116 |

The total turnover of the Company grew by 11% from ₹ 2116 Crore in the year FY 2014-15 to ₹ 2347 Crore in FY 2015-16.

The increase in Sugar division's sales from ₹ 1948 Crore to ₹ 2171 Crore in FY 2015 -16 was mainly due to higher sugar volumes, better realisation of sugar price during the second half of the financial year and increased power and distillery realisation.

Other Income

Other income for the year was ₹ 85 Crore as against ₹ 183 Crore in the previous year which includes dividend income of ₹ 44 Crore against ₹ 120 Crore in FY 2014-15. Interest income earned during the year was ₹ 6 Crore as against ₹10 Crore in FY 2014-15.

EBIDTA

The Earnings before Interest, Depreciation, Tax and Amortization for the year was ₹ 152 Crore representing 6% of total revenues and showed a decrease of 61% over previous year's ₹ 389 Crore.

EBIT

EBIT for the year was ₹ 47 Crore as against ₹ 287 Crore of FY 2014 -15.

Finance Charges

The Company incurred finance charges of ₹ 143 Crore for the year FY 2015-16 as compared to ₹ 151 Crore for the year FY 2014-15. This reduction was on account Soft Loan received under the scheme of Government of India with nil interest for one year and effective use of funds during the year.

Depreciation

Depreciation was ₹ 105 Crore for the year FY 2015-16, as compared to ₹ 102 Crore for the year FY 2014-15

PBT

Loss before tax for the year stood at ₹ 96 Crore as against profit of ₹ 136 Crore of previous year.

PAT

Loss after tax for the year stood at ₹ 66 Crore as against Profit After Tax of ₹ 148 Crore of previous year

II) Financial Overview

Networth

The Networth as on March 31, 2016 was ₹ 1291 Crore (net of fixed assets revaluation reserve of ₹ 5 Crore) as against ₹ 1369 Crore (net of fixed assets revaluation reserve of ₹ 5 Crore) in March 31, 2015 contributed by loss made during the year and adjustment arising on amalgamation of Parry Phytoremedies Private Limited.

Capital Redemption Reserve remained unchanged during the year while Debenture Redemption Reserve decreased vide transfer to Profit and Loss Account for ₹ 40 Crore.

Borrowing

The total loan funds of the Company decreased by 32% from ₹1845 Crore in 2014-15 to ₹ 1248 Crore in 2015-16.

The Long Term Debt is 0.81 times of equity against 0.67 times of equity in the previous year.

Working capital borrowing utilized was ₹ 202 Crore on March 31, 2016 as against ₹ 929 Crore in previous year end.

Fixed Assets

The Company incurred ₹ 54 Crore (₹ 81 Crore during the previous year) of Capital expenditure during the year.

Investments

The total investment of the Company as at March 31, 2016 was ₹ 778 Crore as against ₹ 683 Crore in 2014-15. The following investments were made during the year:

- Equity shares of Parry Sugars Refinery India Private Limited of ₹ 50 Crore.
- Redeemable Cumulative Preference shares of Parry Sugars Refinery India Private Limited of ₹ 28 Crore.
- Redeemable Cumulative Preference shares of Parrys Sugar Industries Limited of ₹ 35 Crore.
- Equity shares of Parrys Investments Limited of ₹ 0.65 Crore by way of fresh equity infusion.
- Equity shares of Alimtec, S.A. of ₹ 1.40 Crore.

Scheme of amalgamation of Parry Phytoremedies Private Limited with the Company became effective during the year with the appointed date of April 1, 2014.

Rating

During the year, rating agency CRISIL has downgraded Long term debt rating from CRISIL 'AA-' (Stable) to CRISIL 'A+' (Stable) and reaffirmed CRISIL A1+ rating for its short term borrowings

Book Value and Earnings per Share

Book Value of the Company decreased from ₹ 78 per share to ₹ 73 per share. Earnings per share decreased to ₹ (3.78) per share for the year ended March 31, 2016, from ₹ 8.43 for the year ended March 31, 2015

Ratios

| Particulars | 2015-16 | 2014-15 |
|-------------------------------------|---------|---------|
| Key Profitability Ratios | | |
| EBIDTA / Sales % | 6.45% | 18.39% |
| PAT / Sales % | (2.83%) | 7.01% |
| PAT / Networth % (ROE) | (5.15%) | 10.83% |
| Key Capital Structure Ratios | | |
| Debt / Equity Ratio | 0.97 | 1.35 |
| Long Term Debt /Equity Ratio | 0.81 | 0.67 |
| Outside Liabilities / Networth | 1.68 | 1.80 |
| Net Fixed Assets/Net worth | 1.13 | 1.10 |
| Debt Service Coverage Ratio | 0.49 | 1.19 |

| Particulars | 2015-16 | 2014-15 |
|-------------------------------------|---------|---------|
| Liquidity Ratios | | |
| Current Ratio | 0.70 | 0.85 |
| Inventory Turnover (days) | 131 | 179 |
| Receivables (day gross sales) | 42 | 48 |
| Earnings and Dividend Ratios | | |
| Dividend % | Nil | 300% |
| Dividend Payout % | Nil | 35.58% |
| Earnings Per share (₹) | (3.78) | 8.43 |
| Book Value Per share (₹) | 73 | 78 |
| P / E Multiple | (57.69) | 20.86 |

RISK MANAGEMENT

Sugar being a common commodity, the risk in sugar manufacturing is both local as well as global. It needs a dynamic approach to run the business. To reduce the impact of cyclicity in business, the Company has taken a conscious decision to expand its presence in its fast growing and better margin businesses such as Bio pesticides and Nutraceuticals. Being export-driven, both these businesses may be impacted by global changes. The Company has proactively assessed the key risks that may have an adverse impact on the business.

Economic Risk

Risk: Due to global slowdown and other macro factors such as inflation and interest rate, there could be an adverse impact on business and profitability.

Mitigation: With experience in the financial market, the Company is able to source funds at competitive rates in adverse market conditions.

Pricing Risk

Risk: Due to Global and Domestic surplus, there could be sharp fall in sugar prices affecting the profitability.

Mitigation: The Company is focusing to increase the market share of Institution and Retail segments and has initiated several cost reduction measures at various levels. The Company has also taken steps to run the power, distillery and refinery segment beyond the season.

Raw Material Availability

Risk: Due to the adverse weather conditions, availability of crucial inputs such as sugarcane, neem seeds, water, etc. may be impacted thereby affecting the business.

Mitigation: The Company works continuously towards educating farmers on scientific and sustainable sugarcane cultivation methods besides providing them with better varieties of sugarcane seeds / saplings that give better yield. The Company holds good brand value and trust amongst the farmer community and is the preferred partner for sugarcane supply.

Raw Material Pricing Risk

Risk: The Central and State Governments decide sugarcane prices in a manner that is not linked to sugar prices. Unviable sugarcane prices may impact the profitability of the Sugar division.

Mitigation: This is a major external risk and many a times had a negative impact. However, the government has partially decontrolled the industry and going forward if the government accepts C. Rangarajan Committee's proposed linking of sugarcane prices to sugar sales, this risk would be significantly mitigated.

Credit Risk

Risk: Due to fixed sugarcane pricing but floating sugar realization, the Company may face shortfall in availability of cash to pay to farmers.

Mitigation: The Company has been very prudent in managing its cash flows and has well placed short-term credit facilities from various banks. This helps to manage the short term credit mismatch which is the nature of the business.

Currency Risk

Risk: The Company exports sugar, bio pesticides and Nutraceuticals. Hence it has huge and growing exposure to currency fluctuation risk

Mitigation: The Company follows a comprehensive forex policy to hedge foreign currency fluctuation by taking cover through forward contract.

HUMAN RESOURCES

EID Parry is a value based organization with a culture that promotes empowerment and freedom. In a challenging and competitive environment, the organization believes that people are the key to success. The Human Resources function proactively develops innovative and business focused methods to attract, develop, motivate and retain the most competitive resource - our People. The Human Resources strategy is closely aligned to the key businesses and stems from the organization purpose of "Enriching and energising lives through a sustainable eco system."

During the year under review, there were no cases filed pursuant to the Policy on Prevention of Sexual Harassment at Workplace.

The Human Resources vision, "Building Organizational Capability to deliver superior business performance", is delivered by a high

level of policy deployment initiatives and contemporary HR practices focusing on four key imperatives: Capability Development, Talent Management, Employee Engagement & Productivity Enhancement.

AWARDS & RECOGNITIONS

In pursuit of execution excellence and to be future ready, Team Parry honed its capabilities to the best-in-class practices participating in various competitions and winning awards and laurels:

Corporate

- Award from Asia Pacific HRM Congress – September 2015 for Developing Sustainable HR Strategies

Haliyal Unit

- SISSTA Platinum Award for Best Sugarcane Development
- SISSTA Silver Award for Best Cogen Plant

Nellikuppam Unit

- Awarded the BONSUCRO certification in February 2016, the oldest mill in the world to achieve this feat.
- SISSTA Award for Best Sugarcane Development at 45th National Convention held on 24th July 2015.

Pudukottai Unit

- Excellent Energy Efficient Award by CII on September 2015.
- "Best KAIZEN AWARD" at the 25th KAIZEN Conference and National Level competition held at Bangalore

Pugalur Unit

- Awarded the BONSUCRO certification in June 2015.
- Safecon Safety Award from CII.

Sankili Unit

- SISSTA Golden & Silver Awards for Best Cogen and Distillery Plants

Sivaganga Unit

- Leader Jeeva Social Security Award for 2015-16 by Tamilnadu Art & Culture Academy, Sivaganga
- 'Best CSR to Public' Award by Lions Club, Sivaganga

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company believes in enriching lives and in line with this, the CSR initiatives primarily focus on encouraging sustainable socio-economic growth, to improve the quality of life of the communities in and around the areas where EID operates.

The various CSR initiatives undertaken by the Company during the last financial year include:

Healthcare

'Hospital on Wheels', a well equipped mobile unit with diagnostic and medical intervention amenities for people living in remote areas is supported by the Sankili and Haliyal units in collaboration with external agencies. In addition, a mobile medical unit in collaboration with Help Age caters to geriatric care of around 50 cane growing villages in and around Sankili.

Across the different Plants, free pulse polio camps for the children of labourers and medical camps offering health check-ups and free medicines are conducted regularly for cane growers, harvesting and transport labourers.

Education

The Company promotes education in the neighbouring villages near its units, by providing educational assistance to cane growers children, building infrastructure at schools and participating in their developmental needs. Besides sponsoring teachers, mid-day meals for Balawadi school children of labourers was also started during the year at Haliyal.

Flood Relief Measures

During the El Nino generated floods which battered the state of Tamil Nadu, the company provided large scale assistance and support for flood relief work, including setting up of relief camps, providing food and water, draining and desilting of fields and canals, and arranging medical camps to prevent the outbreak of an epidemic. Relief measures were also extended to the employees, the farming and village communities affected by the floods.

Providing drinking water supply to neighbouring villages at Sankili, and the construction of bus shelters and the administrative building of a local Police Station at Nellikuppam were some of the other local community development works in and around the units.

INTERNAL CONTROLS

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. To further strengthen the internal financial control, an in-house shared service has been established by the Company.

CAUTIONARY STATEMENT

Statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements

Chennai
May 10, 2016

On behalf of the Board

A. Vellayan
Chairman

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

E.I.D.-Parry, a member of the Murugappa Group of Companies, believes in high standards of governance and adheres to good corporate practices and is constantly striving to improve them and adopt the best practices. Adherence to business ethics, transparency in dealings with all stakeholders, adequate and timely disclosure of information and commitment to corporate social responsibility are the basic elements of the governance policy of the company. The board recognises that governance expectations are constantly evolving and it is committed to keeping its standards of transparency and dissemination of information under continuous review to meet both letter and spirit of the law and its own demanding levels of business ethics. The Company 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

The Board provides leadership, strategic guidance and objective judgement on the affairs of the Company. The Board comprises of persons of eminence with excellent professional achievements in their respective fields. The independent Directors provide their independent judgement, external perspective and objectivity on the issues which are placed before them.

The Company has an appropriate mix of Executive, Non-Executive and Independent Directors with expertise in the fields of business strategy, finance, marketing and business management. As on March 31, 2016 the Company's Board had seven Directors with a Non - Executive Chairman, part of the Promoter Group. There were four Independent Directors including a woman director, a Non Executive Non Independent Vice Chairman and a Managing Director. The composition of the Board is in conformity with the Companies Act, 2013 and Listing Regulations.

Board Meetings

The Board meets at regular intervals with an annual calendar and a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The board is regularly briefed and updated on the key activities of the business and is provided with presentations on operations, quarterly financial statements and other matters concerning the company.

Adequate notice is given to the directors for the meetings and detailed notes on agenda sent well in advance in compliance with Secretarial Standard. The information made available includes all items stipulated in the Listing Regulations. The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed compliance reports prepared by the Company on quarterly periodicity.

The Board met six times during the Financial Year 2015-16 i.e., 29.05.2015, 04.08.2015, 27.08.2015, 13.11.2015, 01.02.2016 and 28.03.2016. The maximum gap between any two meetings was less than 120 days as stipulated under the Listing Regulations.

Information on the Directors of the Company, their attendance at Board Meetings & Annual General Meeting of the Company held during the year and the number of Directorships in other Companies and Committee positions held by them in other Public Limited Companies as on March 31, 2016 are given below:

| Sl. No. | Name and Designation of the Director | Category | Attendance | | No. of Directorships & Committee membership in Public Companies (excluding EID) | | | |
|---------|--|---|----------------|----------------------------|---|----------|------------------------|----------|
| | | | Board Meetings | AGM held on August 4, 2015 | Board* | | Committee [§] | |
| | | | | | Director | Chairman | Member | Chairman |
| 1 | Mr. A Vellayan Chairman DIN : 00148891 | Promoter, Non- Independent, Non-Executive | 5 | Yes | 5 | 2 | 1 | 1 |
| 2 | Mr. V. Ravichandran Vice Chairman DIN : 00110086 | Non- Independent, Non-Executive | 6 | Yes | 5 | - | 5 | - |

| Sl. No. | Name and Designation of the Director | Category | Attendance | | No. of Directorships & Committee membership in Public Companies (excluding EID) | | | |
|---------|---|--------------------------------|----------------|----------------------------|---|----------|------------------------|----------|
| | | | Board Meetings | AGM held on August 4, 2015 | Board [*] | | Committee [§] | |
| | | | | | Director | Chairman | Member | Chairman |
| 3 | Mr. V. Ramesh Managing Director DIN : 01412093 | Non- Independent, Executive | 7 | Yes | 3 | - | 1 | |
| 4 | Mr. Anand Narain Bhatia Director DIN : 00148983 | Independent, Non-Executive | 5 | Yes | 3 | 1 | 1 | |
| 5 | Mr. V. Manickam Director DIN : 00179715 | Independent, Non-Executive | 6 | Yes | 6 | - | 4 | - |
| 6 | Mr.M.B.N.Rao Director DIN :00287260 | Independent, Non-Executive | 5 | Yes | 9 | 2 | 6 | 2 |
| 7 | Dr. (Ms) Rca Godbole # Director DIN:07306268 | Independent, Non-Executive | 3 | N.A | - | - | - | - |
| 8 | Mrs. Shyamala Gopinath @ Director DIN :02362921 | Independent, Non-Executive | 1 | Yes | N.A | N.A | N.A | N.A |

* Excludes directorship in Foreign Companies, Private companies, Section 8 companies

§ Represents memberships of Audit and Stakeholders Relationship Committees, in Public Limited Companies & Private Limited Companies which are subsidiaries of Public Limited Companies.

@ Mrs. Shyamala Gopinath resigned with effect from 5th August, 2015

Dr. (Ms) Rca Godbole was appointed as an Additional Director with effect from 1st November, 2015

^ Mr. Anand Narain Bhatia held the position of the Chairman of the Board for the period from 29th May 2015 to 13th November, 2015

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he/she is a Director.

Independent Directors

None of the Directors are related to each other.

The terms and conditions of the appointment of Independent Directors are disclosed on the Company's website at www.eidparry.com.

Shareholding

Details of shares held by non-executive directors as on 31st March, 2016 are as follows:

| Sl. No. | Name of the Director | No. of Shares held |
|---------|------------------------------------|------------------------------------|
| 1. | Mr. A. Vellayan, Chairman | 3,44,540 equity shares of ₹ 1 each |
| 2. | Mr. V. Ravichandran, Vice Chairman | Nil |
| 3. | Mr. Anand Narain Bhatia, Director | Nil |
| 4. | Mr. V. Manickam, Director | Nil |
| 5. | Mr. M. B. N. Rao, Director | Nil |
| 6. | Dr. (Ms) Rca Godbole, Director | Nil |

All the four Independent Directors have confirmed that they satisfy the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013. None of them is a whole time director in any listed entity nor serving as an independent director in more than seven listed entities.

The familiarization process followed by the Company for familiarising the Independent Directors on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. is disclosed at the weblink:<http://www.eidparry.com/ContentFiles/Downloads/financialresults/FamiliarisationProgramme.pdf>

During the year, the Independent Directors had a separate meeting without the presence of Non-Independent Directors and the management team. All the independent directors were present in that meeting.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an evaluation of its own performance, the individual Directors as well as an evaluation of the working of its Committees viz., Audit, Nomination and Remuneration, Stakeholders Relationship, Risk Management and Corporate Social Responsibility Committees. Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. 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 attendance, level of participation in the meetings and contribution, independence of judgement, safeguarding the interest of the Company and other stakeholders etc.

The performance evaluation of the 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. Chairman of the Nomination and Remuneration committee anchored the session on chairman evaluation. Inputs from the Non-Independent Directors were also considered by the Independent Directors while evaluating the performance of the Chairman.

III. Audit Committee

Terms of Reference

The terms of reference of the Audit Committee includes matters which are set out in Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013 and inter alia includes

- a) oversight the company's financial reporting process and the disclosure of its financial information
- b) examination of the financial statement and the auditor's report thereon
- c) recommendation for appointment, remuneration and terms of appointment of auditors of the company
- d) review and monitoring the auditor's independence and performance, effectiveness of the audit process
- e) approval or any subsequent modification of the transactions of the company with related parties
- f) scrutiny of inter corporate loans and investments
- g) valuation of undertakings or assets of the company, wherever it is necessary
- h) evaluation of internal financial controls and risk management system
- i) monitoring the end use of funds raised through public offers and related matter

Composition of the Committee and attendance

The Audit Committee comprises of four independent directors. There were five meetings of the Committee held during the year and the details of the composition of the Committee and attendance of the members are as follows:

| Name of the Director | Category | Chairman/Member | Attendance |
|---------------------------|----------------------------|-----------------|------------|
| Mr. M. B. N. Rao | Independent, Non Executive | Chairman | 4 |
| Mr. Anand Narain Bhatia | Independent, Non Executive | Member | 5 |
| Mr. V. Manickam | Independent, Non Executive | Member | 5 |
| Dr. (Ms) Rca Godbole * | Independent, Non Executive | Member | 2 |
| Mrs. Shyamala Gopinath \$ | Independent, Non Executive | Member | 1 |

* Appointed as a member with effect from 13th November, 2015

\$ Mrs Shyamala Gopinath resigned from the Board with effect from 5th August, 2015 and consequently ceased to be a member of the Committee.

All members of audit committee have knowledge of financial management, audit and accounts.

Meetings of the Committee

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Head of Internal Audit, Chief Financial Officer, Senior Management team members and the Statutory Auditors are invited to attend all the meetings of the Committee. The Cost Auditors are invited to the meeting as and when required. The Committee members also have separate discussions with the statutory auditors as well as internal auditors without the presence of the management team.

Mr.M.B.N. Rao, Chairman of the Committee was present at the Annual General Meeting held on August 4, 2015.

IV. Nomination & Remuneration Committee

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include:

- formulation of criteria for determining qualifications, positive attributes and independence of a director
- recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulation of criteria for evaluation of Independent Directors and the Board;
- devising a policy on Board diversity;
- identification of 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.

Composition of the Committee:

| Name of the Director | Category | Chairman/ Member | Attendance |
|---------------------------|--------------------------------|------------------|------------|
| Mr. M. B. N. Rao | Independent, Non Executive | Chairman | 3 |
| Mr. Anand Narain Bhatia | Independent, Non Executive | Member | 3 |
| Dr. (Ms)Rca Godbole * | Independent, Non Executive | Member | 1 |
| Mr. V Ravichandran | Non Independent, Non Executive | Member | 3 |
| Mrs. Shyamala Gopinath \$ | Independent, Non Executive | Member | 1 |

* Appointed as a member with effect from 13th November, 2015

\$ Mrs. Shyamala Gopinath resigned from the Board with effect from 5th August, 2015 and hence ceased to be a member of the Committee.

The Company Secretary acts as the Secretary to the Committee.

Meetings of the Committee

The Committee held three meetings during the year on 25.05.2015, 04.08.2015 and 01.02.2016.

Mr M.B.N Rao, Chairman of the Committee was present at the Annual General Meeting held on August 4, 2015.

V. Remuneration of Directors

Remuneration Policy

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

The 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.

There were no pecuniary relationship / transactions between non-executive directors and the Company.

The 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.

Remuneration of Non-Executive Directors

- Non-Executive Directors (“NEDs”) are paid remuneration by way of Sitting Fees and Commission.
- As approved by the shareholders, Commission is paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Section 198 of the Companies Act, 2013. The Commission paid is restricted to a fixed sum within the above limit annually on the basis of their tenor in office during the financial year.
- The payment of the Commission to the NEDs is placed before the Board every year for its consideration and approval.
- 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.
- Keeping with evolving trends in industries and considering the time and efforts spent by specific non-executive directors, the practice of paying differential commission is considered by the Board.

Remuneration of Executive Director

- 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 Nomination & Remuneration Committee within the overall limits specified under the Companies Act, 2013.
- The elements of compensation of the Executive Director include the following:
 - fixed compensation
 - variable compensation in the form of annual incentive
 - benefits
 - work related facilities and perquisites

- The Nomination & Remuneration 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.
- 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 Nomination & Remuneration Committee.
- 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.
- Executive Directors will not be paid sitting fees for any Board/ Committee meetings attended by them.

Details of remuneration of Non-Executive Directors for the year 2015-16

| Name | Sitting Fees paid for Board and Committee Meetings ₹ in Lakh |
|--------------------------|---|
| Mr. A.Vellayan | 1.40 |
| Mr. V. Ravichandran | 2.85 |
| Mr. Anand Narain Bhatia | 3.81 |
| Mr. V. Manickam | 2.91 |
| Mr. M.B.N.Rao | 2.70 |
| Dr. (Ms)Rca Godbole# | 1.41 |
| Mrs. Shyamala Gopinath * | 0.65 |

Appointed with effect from 1st November, 2015

* Resigned with effect from 5th August, 2015

Non Executive Directors are not entitled for grant of stock options under ESOP Scheme.

During the year, the sitting fee for Board and Audit Committee meetings was paid at ₹ 25,000 and for other Committees at ₹ 15,000.

Details of remuneration to the Managing Director for the year 2015-16

| Name of the Managing Director | Salary / Allowances | Contribution to funds* | Value of Perquisites | Incentive Payable [§] |
|-------------------------------|---------------------|------------------------|----------------------|--------------------------------|
| Mr.V. Ramesh | 9591268 | 1689242 | 28800 | 3843200 |

* Represents contributions to Provident Fund, Superannuation Fund and Gratuity Fund.

§ Provisional and subject to determination by Nomination & Remuneration Committee.

VI. Stakeholders Relationship Committee

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

1. Dealing with the investors complaints like delay in transfer 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. Reviewing of investors complaints and take necessary steps for redressal thereof.
3. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act., 2013 and the rules made thereunder, Listing Agreements and the guidelines issued by SEBI or any other regulatory authority.
4. Approval of the share transfers and /or delegation thereof.

Composition of the Committee

| Sl.No. | Name of the Director | Category | Chairman/Member | Attendance |
|--------|-------------------------|-------------------------------|-----------------|------------|
| 1. | Mr. Anand Narain Bhatia | Independent Non-Executive | Chairman | 4 |
| 2.. | Mr.V.Ravichandran | Non Independent Non-Executive | Member | 4 |
| 3. | Mr. V. Ramesh | Executive | Member | 4 |

Ms. G.Jalaja, Company Secretary is the compliance officer.

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 | 6 | 6 | NIL |

Pursuant to Regulation 13 (3) of the Listing Regulations, the Company has been filing Statement of Investor Complaints with stock exchanges.

Meetings of the Committee

The committee held four meetings during the year ended March 31, 2016 on 29.05.2015, 04.08.2015, 13.11.2015 and 01.02.2016. Mr. Anand Narain Bhatia, Chairman of the Committee was present at the Annual General Meeting held on August 4, 2015.

Risk Management Committee

Terms of reference

The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation measures to address such risks. The role of the Committee includes review of the Risk Management strategy developed by the Management for approval by the Board, advise the Board on the prioritisation of Risk Management issues, report the effectiveness of the Company's Risk Management Systems and carries out additional functions and adopt additional policies and procedures as may be appropriate in the light of changes in business conditions legislative, regulatory, legal and other conditions.

Composition of the Committee

As at March 31, 2016, the Committee comprised of Mr. M.B.N. Rao as Chairman and Mr. V. Ramesh as a member. Members of the senior management team attend the meetings of the Committee as permanent invitees.

There was no meeting held during the year 2015 -16.

Corporate Social Responsibility Committee (CSR)**Terms of reference**

The role of CSR Committee is to formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken as specified in schedule VII of Companies Act, 2013 and to recommend the amount of expenditure to be incurred on the CSR activities, to monitor the CSR Policy of the Company from time to time and to prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/ activities proposed to be undertaken by the Company and to do all such acts, deeds and things as may be required in connection with the CSR activities.

Composition of the Committee

The Committee has an Independent Director as Chairman and two non independent directors as members.

Meetings of the Committee

The Committee met once during the financial year ended March 31, 2016, on 28.05.2015

Details of the composition and attendance

| Sl.No. | Name of the Director | Category | Chairman/Member | Attendance |
|--------|----------------------|--------------------------------|-----------------|------------|
| 1. | Mr. V. Manickam | Independent, Non-Executive | Chairman | 1 |
| 2. | Mr.V.Ravichandran | Non Independent, Non-Executive | Member | 1 |
| 3. | Mr. V. Ramesh | Executive | Member | 1 |

VII. GENERAL BODY MEETINGS

The location and time where the last three Annual General Meetings were held are given below:

| Year ended 31st March | Day and date | Time | Venue |
|-----------------------|----------------------|-----------|---|
| 2013 | Tuesday 30.07.2013 | 4.00 p.m. | Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai- 600 108 |
| 2014 | Wednesday 30.07.2014 | 4.00 p.m. | |
| 2015 | Tuesday, 04.08.2015 | 4.30 p.m. | |

Details of Special Resolutions passed during the last three Annual General Meetings are given below:

| Date of AGM | Particulars |
|-------------|---|
| 30.07.2013 | Payment of remuneration by way of commission to Non-whole time Directors for a period of 5 years w.e.f. 01.04.2013 |
| 30.07.2014 | <ul style="list-style-type: none"> • Borrowing limits under Section 180 (1) (c) of the Companies Act, 2013 for an amount not exceeding ₹ 3000 Crore. • Creation of mortgage/ charge on the immovable/ movable properties of the Company under Section 180 (1) (a) of the Companies Act, 2013. • Issue of Non Convertible Debentures for an amount not exceeding ₹ 200 Crore during a period of one year. • Payment of commission to non whole time directors for a period of five years w.e.f 01.04.2014. |
| 04.08.2015 | Issue of Non Convertible Debentures for an amount not exceeding ₹ 200 Crore during a period of one year |

During the financial year 2015- 16, no special resolutions were passed through postal ballot. There is no proposal to pass any special resolution through postal ballot at the AGM to be held on August 5, 2016.

VIII. MEANS OF COMMUNICATION

The quarterly unaudited financial results and the annual audited financial results are normally published in a leading business daily, Business Standard (English) and in Dinamani (Tamil). Intimation of Board Meeting Date, Record Date, Book Closure and dividend declaration notices are normally published in Business Standard (English) and Makkal Kural (Tamil). The financial results and press releases are placed on the Company's website at www.eidparry.com.

Details of Investor / Analysts / Brokers meetings / Concall transcripts whenever held are also posted on the Company's website at www.eidparry.com.

IX. GENERAL SHAREHOLDER INFORMATION

A separate section has been included in the Annual Report furnishing details required under the Listing Regulations.

X. OTHER DISCLOSURES & AFFIRMATIONS

Related Party Transactions

During the year, there were no materially significant related party transaction considered to have potential conflict with the interests of the Company at large. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy is available on the web link: http://www.eidparry.com/ContentFiles/Downloads/Policy/RPT_Policy.pdf

Details of non-compliance

During the last three years, there were no strictures or penalties imposed on the Company either by Stock Exchanges or by SEBI or any statutory authority for non-compliance on any matter related to capital markets.

Whistle Blower Policy and Vigil Mechanism

The company has established a whistle blower mechanism to provide an avenue to raise concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of directors / employees / customers who avail of the mechanism and also for appointment of an ombudsperson who will deal with the complaints received.

The Company has laid down a Whistle Blower policy which contains the process to be followed for dealing with complaints and in exceptional cases, also provides for direct access to the chairperson of the audit committee. The Company affirms that no person has been denied access to the Audit Committee.

The policy is available on the Company's website at www.eidparry.com.

Compliance with mandatory requirements

The Company has complied with all mandatory requirements as laid down in the Listing Regulations.

Compliance with Accounting Standards

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Disclosure from Senior Management

Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had a potential conflict with the interest of the Company at large were placed before the Board.

During the year under review, the Company has not raised any funds from public issue, rights issue or preferential issue.

Commodity price risk and commodity hedging activities

The Company enters into Derivative Contracts such as Forwards, Swaps, etc., to hedge its foreign currency fluctuation risks for underlying assets/liabilities and high probable transactions at appropriate times, as per policy.

The Company enters into Forward Contract with NCDX and reputed institutional buyers for a reasonable quantity to mitigate commodity risks.

XI. SUBSIDIARY COMPANIES

The Company does not have any material non listed Indian Subsidiary Company. The Audit Committee reviews the financial statements and in particular, the investments made by unlisted subsidiary companies. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are placed before the Board of Directors of the Company for their review. The Company has formulated a policy for determining material subsidiaries and the policy is available at the weblink: <http://www.eidparry.com/ContentFiles/Downloads/Policy/PolicyOnMaterialSubsidiary.pdf>

XII. Prevention of Insider Trading

As per the requirement in the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has formulated a Code of practices and procedures for fair disclosure of unpublished price sensitive

information and the same has been published on the Company's website www.eidparry.com. A Code of Conduct to regulate, monitor and report trading by insiders in securities of the Company has also been formulated.

XIII. Compliance with the Code of Conduct

The Board has laid-down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company. Annual declaration regarding compliance with the Code is obtained from every person covered by the Code of Conduct. A declaration to this effect signed by the Managing Director is forming part of this report. The Code is available on the Company's website at www.eidparry.com.

XIV. Compliance with Corporate Governance Norms

The Company has complied with Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Chennai
May 10, 2016

The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamilnadu, Chennai, along with the Annual Report.

As regards the non-mandatory requirements, the following have been adopted

1. Shareholder Rights

The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are covered in the press releases issued by the Company and posted in the Company's website. The Company has therefore not been sending the half yearly financial results to the shareholders.

2. There are no audit qualifications on the Company's financial statements.

3. The Company has separate persons for the post of Chairman and Managing Director.

On behalf of the Board

A. Vellayan
Chairman

INDEPENDENT AUDITORS' CERTIFICATE

To the Members of E.I.D.- Parry (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by EID Parry (India) Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016

5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

Place: Chennai
Date: May 10, 2016

M.K.Ananthanarayanan
Partner
Membership No. 19521

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT WITH THE COMPANY'S CODE OF CONDUCT

The Board of Directors
E.I.D.-Parry (India) Limited
Dare House
Parrys Corner
Chennai- 600 001

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 year ended 31st March 2016.

Chennai
May 10, 2016

V. Ramesh
Managing Director

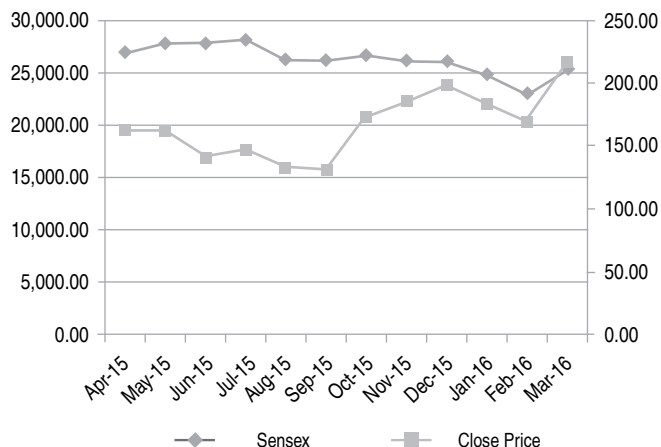
GENERAL SHAREHOLDER INFORMATION

| | | |
|---|---|---|
| I. Annual General Meeting Day, Date and Time Venue | Wednesday, 5th August 2016 at 4.30 p.m. The Music Academy, New No.168 (Old No.306), T.T.K Road, Royapettah, Chennai - 600 014 | |
| II. Financial Year | 1st April 2015 to 31st March 2016 | |
| III. Date of Book closure | 29th July, 2016 to 05th August 2016 (Both days inclusive) | |
| IV. Dividend Payment Date | Not applicable | |
| V. Listing on stock exchanges | Equity shares: National Stock Exchange of India Limited, Exchange Plaza, Plot No.C/1, G. Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. | BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. (The Listing fees for the financial year 2015-2016 were paid to both the Stock Exchanges). |
| VI. Stock Code | | |
| Name of the Stock Exchange/Depository | Code/ISIN | |
| National Stock Exchange of India Limited (NSE) | EID PARRY EQ | |
| BSE Limited (BSE) | 500125 | |
| NSDL & CDSL | INE126A01031 | |
| VII. Debenture Trustees | IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Tel : +91 22 4080 7000 Fax : +91 22 6631 1776 Email : itsl@idbitrustee.com | |

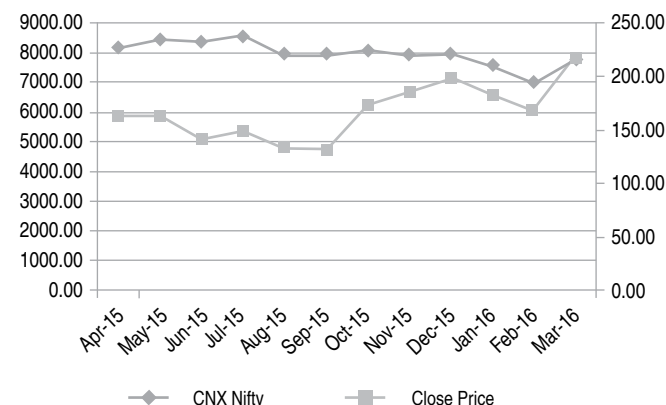
| VIII. Market Price Data – Monthly high, low and trading volume for equity shares | | | | | | | |
|--|--------|--------|-----------------|--------|--------|-----------------|-----------------|
| Period | BSE | | | NSE | | | (BSE & NSE) |
| | High | Low | Volume | High | Low | Volume | Total volume |
| | ₹ P. | ₹ P. | (No. of shares) | ₹ P. | ₹ P. | (No. of shares) | (No. of shares) |
| April-2015 | 177.20 | 155.45 | 1244914 | 177.30 | 155.10 | 37,51,491 | 49,96,405 |
| May-2015 | 171.60 | 155.05 | 199127 | 171.65 | 155.00 | 7,04,132 | 9,03,259 |
| June-2015 | 165.75 | 139.40 | 500843 | 165.85 | 139.00 | 30,09,865 | 35,10,708 |
| July-2015 | 162.60 | 140.05 | 1826908 | 161.00 | 139.60 | 43,98,371 | 62,25,279 |
| August-2015 | 153.00 | 128.35 | 851817 | 153.90 | 128.00 | 30,18,106 | 38,69,923 |
| September-2015 | 140.00 | 123.00 | 441676 | 140.00 | 123.50 | 12,72,219 | 17,13,895 |
| October-2015 | 189.00 | 131.05 | 3393159 | 189.20 | 130.50 | 1,30,66,918 | 1,64,60,077 |
| November-2015 | 214.05 | 163.65 | 2347483 | 214.00 | 163.50 | 1,05,48,243 | 1,28,95,726 |
| December-2015 | 203.90 | 171.00 | 1754509 | 203.90 | 171.50 | 58,64,952 | 76,19,461 |
| January-2016 | 206.55 | 171.60 | 1878451 | 206.70 | 171.65 | 76,06,311 | 94,84,762 |
| February-2016 | 189.75 | 150.30 | 2079402 | 190.00 | 147.80 | 36,34,751 | 57,14,153 |
| March-2016 | 221.20 | 166.90 | 2472375 | 221.50 | 168.00 | 1,00,00,412 | 1,24,72,787 |

IX. Performance in comparison to broad based indices such as BSE Sensex, NSE Nifty, CRISIL Index, etc.

Share Price performance in comparison with BSE SENSEX



Share Price performance in comparison with NSE NIFTY



X. Investor Contacts

(a) Registrar and Transfer Agents

Karvy Computershare Private Limited,
Unit: E.I.D.-Parry (India) Ltd.,
Plot No : Karvy Selenium Tower B, Plot number 31 & 32,
Gachibowli, Hyderabad 500 008
Tel : + 91-040- 6716 2222 Fax : + 91-040- 2342 0814
E-Mail : einward.ris@karvy.com;
subrahmanyam.mrv@karvy.com;
Contact Person: Mr. M R V Subrahmanyam, General Manager

(b) Company

E.I.D.-Parry (India) Limited,
Secretarial Department,
3rd Floor, Dare House, Parrys Corner,
Chennai – 600 001.
Tel : +91-044-25306789 Fax : +91-044-25341609
E-Mail : investorservices@parry.murugappa.com;
jalajag@parry.murugappa.com;
Contact Person : Ms. G. Jalaja, Company Secretary

XI. Share Transfer System

Share Transfers in Physical Form

Share transfers are approved by Stakeholders Relationship Committee.

Managing Director / Vice Chairman are individually authorised to approve transfers up to 5,000 shares (Face value of ₹ 1 each) per transferor / transferee.

Certain senior executives along with a director have been authorised to approve request for transfers up to 1,000 shares (Face value of ₹ 1 each) per transferor / transferee.

Certain senior executives have also been authorised to approve transfers up to 500 shares (Face value of ₹ 1/- each) per transferor / transferee.

Details of Complaints received and redressed

| Nature of Complaints | Received during the year | Redressed during the year |
|--|--------------------------|---------------------------|
| Non receipt of share certificate, non receipt of dividend and transmission of shares | 6 | 6 |

There were no complaints remaining pending at the beginning and end of the financial year 2015 – 16.

XII. Distribution of shareholding as on March 31, 2016

| No. of equity shares held | No. of share holders | % | No. of shares | % |
|---------------------------|----------------------|---------------|------------------|---------------|
| 1- 5000 | 41091 | 97.00 | 12767608 | 7.26 |
| 5001-10000 | 580 | 1.37 | 4319835 | 2.46 |
| 10001-20000 | 307 | 0.73 | 4372235 | 2.49 |
| 20001-30000 | 100 | 0.24 | 2456654 | 1.39 |
| 30001-40000 | 48 | 0.11 | 1737564 | 0.99 |
| 40001-50000 | 37 | 0.09 | 1701907 | 0.97 |
| 50001-100000 | 57 | 0.13 | 4150466 | 2.36 |
| 100001 & above | 140 | 0.33 | 144308615 | 82.08 |
| Total | 42360 | 100.00 | 175814884 | 100.00 |

| Shareholding Mode | No. of share holders | % | No. of shares | % |
|-------------------|----------------------|---------------|------------------|---------------|
| Physical | 9882 | 23.33 | 3875794 | 2.20 |
| Demat/Electronic | 32478 | 76.67 | 171939090 | 97.80 |
| Total | 42360 | 100.00 | 175814884 | 100.00 |

Shareholding Pattern as on March 31, 2016

| Category | No. of share holders | No. of shares | % to paid-up Capital |
|---|----------------------|---------------------|----------------------|
| Promoters | 61* | 79577050 | 45.26 |
| Indian Public/HUF/Clearing Members | 40844 | 50716605 | 28.85 |
| Mutual Funds | 17 | 5225364 | 2.97 |
| Banks/Financial Institutions/Insurance Co's | 26 | 10482788 | 5.96 |
| Foreign Institutional Investors/GDR's | 68 | 16117977 | 9.17 |
| Private Corporate Bodies | 692 | 11864605 | 6.75 |
| NRI/OCB/Foreign Nationals | 642 | 1655005 | 0.94 |
| Trusts | 10 | 175490 | 0.10 |
| Total | 42360 | 17,58,14,884 | 100.00 |

* No. of shareholders reported based on DP ID / Client ID wise

XIII. Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 97.80% of the Company's share capital are dematerialized as on March 31, 2016. The Company's shares are regularly traded on NSE and BSE, in electronic form.

XIV. Outstanding GDR / ADR / Warrants or any Convertible instruments, conversion date and likely impact on equity

As on March 31, 2016, 71,930 (0.04%) GDR are outstanding. Each GDR represents one underlying equity share.

XV. Commodity price risk and commodity hedging activities

The Company enters into Derivative Contracts such as Forwards, Swaps, etc., to hedge its foreign currency fluctuation risks for underlying assets/liabilities and high probable transactions at appropriate times, as per policy.

The Company enters into Forward Contract with NCDEX and reputed institutional buyers for a reasonable quantity to mitigate commodity risks.

XVI. Plant Locations

| | | | | | | |
|--------------|---|--|---|---|-----------------------|--|
| Sugar | 4 | Sugar Factory Kurumbur - 614 622 Aranthangi Taluk, Pudukottai District Tamilnadu | 7 | Sugar Factory & Distillery Hullatti Village Haliyal Mandal - 581 329 Uttara Kannada Karnataka | Bio Pesticides | |
| 1 | | Sugar Factory & Distillery Nellikuppam - 607 105 Cuddalore District Tamilnadu | 5 | Distillery Factory Udaikulam Village, Koothandhal Post Sivagangai Taluk, Sivagangai Dist. - 630 561 Tamilnadu | 10 | Bio-Pesticides Factory Thyagavalli Village, Via Alapakkam Rly. Station Cuddalore Taluk - 608 803 Cuddalore District Tamilnadu |
| 2 | | Sugar Factory Pugalur - 639 113 Karur District Tamilnadu | 8 | Sugar Factory NH- 50, Nagarlal Post, Nainegali - 587 207 Bagalkot Taluq & District Karnataka | Nutra Products | |
| 3 | | Sugar Factory Pettavaithalai - 639 112 Tiruchirapalli District Tamilnadu | 9 | Sugar Factory & Distillery Sankili Village Regidi Amadalavalasa Mandal Srikakulam Dist. - 532 440 Andhra Pradesh | 11 | Nutraceuticals Factory Kadiapatti, Nemathanpatti Road Panangudi Post - 622 505 Oonaiyur Village, Pudukottai District Tamilnadu |

12 Sr. No.79/2, Shed No.5,
Near Agarwal Godown,
Shivane,
Warje – NDA Road,
Pune – 411 023
Maharashtra

**R&D Facility
Sugarcane R&D Centre**

13 43, Annai Nagar
Pugalur – 639113
Karur Dt., Tamil Nadu

14 Sugarcane R&D Centre
D.No.23, Morai Campus
Nellikuppam – 607105
Cuddalore Dt., Tamil
Nadu

15 Research Farm
Edayanvalli
Melpattambakkam Post
- 607104
Cuddalore District,
Tamil Nadu

16 45/1, Shree Rama Layout
Behind Subramanya Temple
Cheemasandra
Virgo Nagar Post
Bengaluru – 560 049

Nutraceuticals R&D Centre

17 655, T.H. Road
Thiruvottiyur
Chennai – 600019

Bio – Products R & D Centre

18 Alapakkam R S
Thyagavalli – 608003
Cuddalore Dt., Tamil Nadu

XVII. Address for correspondence

E.I.D.-Parry (India) Limited,
Secretarial Department,
3rd Floor, Dare House,
Parrys Corner, Chennai - 600 001.
Tel :+91-044-25306789, Fax :+91-044-25341609
E-Mail:investorservices@parry.murugappa.com;

OTHER INFORMATION FOR SHAREHOLDERS

DIVIDENDS

Shareholders who have not encashed their dividend warrants (for earlier periods) may approach our Registrar and Transfer Agent M/s. Karvy Computershare Private Ltd., Hyderabad for issue of cheques / demand drafts in lieu of dividend warrants quoting the Folio Number/ Client ID. Dividends remaining unclaimed for a period of 7 years will be transferred by the Company to the Investor Education & Protection Fund (IEPF). Due dates on which the unclaimed dividends would be transferred are given below:

| Year | Dividend Type | Amount of Dividend Per share (₹) | Due for transfer to the Investor Education and Protection Fund |
|---------|---------------|----------------------------------|--|
| 2008-09 | Final | 6.00 | 04.09.2016 |
| 2009-10 | Interim | 6.00 | 07.03.2017 |
| 2009-10 | Final | 4.00 | 03.09.2017 |
| 2010-11 | Interim | 2.00 | 25.04.2018 |
| 2011-12 | Interim | 4.00 | 25.04.2019 |
| 2012-13 | Interim | 6.00 | 08.03.2020 |
| 2014-15 | Interim | 2.00 | 25.04.2022 |
| 2014-15 | Final | 1.00 | 16.09.2022 |

NOMINATION FACILITY

Section 72 of the Companies Act, 2013 provides inter alia, the facility of nomination to shareholders. This facility is mainly useful for all holders holding the shares in single name.

In case where the securities are held in joint names, the nomination will be effective only in the event of the death of all the holders.

Shareholders are advised to avail of this facility.

BENEFITS OF DEMATERIALISATION

2.20% of the shares are still in physical form. Shareholders who are holding shares in physical form are advised to convert their holdings into demat form, since the Company's equity shares are under compulsory demat trading.

GENERAL

Members are requested to quote their Folio No./DP & Client ID Nos, Email ids, telephone/Fax numbers for timely investor servicing by the Company/Registrar and Transfer Agent. Members holding shares in electronic form are requested to update with their depository participant their present address, e mail ids and bank particulars (9 digit MICR code).

UNCLAIMED SUSPENSE ACCOUNT

In accordance with Regulation 39(4) read with Schedule VI of Listing Regulations, after sending three reminders to the shareholders to claim their respective shares, the Company has dematted all physical shares which remained unclaimed by shareholders to an "Unclaimed Suspense Account" which was opened by the Company for this purpose. As per Regulation 34(3) read with Clause F of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 all corporate benefits that accrue on these shares such as bonus shares, split, etc. shall also be credited to the Unclaimed Suspense Account and the voting rights on such shares shall remain frozen till the rightful owner of such shares claim the shares. Shareholders are requested to write to the Registrar & Transfer Agent and provide the correct details to enable the Company to transfer the unclaimed share certificate directly to the Shareholders demat account.

The following disclosures are made in pursuance of Regulation 34(3) read with Clause F of Schedule V of Listing Regulations.

| Sl. No. | Particulars | No. of shareholders | No. of shares |
|---------|--|---------------------|---------------|
| (i) | Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year | 2522 | 1372230 |
| (ii) | Number of shareholders who approached the issuer for transfer of shares from the unclaimed suspense account during the year | 30* | 26000 |
| (iii) | Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year | 30 | 26000 |
| (iv) | Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year | 2493* | 1346230 |

* In respect of a transmission case, claim of one of the Legal heirs of the deceased shareholder has been settled. Since balance shares still remains unclaimed, it continues to appear in both no. of shareholders and no. of shares.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E.I.D.-PARRY (INDIA) LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **E.I.D.-PARRY (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and 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 prescribed under section 133 of the Act, as applicable.

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 standalone 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 (b) to (d) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. 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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

Chennai,
10th May, 2016

M.K.Ananthanarayanan
Partner
(Membership No. 19521)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **E.I.D.-PARRY (INDIA) 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Chennai,
May 10, 2016

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

M.K.Ananthanarayanan
Partner
(Membership No. 19521)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (2) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of registered sale deed/ transfer deed / conveyance deed/ court orders approving scheme of arrangements / amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

Immovable properties of land and buildings whose title deeds have been pledged with banks as security for term loans, are held in the name of the Company based on the Mortgage deed executed between the bank and the Company for which confirmations have been obtained from respective bankers.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on 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 Companies Act, 2013.
- (iv) The Company has provided corporate guarantees to the bankers in respect of loans given by bankers to its wholly owned subsidiary Company. Being corporate guarantees issued on behalf of wholly owned subsidiary, the requirements of Section 186 of the Companies Act, 2013 are not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Sugar and Industrial alcohol industry. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

₹ in Lakh

| Name of the Statute | Nature of Dues | Forum where Dispute is pending | Period to which the amount relates | Amount unpaid |
|--|------------------|---|------------------------------------|---------------|
| The Central Excise Act, 1944 | Excise duty | Commissioner (Appeals)/CESTAT/High Court/ Supreme Court | 1977-2014 | *528 |
| The Finance Act, 1994 | Service Tax | Commissioner (Appeals)/ CESTAT | 2002-2013 | *162 |
| Various State Sales Tax Acts | Sales Tax- Local | Assistant/ Deputy Commissioner/ Tribunal/ Supreme court | 1980-2006 | *144 |
| Central Sales Tax Act, 1956 | Sales Tax- CST | Assistant/ Deputy Commissioner/ Tribunal/ High court | 1999-2005 | 70 |
| Tamil Nadu General Sales Tax Act, 1959 | TNGST Act | Assistant/ Deputy Commissioner/ Tribunal/ High court | 2001-2002 | *35 |
| Customs Act, 1962 | Customs Duty | CESTAT | Assessment Year 2006-07 | 4,302 |
| Income Tax Act, 1961 | Income Tax dues | Income Tax Appellate Tribunal/High court/ CIT Appeals | Assessment Year 1999-00 to 2012-13 | #3,106 |

- * Net of ₹ 127 Lakh paid under protest- The Central Excise Act, 1944
- * Net of ₹ 16 Lakh paid under protest – The Finance Act, 1994
- * Net of ₹ 102 Lakh paid under protest- Various Sales Tax Act.
- * Net of ₹ 7 Lakh paid under protest- Tamil Nadu General Sales Tax Act, 1959
- # Net of ₹ 1578 Lakh paid under protest- Income Tax Act, 1961

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, in respect of term loans, the Company has applied the money for the purposes for which it was raised, other than temporary deployment pending application.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of non-convertible debentures during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

Chennai,
May 10, 2016

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

M.K.Ananthanarayanan
Partner
(Membership No. 19521)

BALANCE SHEET AS AT MARCH 31, 2016

₹ in Lakh

| S. No | Particulars | Note No. | As at March 31, 2016 | As at March 31, 2015 |
|----------|---|----------|----------------------|----------------------|
| | A. EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share Capital | 2 | 1,758 | 1,758 |
| | (b) Reserves and Surplus | 3 | 1,27,310 | 1,35,160 |
| | | | 1,29,068 | 1,36,918 |
| 2 | Non-Current Liabilities | | | |
| | (a) Long Term Borrowings | 4 | 60,755 | 67,309 |
| | (b) Deferred Tax Liabilities (Net) | 5 | 1,965 | 5,629 |
| | | | 62,720 | 72,938 |
| 3 | Current Liabilities | | | |
| | (a) Short Term Borrowings | 6 | 20,179 | 92,902 |
| | (b) Trade Payables | | | |
| | (i) Total outstanding dues of Micro enterprises and Small enterprises | | | |
| | (ii) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises | 7 | 39,946 | 33,840 |
| | (c) Other Current Liabilities | 8 | 94,163 | 49,930 |
| | (d) Short Term Provisions | 9 | 1,427 | 3,021 |
| | | | 1,55,715 | 1,79,693 |
| | TOTAL | | 3,47,503 | 3,89,549 |
| | B. ASSETS | | | |
| 1 | Non-Current Assets | | | |
| | (a) Fixed Assets | 10 | | |
| | (i) Tangible Assets | | 1,42,138 | 1,47,865 |
| | (ii) Intangible Assets | | 197 | 197 |
| | (iii) Capital Work in Progress | | 3,321 | 2,416 |
| | (b) Non Current Investments | 11 | 77,836 | 68,291 |
| | (c) Long Term Loans and Advances | 12 | 13,710 | 14,651 |
| | (d) Other Non Current Assets | 13 | 1,471 | 2,933 |
| | | | 2,38,673 | 2,36,353 |
| 2 | Current Assets | | | |
| | (a) Current Investments | 14 | 2 | 2 |
| | (b) Inventories | 15 | 68,849 | 1,07,884 |
| | (c) Trade Receivables | 16 | 24,377 | 26,450 |
| | (d) Cash and Cash Equivalents | 17 | 7,958 | 4,209 |
| | (e) Short Term Loans and Advances | 12 | 6,257 | 9,504 |
| | (f) Other current assets | 18 | 1,387 | 5,147 |
| | | | 1,08,830 | 1,53,196 |
| | TOTAL | | 3,47,503 | 3,89,549 |
| | See accompanying notes forming part of the financial statements | 1-48 | | |

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ramesh
Managing Director

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

G. Jalaja
Company Secretary

V. Suri
Chief Financial Officer

Chennai
May 10, 2016

Chennai
May 10, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

₹ in Lakh

| S. No | Particulars | Note No. | For the year ended March 31, 2016 | For the year Ended March 31,2015 |
|----------|--|----------|-----------------------------------|----------------------------------|
| 1 | Income | | | |
| | Revenues from Operations (Gross) | | 2,38,582 | 2,14,266 |
| | Less : Excise duty | | 7,538 | 6,099 |
| | Revenues from Operations (Net) | 19 | 2,31,044 | 2,08,167 |
| | Other Income | 20 | 8,497 | 18,337 |
| | Total Revenue | | 2,39,541 | 2,26,504 |
| 2 | Expenses: | | | |
| | Cost of materials consumed | 21 | 1,32,708 | 1,39,482 |
| | Purchases of Stock-in-Trade | 22 | 1,308 | 2,522 |
| | Changes in Inventories of finished goods, work-in-process and stock in trade | 23 | 39,835 | (3,790) |
| | Employee benefits expense | 24 | 13,428 | 12,772 |
| | Finance costs | 25 | 14,312 | 15,127 |
| | Depreciation and amortisation expense | 10 | 10,457 | 10,193 |
| | Other expenses | 26 | 37,109 | 36,600 |
| | Total Expenses | | 2,49,157 | 2,12,906 |
| 3 | (Loss) / Profit before tax (1-2) | | (9,616) | 13,598 |
| 4 | Tax Expense/(Benefit): | | | |
| | (a) Current Tax expense | | - | 693 |
| | (b) Less: MAT Credit entitlement | | - | (693) |
| | (c) Deferred Tax | 5 | (2,971) | (1,227) |
| | Net tax benefit | | (2,971) | (1,227) |
| 5 | (Loss) / Profit for the year (3-4) | | (6,645) | 14,825 |
| 6 | Earnings Per Share (of ₹ 1/- each) | 45 | | |
| | (a) Basic | | (3.78) | 8.43 |
| | (b) Diluted | | (3.78) | 8.43 |
| | See accompanying notes forming part of the financial statements | 1-48 | | |

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

M.K.Ananthanarayanan
Partner

Chennai
May 10, 2016

For and on behalf of the Board of Directors

V. Ramesh
Managing Director

G. Jalaja
Company Secretary

Chennai
May 10, 2016

A. Vellayan
Chairman

V. Suri
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

₹ in Lakh

| Particulars | For the Year ended March 31, 2016 | | For the Year ended March 31, 2015 | |
|--|--------------------------------------|----------------|--------------------------------------|---------------|
| A. Cash flow from operating activities | | | | |
| (Loss) / Profit before tax | | (9,616) | | 13,598 |
| Adjustments for : | | | | |
| Depreciation and Amortisation expenses | 10,457 | | 10,193 | |
| Finance costs | 14,312 | | 15,127 | |
| Dividend Income | (4,448) | | (11,953) | |
| Profit on sale of fixed assets (net) | (24) | | (1,574) | |
| (Profit) / Loss on Sale of investment | (147) | | 293 | |
| Interest Income | (563) | | (1,032) | |
| Liabilities/ Provisions no longer required written back | (1,922) | | (744) | |
| Bad debts written off | 307 | | 133 | |
| Provision for doubtful trade and other receivables, loans and advances | 1,015 | | 821 | |
| Fixed Assets scrapped | 88 | 19,075 | 650 | 11,914 |
| Operating profit before working capital changes | | 9,459 | | 25,512 |
| Changes in working capital | | | | |
| Adjustments for(increase)/decrease in operating assets | | | | |
| Trade receivables | 849 | | (2,670) | |
| Long Term Loans and Advances | 1,392 | | (2,443) | |
| Short Term Loans and Advances | 3,251 | | 1,417 | |
| Inventories | 39,279 | | (2,918) | |
| Other Non current assets | 314 | | 104 | |
| Other Current Assets | (105) | | (449) | |
| Adjustments for increase/(decrease) in operating liabilities | | | | |
| Trade Payables | 5,187 | | 3,551 | |
| Increase in short term provisions | 164 | | 148 | |
| Other Current liabilities | 25,469 | 75,800 | 7,419 | 4,159 |
| Cash generated from operations | | 85,259 | | 29,671 |
| Net Income Tax paid | | (244) | | (397) |
| Net cash flow from operating activities | | 85,015 | | 29,274 |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets including capital advances | (5,357) | | (8,119) | |
| Proceeds from sale of fixed assets | 219 | | 1,679 | |
| Purchase of long term investments - subsidiaries (Refer note below) | (11,505) | | (2,778) | |
| Bank balances not considered as Cash and Cash equivalents | (2,061) | | (1,025) | |
| Loans and Advances given to subsidiary companies (Refer note below) | (265) | | (30) | |
| Proceeds from sale of investments / redemption of debentures | 147 | | 170 | |
| Interest received | 1,952 | | 320 | |
| Repayment of Subsidiary loan | - | | 1,385 | |
| Dividend income received | | | | |
| - From Subsidiaries | 8,053 | | 8,143 | |
| - From Others | 19 | | 186 | |
| Net cash flow used in investing activities | | (8,798) | | (69) |

₹ in Lakh

| Particulars | For the Year ended March 31, 2016 | | For the Year ended March 31, 2015 | |
|--|--------------------------------------|-----------------|--------------------------------------|-----------------|
| C. Cash flow from financing activities | | | | |
| Proceeds from issue of equity shares | - | | 27 | |
| Proceeds from long term borrowings | 37,345 | | 19,404 | |
| Repayment of long term borrowings | (24,290) | | (39,764) | |
| Repayment of Proceeds from other term borrowings (net) | (4,000) | | 2,681 | |
| Net Increase/(Decrease) in working capital borrowing | (68,723) | | 4,508 | |
| Finance costs | (13,119) | | (15,683) | |
| Dividends paid including Dividend Tax | (1,758) | | (3,516) | |
| Net cash flow used in financing activities | | (74,545) | | (32,343) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | | 1,672 | | (3,138) |
| Reconciliation of Cash and Cash equivalents with the Balance Sheet | | | | |
| Cash and cash equivalents as at beginning of the year | | 749 | | 3,887 |
| Add: Cash & cash Equivalents acquired pursuant to a scheme of Amalgamation (Refer Note no 31) | | 16 | | - |
| Cash and cash equivalents as at the end of the year | | 2,437 | | 749 |
| Net increase / (decrease) in cash and cash equivalents | | 1,672 | | (3,138) |
| Cash and Cash equivalents as per Balance Sheet - (Note 17) | | 7,958 | | 4,209 |
| Add: Current Investments considered as Cash and Cash Equivalent (Refer Note 14) | | 2 | | 2 |
| Less: Deposits not considered as Cash and Cash equivalents as defined in AS 3 Cash Flow Statements | | - | | - |
| Less: Balance In Unpaid Dividend account | | 301 | | 376 |
| Less: Balance In Margin Money account | | 722 | | 686 |
| Less: Balance In Debenture Redemption account | | 4,500 | | 2,400 |
| Cash and Cash equivalents as per AS 3 | | 2,437 | | 749 |

Note

Disclosure of non cash transactions

₹ in Lakh

| Particulars | 2015-16 | 2014-15 |
|---|---------|---------|
| Relating to Scheme of Amalgamation with Parry Phyto Remedies Private Limited | | |
| -Cancellation of Company's investment in Parry Phyto Remedies Private Limited | 1,960 | |
| - Fixed assets (Net) | 232 | |
| - Investments | - | |
| - Other assets | 617 | |
| - Loan funds | - | |
| - Other liabilities | (920) | |
| Others: | - | |
| -Conversion of loans given to subsidiaries to Preference shares | - | 11,495 |
| - Conversion of Other receivables from subsidiaries to Preference shares | - | 5 |

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ramesh
Managing Director

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

G. Jalaja
Company Secretary

V. Suri
Chief Financial Officer

Chennai
May 10, 2016

Chennai
May 10, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Corporate information

E.I.D.- Parry is a significant player in Sugar with interests in promising areas of Bio Pesticides and Nutraceuticals. The company also has a significant presence in Farm Inputs business through its subsidiary, Coromandel International Limited.

EID Parry together with its subsidiaries has nine sugar factories having a capacity to crush 39,000 Tonnes of Cane per day, generate 160 MW of power and four distilleries having a capacity of 230 KLPD. In the Bio Pesticides business, the Company offers a unique neem extract, Azadirachtin, having a good demand in the developed countries' bio pesticide markets. In the Nutraceuticals business, it holds a strong position in the growing wellness segment mainly catering to the world markets with its organic products.

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 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 except for categories of fixed assets acquired before June 30, 1987, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 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.

1.3 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.

1.4 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.

1.5 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.

1.6 Depreciation and amortisation

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

(i) 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 |
| Plant and Machinery (General) | 3 - 8 years |

Vehicles

| | |
|-----------------|---------|
| a) Motor cycles | 4 years |
| b) Motor Cars | 4 years |

(ii) In respect of additions and deletions during the year, depreciation charge is provided on pro-rata basis.

(iii) Leased assets are fully depreciated over the primary lease period.

(iv) Buildings on leasehold land are depreciated over the lower of primary lease period and useful life as determined under Schedule II to the Companies Act, 2013.

(v) Assets costing individually ₹ 5,000 or less are fully depreciated in the year of addition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(vi) Intangible assets are amortised over their estimated useful life on straight line method as follows:

- a) Patents 3 years
- b) Software Over the license period

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.

1.7 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 despatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

(ii) Income from services rendered is recognised as and when services are rendered based on agreements/arrangements with the concerned parties.

(iii) Export Incentive under Duty Entitlement Pass Book Scheme are treated as income in the year of export at the estimated realisable value.

(iv) Interest income is accounted on accrual basis.

(v) Dividend income is accounted when the right to receive it is established.

1.8 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.

1.9 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 at the 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.

Accounting for 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.

Refer Notes 1.21 and 1.22 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

1.10 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.

1.11 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

(a) Defined contribution plans

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

(b) Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with Actuarial valuation 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

(e) Employee share based payments

Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognized as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

1.12 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.

1.13 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".

1.14 Leases

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

1.15 Earnings per Share

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

1.16 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 highly 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.

1.17 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.

1.18 Research and Development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

1.19 Impairment of Assets

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

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

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

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

1.20 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.

1.21 Hedge Accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by ICAI. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

1.22 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

1.23 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.

1.24 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.

NOTE 2

SHARE CAPITAL

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| AUTHORISED : | | |
| Equity Shares: | | |
| 2,12,50,00,000 Equity Shares of ₹1 each (Refer note 31) | 21,250 | 19,250 |
| (2015 - 1,92,50,00,000 Equity Shares of ₹1 each) | | |
| Preference Shares: | | |
| 50,00,00,000 Redeemable Preference Shares of ₹100 each | 5,000 | 5,000 |
| (2015 - 50,00,00,000 Redeemable Preference Shares of ₹100 each) | | |
| | | |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | |
| 17,58,14,884 Equity Shares of ₹1 each | 1,758 | 1,758 |
| (2015 - 17,58,14,884 Equity Shares of ₹1 each) | | |
| | 1,758 | 1,758 |

2.1. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

| Reconciliation | 2015-16 | | 2014-15 | |
|---|---------------------|--------------|---------------------|--------------|
| | No of Shares | ₹ in Lakh | No. of Shares | ₹ in Lakh |
| Equity Shares of ₹ 1 each fully paid up | | | | |
| At the beginning of the year | 17,58,14,884 | 1,758 | 17,57,85,996 | 1,758 |
| Allotment of shares on exercise of Employee Stock Option (Refer Note 43) | - | - | 28,888 | * |
| At the end of the year | 17,58,14,884 | 1,758 | 17,58,14,884 | 1,758 |

* Less than ₹1 Lakh.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

| Name of the Share holder | No of shares held as at | | | |
|--|-------------------------|-------|----------------|-------|
| | March 31, 2016 | | March 31, 2015 | |
| | Nos. | % | Nos. | % |
| Murugappa Holdings Limited (Investing Party) | 5,87,35,204 | 33.41 | 5,87,35,204 | 33.41 |
| Ambadi Investment Private Ltd | 93,23,240 | 5.30 | 93,23,240 | 5.30 |

2.3 Under the Employee Stock Option Plan – ESOP 2007, options not exceeding 89,24,850 have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year and not more than five years from the date of grant of the options. The options

granted to the employees would be capable of being exercised within a period of three years from the date of vesting. Total options outstanding as at March 31, 2016 - 1,92,026 (March 2015 - 2,21,624) equity shares of ₹ 1 each. Refer Note No. 43 for other details about the scheme.

2.4 Terms attached to Equity shares

The Company has only one class of Equity share having a par value of ₹ 1 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.

NOTE 3 RESERVES AND SURPLUS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| (a) Capital Redemption Reserve | 3,113 | 3,113 |
| (b) Securities Premium Account (Refer note 3.1) | | |
| Opening balance | 5,061 | 5,034 |
| Add: Premium on Shares allotted under ESOP | - | 27 |
| Closing balance | 5,061 | 5,061 |
| (c) Debenture Redemption Reserve | | |
| Opening balance | 9,000 | 6,653 |
| Add : Transfer from surplus in Statement of Profit and Loss | - | 4,847 |
| Less : Transfer to surplus in Statement of Profit and loss | (4,000) | (2,500) |
| Closing balance | 5,000 | 9,000 |
| (d) Fixed Asset Revaluation Reserve | 510 | 510 |
| (e) General Reserve | | |
| Opening balance | 87,772 | 86,272 |
| Add: Transfer from Statement of Profit and Loss | - | 1,500 |
| Less: Adjustments arising on amalgamation of Parry Phytoremedies Private Limited (Refer note 31) | (1,858) | - |
| Add: Recognition of deferred tax asset on amalgamation of Parry Phytoremedies Private Limited (Refer note 5) | 693 | - |
| Closing balance | 86,607 | 87,772 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3 (Contd...) RESERVES AND SURPLUS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (f) Hedging Reserve | | |
| Opening balance | (146) | 146 |
| Add :Addition during the year | - | (146) |
| Less: (Reversed)/ Utilised during the year | (117) | 146 |
| Closing balance | (29) | (146) |
| (g) Surplus in Statement of Profit and Loss | | |
| Opening Balance | 29,850 | 24,456 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹160 Lakh) | - | (310) |
| Less: Adjustments arising on amalgamation of Parry Phyto Remedies Private Limited (Refer note 31) | (157) | - |
| Add: (Loss)/Profit for the year | (6,645) | 14,825 |
| Add: Transfer from Debenture Redemption Reserve (Net) | 4,000 | - |
| | 27,048 | 38,971 |
| Less : Appropriations | | |
| Interim Dividend on Equity Shares - Nil (2015 ₹ 2 per share) | - | (3,516) |
| Proposed Final Dividend on Equity Shares - Nil (2015: ₹1 per share) | - | (1,758) |
| Transfer to Debenture Redemption Reserve (Net) | - | (2,347) |
| Transfer to General Reserve | - | (1,500) |
| Closing Balance | 27,048 | 29,850 |
| TOTAL RESERVES AND SURPLUS | 1,27,310 | 1,35,160 |

3.1 During the year, No equity shares (2015 : 28,888 equity shares) of ₹ 1/- each were issued to the employees on exercise of employees stock option for an aggregate premium Nil (2015: ₹ 27 Lakh)

NOTE 4 LONG TERM BORROWINGS

₹ in Lakh

| Particulars | Non-Current | | Current | |
|--|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| (a) Privately placed Secured, Redeemable, Non-convertible debentures | | | | |
| 10.25% Secured Redeemable Non-convertible debentures 2013-14 series (Refer note 4.2) | - | 10,000 | 10,000 | - |
| 8.97% Secured Redeemable Non-convertible debentures 2013-14 series (Refer note 4.3) | - | 20,000 | 20,000 | - |
| 9.25% Secured Redeemable Non-convertible debentures 2012-13 series (Refer note 4.4) | - | - | - | 10,000 |
| 9.15% Secured Redeemable Non-convertible debentures 2012-13 series (Refer note 4.5) | - | - | - | 6,000 |
| Sub Total | - | 30,000 | 30,000 | 16,000 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 4 (Contd...) LONG TERM BORROWINGS

₹ in Lakh

| Particulars | Non-Current | | Current | |
|---|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| (b) Privately placed Unsecured, Redeemable Non-convertible debentures | | | | |
| 9.23% Unsecured Redeemable Non-convertible debentures 2015-16 series (Refer Note 4.1) | 10,000 | - | - | - |
| | 10,000 | - | - | - |
| (c) Secured Term Loans from: | | | | |
| Banks (Refer Note 4.6) | 41,065 | 25,865 | 12,208 | 6,267 |
| Government of India - Sugar Development Fund (Refer Note 4.7) | 6,861 | 8,451 | 1,520 | 1,858 |
| Sub Total | 47,926 | 34,316 | 13,728 | 8,125 |
| (d) Other loans and advances | | | | |
| Unsecured loan from Bank (Refer Note 4.6) | 329 | 493 | 170 | 164 |
| Unsecured loan from Others (Refer Note 4.8) | 2,500 | 2,500 | - | - |
| Sub Total | 2,829 | 2,993 | 170 | 164 |
| Total | 60,755 | 67,309 | 43,898 | 24,289 |
| The above amount includes | | | | |
| Secured Borrowings | 47,926 | 64,316 | 43,728 | 24,125 |
| Unsecured Borrowings | 12,829 | 2,993 | 170 | 164 |
| Amount disclosed under the head "other current liabilities" (Note 8) | - | - | 43,898 | 24,289 |
| Net amount | 60,755 | 67,309 | - | - |

4.1 1,000 - 9.23% Unsecured Redeemable Non-convertible Debentures of ₹10 Lakh each aggregating to ₹ 10,000 Lakh is redeemable on September 04, 2018. The rate of interest on this debenture series is linked to the external credit rating of the same.

4.2 1,000 - 10.25% Secured Redeemable Non-convertible Debentures of ₹10 Lakh each aggregating to ₹10,000 Lakh are secured by a pari passu first charge by way of a registered mortgage deed on the Company's immovable properties/ fixed

assets both present and future situated at Pugalur and Nellikuppam. Debentures are redeemable in full at par on January 6, 2017.

4.3 2,000 - 8.97% Secured Redeemable Non-convertible Debentures of ₹10 Lakh each aggregating to ₹ 20,000 Lakh are secured by a pari passu first charge by way of a registered mortgage deed on the Company's immovable properties / fixed assets both present and future situated at Pugalur. Debentures are redeemable in full at par on May 3, 2016.

4.4 1,000 - 9.25% Secured Redeemable Non-convertible Debentures of ₹10 Lakh each aggregating to ₹ 10,000 Lakh were fully redeemed during the year.

4.5 600 - 9.15% Secured Redeemable Non-convertible Debentures of ₹10 Lakh each aggregating to ₹ 6,000 Lakh were fully redeemed during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.6 The summary of Bank loans are as follows:

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 | Terms of repayment |
|--|-------------------------|-------------------------|--|
| State Bank of India (Refer Note 4.6.1) | 25 | 216 | Payable on 09th June, 2016 |
| ECB - HSBC Bank (Mauritius) Ltd (Refer Note 4.6.2) | 220 | 1,250 | Balance repayable on 4th April 2016 |
| State Bank of India (Refer Note 4.6.3) | 2,393 | 3,115 | Repayable in 12 quarterly installments |
| State Bank of India - Financial Assistance Loan (Refer Note 4.6.4) | 14,466 | 14,466 | Repayable in 5 years; 2 years moratorium and 36 equal monthly installments starting April 2016 |
| State Bank of India (Refer Note 4.6.5) | 490 | 585 | Repayable in 13 quarterly installments. |
| BNP Paribas (Refer Note 4.6.6) | 8,334 | 12,500 | Repayable in 2 equal annual installments. |
| HDFC - SOFT Loan (Refer Note 4.6.7) | 12,345 | - | Repayable in 12 equal quarterly installments post a year of moratorium |
| HDFC (Refer Note 4.6.8) | 15,000 | - | Repayable in 3 equal annual installments after a year of moratorium period. |
| HDFC - Unsecured | 418 | 557 | Repayable in 36 monthly installments |
| Yes Bank - Unsecured | 81 | 100 | Repayable in 13 quarterly installments |
| | 53,772 | 32,789 | |

The above loans carry interest at the rates ranging from 7.8% - 11.8% per annum.

4.6.1 The Rupee term loans from State Bank of India amounting to ₹ 25 Lakh are secured by a pari passu first charge by way of hypothecation of all the movable plant and machinery and other movable assets both present and future situated at Nellikuppam, Pugalur, Pettavaitalai, Pudukottai, Thyagavalli and Ariyur and further secured by a pari passu first charge on the immovable properties situated at these places except Ariyur and a second charge on current assets.

4.6.2 The External Commercial Borrowings (ECB) Loan from HSBC Bank (Mauritius) Ltd. Mauritius amounting to ₹ 220 Lakh are secured by a pari passu first charge on the immovable properties situated at Nellikuppam, Pugalur, Pudukottai, and Thyagavalli and to be further secured by a pari passu first charge by way of

hypothecation of all the movable plant and machinery and other movable assets both present and future situated at Nellikuppam, Pugalur, Pettavaitalai, Pudukottai, Thyagavalli and Ariyur.

4.6.3 Rupee term loans from State Bank of India are secured by pari passu first charge on fixed assets of Sankili and Haliyal plants.

4.6.4 The Financial Assistance loan from State Bank of India amounting to ₹ 14,466 lakh is secured by a pari passu first charge on fixed assets (both present and future) of the company and second charge on the company's current assets. As per terms of this loan, interest @12% per annum will be directly paid by the Government to the Bank.

4.6.5 Term Loans extended by State Bank of India are primarily secured by pari-passu first charge on the plant & machinery of the company and pari-passu first charge by way of equitable mortgage of land and

Factory buildings of the Bagalkot plant and collaterally secured by pari-passu charge on the fixed assets of the Bagalkot plant.

4.6.6 Term Loans extended by BNP Paribas are primarily secured by Pari-passu first charge on the movable fixed assets of the company.

4.6.7 Term Loan amounting to ₹ 12,345 lakh availed from HDFC bank under SOFT Loan scheme is secured by a pari passu first charge on movable fixed assets (both present and future) of the company. As per terms of this loan, interest @10% per annum will be directly paid by the Government to the Bank for a year.

4.6.8 Term Loan amounting to ₹ 15,000 lakh availed from HDFC bank is secured by a pari passu first charge on movable fixed assets (both present and future) of the company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.7 The summary of Sugar Development Fund loans are as follows :

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Pudukottai - Modernisation and Expansion of Cogeneration Unit and Modernisation of Sugar Unit (Ref Note No. 4.7.1) | 256 | 384 |
| Pugalur - Modernisation and Expansion of sugar Unit (Refer Note 4.7.1) | - | 200 |
| Pettavaithalai - Modernisation and Expansion of Sugar and Cogeneration units (Refer Note 4.7.1) | 2,135 | 3,031 |
| Nellikuppam - Expansion of Sugar and Cogeneration Units (Ref Note 4.7.1) | 1,080 | 1,080 |
| Haliyal - Raw Sugar Processing, Cane Development Loan and Loan for Cogeneration Unit (Refer Note 4.7.2) | 3,095 | 3,537 |
| Sankili - Modernisation and Expansion of sugar Unit and Cane Development Loan (Refer Note 4.7.2) | 263 | 495 |
| Bagalkot - Cane Development Loan and Loan for Cogeneration Unit (Refer Note 4.7.3) | 1,552 | 1,582 |
| Total | 8,381 | 10,309 |

4.7.1 The loans are secured by way of a Bank Guarantee from State Bank of India. It carries interest rate of 4% and repayable over 7 to 10 years.

interest thereon. It carries interest rate of 4% to 7% and repayable over 7 to 14 years.

4.8 The Interest free loan is repayable after 9 years.

4.7.2 Loans are secured by way of Bank Guarantee from IndusInd Bank Ltd., with

4.7.3 The loans are secured by way of Bank Guarantee. It carries interest rate of 6.75% to 9% and repayable over 6 to 10 years.

4.9 There is no default in repayment of the loans and interest thereon.

NOTE 5 DEFERRED TAX (ASSET) / LIABILITY

₹ in Lakh

| Particulars | As at March 31, 2015 | Additions arising on Amalgamation (Refer note 31) | Movement during the year | As at March 31, 2016 |
|---|-------------------------|---|--------------------------------|-------------------------|
| Tax effect of items constituting deferred tax liability | | | | |
| On difference between book balance and tax balance of fixed assets | 24,473 | - | 1,223 | 25,706 |
| Tax effect of items constituting deferred tax assets | | | | |
| Unabsorbed Depreciation and Business Loss | (16,611) | (693) | (3, 913) | (21,217) |
| Provision for Doubtful Debts, Provision for compensated absences and others | (2,233) | - | (291) | (2,524) |
| Net Deferred Tax (Asset) / Liability | 5,629 | (693) | (2,971) | 1,965 |

The Company has recognised deferred tax asset amounting to ₹ 693 lakh as on April 01, 2015 arising on timing difference relating to certain assets and liabilities which got transferred from Parry Phytoremedies Private Limited pursuant to the scheme of amalgamation. The corresponding amount has been credited to the General Reserve.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**NOTE 6
SHORT TERM BORROWINGS**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| (a) Loans repayable on demand | | |
| From Banks | | |
| (i) Secured (Refer Note 6.1) | 7,176 | 36,899 |
| (ii) Unsecured (Refer Note 6.2) | 3,003 | 7,003 |
| (b) Commercial Papers - Unsecured (Refer Note 6.3) | 10,000 | 49,000 |
| | 20,179 | 92,902 |

6.1 Working Capital facilities from State Bank of India of ₹ 7,176 lakh are secured by hypothecation of sugar and other stocks, stores, book debts and liquid assets and further secured by a second charge over the immovable properties of the company (other than Pugalur unit) and a third charge on the movable and immovable properties of the Pugalur sugar unit.

6.2. Packing credit facility was availed in INR at 8.90% p.a.

6.3. Maximum amount outstanding at any time during the year was ₹ 85,000 lakh (2015: ₹ 79,000 lakh)

**NOTE 7
TRADE PAYABLES**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Trade payables (Refer Note 7.1 below): | | |
| - Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 38,172 | 32,284 |
| - Employee related payables | 1,774 | 1,556 |
| | 39,946 | 33,840 |

7.1 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2016 (March 31, 2015 - Nil) which is on the basis of such parties having been identified by the management and relied upon by the auditors.

7.2 The Company entered into an agreement in an earlier year with Tamilnadu Newsprint Paper Limited on Barter basis for supply Bagasse Fibre and receiving equivalent amount of coal on equating with calorific value. For the year, Liability on the Net exchange value of ₹74 lakh for the said barter transaction has been recognised in the books of accounts.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8 OTHER CURRENT LIABILITIES

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (a) Current maturities of long-term debt | 43,898 | 24,289 |
| (b) Interest accrued but not due on borrowings | 4,720 | 3,527 |
| (c) Unclaimed dividends (Refer Note 8.1 & 8.2) | 301 | 376 |
| (d) Other Liabilities | | |
| - Excise Duty on undespached stock | 3,802 | 3,717 |
| - Due to Directors | - | 172 |
| - Statutory remittances (Contributions to PF, SAF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) | 597 | 519 |
| - Advances and Deposits from Customers/Others | 2,179 | 774 |
| - Cane Bill due payable to Banks | 37,738 | 15,579 |
| - Gratuity Payable | 551 | 327 |
| - Other Miscellaneous liabilities (Refer Note 8.3) | 377 | 650 |
| | 94,163 | 49,930 |

8.1 These amounts represent warrants issued to the Shareholders which remained unrepresented as on March 31, 2016.

8.2 . During the year, ₹ 28 Lakh was transferred to Investor Education and Protection Fund and there are no amounts due to be transferred to Investor Education and Protection Fund as on March 31, 2016.

8.3 Other Miscellaneous Liabilities includes liability towards Capital goods, Collections payable to bank etc.,

NOTE 9 SHORT - TERM PROVISIONS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|------------------------------------|-------------------------|-------------------------|
| Provision for compensated absences | 1,427 | 1,263 |
| Proposed Dividend on Equity Shares | - | 1,758 |
| | 1,427 | 3,021 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**NOTE 10
FIXED ASSETS
PREVIOUS YEAR 2014-15:**

| Particulars | GROSS BLOCK | | | | | | ACCUMULATED DEPRECIATION AND AMORTISATION | | | | | NET BLOCK | |
|------------------------------|---|---------------|----------------------------------|--------------|--|---------------------------|---|--|--------------|----------------------------|----------------------------|----------------------------|--|
| | Cost/ Value As at April 1, 2014 | Additions | Borrowing Cost Capitalised | Deletions | Cost/ Value As at March 31, 2015 | As at April 1, 2014 | For the year | Transition Adjustment recorded against surplus balance in Statement of Profit and Loss | Deletions | As at March 31, 2015 | As at March 31, 2015 | As at March 31, 2014 | |
| Tangible assets (A) | | | | | | | | | | | | | |
| Freehold Land | 7,092 | 13 | - | 11 | 7,094 | - | - | - | - | 7,094 | - | 7,092 | |
| Leasehold Land | 4 | - | - | - | 4 | 2 | - | - | 2 | 2 | - | 2 | |
| Buildings | | | | | | | | | | | | | |
| a) R&D | 187 | - | - | 50 | 137 | 90 | 7 | 6 | 65 | 38 | 99 | 97 | |
| b) Others | 29,955 | 1,732 | 30 | 533 | 31,184 | 7,217 | 937 | 47 | 437 | 7,764 | 23,420 | 22,738 | |
| Plant and Machinery | | | | | | | | | | | | | |
| a) R&D | 637 | 18 | - | 115 | 540 | 574 | 13 | 1 | 108 | 480 | 60 | 63 | |
| b) Others | 1,93,251 | 8,927 | 308 | 4,772 | 1,97,714 | 77,431 | 8,451 | 37 | 4,163 | 81,756 | 1,15,958 | 1,15,820 | |
| Furniture & Fixtures | | | | | | | | | | | | | |
| a) R&D | 63 | - | - | 5 | 58 | 54 | 2 | - | 5 | 51 | 7 | 9 | |
| b) Others | 1,758 | 10 | - | 33 | 1,735 | 1,275 | 97 | 128 | 31 | 1,469 | 266 | 483 | |
| Office Equipments | | | | | | | | | | | | | |
| a) R&D | 83 | 11 | - | 20 | 74 | 64 | 5 | 11 | 14 | 66 | 8 | 19 | |
| b) Others | 3,205 | 149 | - | 292 | 3,062 | 2,347 | 418 | 218 | 280 | 2,703 | 359 | 858 | |
| Vehicles | | | | | | | | | | | | | |
| a) R&D | 9 | 3 | - | 8 | 4 | 1 | - | - | 1 | - | 4 | 8 | |
| b) Others | 1,792 | 143 | - | 136 | 1,799 | 1,067 | 238 | 22 | 116 | 1,211 | 588 | 725 | |
| Total (A) | 2,38,036 | 11,006 | 338 | 5,975 | 2,43,405 | 90,122 | 10,168 | 470 | 5,220 | 95,540 | 1,47,865 | 1,47,914 | |
| Intangible Assets (B) | | | | | | | | | | | | | |
| Patent | 957 | - | - | - | 957 | 735 | 25 | - | - | 760 | 197 | 222 | |
| Total (A) + (B) | 2,38,993 | 11,006 | 338 | 5,975 | 2,44,362 | 90,857 | 10,193 | 470 | 5,220 | 96,300 | 1,48,062 | 1,48,136 | |
| Capital Work - in Progress | | | | | | | | | | | 2,416 | 4,889 | |
| | | | | | | | | | | | 1,50,478 | 1,53,025 | |

₹ in Lakh

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11

NON-CURRENT INVESTMENTS (At Cost)

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| I. Quoted Investments | | |
| (A) Trade Investments | | |
| (a) Investments in Equity Instruments | | |
| (i) Subsidiary Companies | | |
| 17,71,55,580 (2015 - 17,71,55,580) shares of ₹ 1 each fully paid up in Coromandel International Limited | 11,989 | 11,989 |
| 1,29,75,110 (2015 - 1,29,75,110) shares of ₹ 10 each fully paid up in Parrys Sugar Industries Limited | 1,669 | 1,669 |
| (B) Other Investments | | |
| (a) Investments in Equity Instruments | | |
| (i) Other companies | | |
| 23,600 (2015 - 23,600) shares of ₹ 10 each fully paid up in Kartik Investments Trust Limited | 4 | 4 |
| 82,440 (2015 - 82,440) shares of ₹ 1 each fully paid up in State Bank of India | 25 | 25 |
| 42,938 (2015 - 42,938) shares of ₹ 10 each fully paid up in Coromandel Engineering Company Limited | 4 | 4 |
| 100 (2015 - 100) shares of ₹ 10 each fully paid up in Travancore Sugars and Chemicals Limited | * | * |
| 393 (2015 - 393) shares of ₹ 10 each fully paid up in Cholamandalam Investment and Finance Company Limited | * | * |
| 2,000 (2015 - 2,000) shares of ₹ 1 each fully paid up in Carborundum Universal Limited | * | * |
| Total Quoted Investments | 13,691 | 13,691 |
| Market Value of Quoted Investments | 3,41,282 | 4,78,110 |
| II. Unquoted Investments | | |
| (A) Trade Investments | | |
| (a) Investments in Equity Instruments | | |
| (i) Subsidiary Companies | | |
| 776 (2015 - 776) shares of USD 100 each fully paid up in Parry America Inc | 24 | 24 |
| 15,00,000 (2015 - 15,00,000) shares of ₹ 10 each fully paid up in Parrys Sugar Limited | 150 | 150 |
| 50,00,000 (2015 - 50,00,000) shares of ₹ 10 each fully paid up in Parry Infrastructure Company Private Limited | 500 | 500 |
| Nil (2015 - 18,69,800) shares of ₹ 100 each fully paid up in Parry Phytoremedies Private Limited (Refer note 31) | - | 1,960 |
| US Nutraceuticals LLC | 7,040 | 7,040 |
| 6838 (2015 - 6,725) shares of no Par Value in Alimtec S.A (Refer Note 11.1) | 2,640 | 2,500 |
| 16,62,81,227 (2015 - 11,62,81,227) shares of ₹ 10 each fully paid up in Parry Sugars Refinery India Private Limited (Refer note 11.2) | 29,972 | 24,972 |
| (ii) Other companies | | |
| 18,270 (2015 - 18,270) shares of ₹ 100 each fully paid up Murugappa Management Services Limited | 18 | 18 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11 (Contd...)

NON-CURRENT INVESTMENTS (At Cost)

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (b) Investments in Preference shares | | |
| (i) Subsidiary Companies | | |
| 23,26,420 (2015 - 23,26,420) 8% Redeemable Non Cumulative shares of ₹ 11 each fully paid up Parrys Sugar Industries Limited | 256 | 256 |
| 9,30,00,000 (2015 - 5,80,00,000) 8% Redeemable Cumulative shares of ₹ 10 each fully paid up Parrys Sugar Industries Limited (Refer Note 11.4) | 9,300 | 5,800 |
| 1,41,00,000 (2015 - 1,13,00,000) 10% Redeemable Cumulative shares of ₹ 100 each fully paid up Parry Sugars Refinery India Private Limited (Refer note 11.3) | 14,100 | 11,300 |
| (B) Other Investments | | |
| (a) Investments in Equity Instruments | | |
| (i) Subsidiary Companies | | |
| 9,500 (2015 - 9500) shares of ₹ 10 each fully paid up in Parry Agrochem Exports Limited | * | * |
| 9,00,150 (2015 - 2,50,150) shares of ₹ 10 each fully paid up in Parrys Investment Limited Refer Note 11.5) | 102 | 37 |
| (ii) Other companies | | |
| 6,37,200 (2015 - 6,37,200) shares of ₹ 10 each fully paid up in Indian Potash Limited | 32 | 32 |
| 1,00,000 (2015 - 1,00,000) shares of ₹ 10 each fully paid up in Bio Tech Consortium (India) Limited | 10 | 10 |
| 125 (2015 - 125) shares of 25 pence each fully paid up in Hawker Siddley Group Limited (Refer Note 11.6) | * | * |
| 10,000 (2015 - 10,000) shares of ₹ 1 each fully paid up in Indian Dairy Entrepreneur and Agricultural Co Limited (At cost less amount written off ₹ 0.90 Lakh) | * | * |
| 2 (2015 - 2) shares of ₹10 each fully paid up in Murugappa Morgan Thermal Ceramics Limited | * | * |
| 20 (2015 - 20) shares of ₹ 100 each fully paid up in Kullittalai Cane Farms Private Limited (Refer Note 11.6) | * | * |
| 266 (2015 - 266) shares of ₹ 10 each fully paid up in Chennai Wellington Corporate Foundation | * | * |
| (b) Investments in Government or trust securities | | |
| Government Securities (Lodged as Security deposit) | 1 | 1 |
| Total Unquoted Investments | 64,145 | 54,600 |
| Less : Provision for diminution in value of investments | - | - |
| Total Non-Current Investments | 77,836 | 68,291 |

* Less than ₹ 1 Lakh.

Notes

11.1. During the year, Company has invested in 113 equity Shares of No par value in Alimtec S.A aggregating to ₹ 140 lakh.

11.2. During the year, Company has invested in 5,00,00,000 fully paid Equity shares of 10/- each of Parry Sugars Refinery India Private Limited aggregating to ₹ 5,000 lakh.

11.3. During the year, Company has invested in 28,00,000 10% Redeemable Cumulative

Preference shares of ₹ 100 each at par in Parry Sugars Refinery India Private Limited amounting to ₹ 2,800 lakh which is redeemable on March 31, 2019.

11.4. During the year, Company has invested in 3,50,00,000 8% Redeemable Cumulative Preference shares of ₹10 each at par in Parrys Sugar Industries Limited amounting to ₹ 3,500 lakh which is redeemable on March 30, 2021.

11.5. During the year, Company has invested in 6,50,000 Equity shares of ₹ 10 each in Parrys Investments Limited amounting to ₹ 65 lakh.

11.6. Fifteen Shares in Kulittalai Cane Farms Private Limited and One hundred and twenty five shares in Hawker Siddley Group Limited are in the process of being transferred in the name of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**NOTE 12
LOANS AND ADVANCES**

₹ in Lakh

| Particulars | Long-Term | | Short-Term | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| Unsecured and considered good unless otherwise stated : | | | | |
| (a) Capital Advances | 136 | 465 | - | - |
| (b) Security Deposits | 249 | 170 | - | - |
| (c) Loans and advances to related parties | 265 | - | - | - |
| (d) Advance Income Tax Net of Provision for Tax (₹ 32,337 Lakh (2015- ₹ 32,337 Lakh)) | 4,183 | 3,935 | - | - |
| (e) Balance with Customs and Central Excise Authorities | - | - | 2,163 | 2,123 |
| (f) MAT Credit Entitlement | 3,369 | 3,369 | - | - |
| (g) Advance recoverable in cash or in kind or for value to be received | | | | |
| (i) Unsecured and Considered Good | 5,508 | 6,712 | 4,094 | 7,381 |
| (ii) Considered Doubtful | - | - | 3,358 | 2,759 |
| Less: Provision for Doubtful Advances | - | - | (3,358) | (2,759) |
| | 13,710 | 14,651 | 6,257 | 9,504 |

**NOTE 13
OTHER NON CURRENT ASSETS**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| - Interest Accrued on Loans & Advances to subsidiaries | 22 | 1,170 |
| - Long Term Trade Receivables | 1,449 | 1,763 |
| | 1,471 | 2,933 |

**NOTE 14
CURRENT INVESTMENTS (At lower of cost and fair value, unless otherwise stated)**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| I. Quoted Investments | | |
| (A) Other Investments | | |
| (a) Investments in Mutual funds | | |
| 20,000 units of SBI - Infra - I - Dividend | 2 | 2 |
| | 2 | 2 |
| Market Value of Quoted Investments | 2 | 2 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 15 INVENTORIES

(At lower of cost and net realisable value)

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|-----------------------|-------------------------|-------------------------|
| (a) Raw materials | 2,432 | 1,197 |
| (b) Work-in-process | 6,259 | 6,741 |
| (c) Finished goods | 56,718 | 95,804 |
| (d) Stock in trade | 425 | 566 |
| (e) Stores and spares | 3,015 | 3,576 |
| | 68,849 | 1,07,884 |

15.1 - Refer Note 37 for details of work-in-process, finished goods and stock-in-trade.

NOTE 16 TRADE RECEIVABLES (UNSECURED)

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| (i) Considered good | 2,871 | 9,139 |
| (ii) Considered doubtful | 1,616 | 1,328 |
| Less: Provision for doubtful Trade receivables | (1,616) | (1,328) |
| | 2,871 | 9,139 |
| (b) Other Trade Receivables - Considered good | 21,506 | 17,311 |
| | 24,377 | 26,450 |

NOTE 17 CASH AND CASH EQUIVALENTS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (a) Cash on hand | 4 | 6 |
| (b) Cheques, drafts on hand | 80 | 5 |
| (c) Balances with banks | | |
| (i) In Current account | 2,351 | 736 |
| (ii) In earmarked accounts | | |
| - In Unpaid dividend account | 301 | 376 |
| - In Debenture redemption account | 4,500 | 2,400 |
| - In Margin Money accounts towards Bank Guarantee | 722 | 686 |
| | 7,958 | 4,209 |

17.1 Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 2,435 Lakh (2015 ₹ 747 Lakh).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 18

OTHER CURRENT ASSETS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| - Interest Accrued on Deposits, Loans & Advances etc. | 258 | 499 |
| - Dividend from Subsidiary | - | 3,543 |
| - Unbilled revenue | - | 25 |
| - Insurance claims | 5 | 5 |
| - Fair value Derivative Hedging receivable | 661 | 994 |
| - Share of Income from Overseas Subsidiary | - | 81 |
| - Other Receivables | 463 | - |
| | 1,387 | 5,147 |

NOTE 19

REVENUE FROM OPERATIONS

₹ in Lakh

| Particulars | For the year Ended March 31, 2016 | For the year Ended March 31, 2015 |
|---|--------------------------------------|--------------------------------------|
| (a) Sale of Products (Refer note 19.1) | | |
| - Manufactured goods | 2,32,593 | 2,08,390 |
| - Traded goods | 2,175 | 3,188 |
| | 2,34,768 | 2,11,578 |
| (b) Other operating revenues | | |
| - Duty Drawback/Export Incentive | 1,238 | 804 |
| - Scrap sales | 472 | 511 |
| - Liabilities/ Provisions no longer required written back | 1,922 | 744 |
| - Sundry Income | 182 | 629 |
| Revenue from operations (Gross) | 2,38,582 | 2,14,266 |
| Less : Excise Duty | 7,538 | 6,099 |
| Revenue from operations (Net) | 2,31,044 | 2,08,167 |

19.1 Details of Products Sold

₹ in Lakh

| Classes of Goods | For the year Ended March 31, 2016 | For the year Ended March 31, 2015 |
|------------------------|--------------------------------------|--------------------------------------|
| Sugar | 1,61,620 | 1,44,868 |
| Raw sugar | 6,485 | 8,574 |
| Bio and Nutra products | 17,623 | 16,791 |
| Power | 20,309 | 13,782 |
| Distillery | 28,570 | 27,198 |
| Organic Manure | 161 | 365 |
| | 2,34,768 | 2,11,578 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 20 OTHER INCOME

₹ in Lakh

| Particulars | For the year Ended March 31, 2016 | | For the year Ended March 31, 2015 | |
|--|--------------------------------------|--------------|--------------------------------------|---------------|
| | | | | |
| (a) Interest Income | | | | |
| On bank deposits | 284 | | 111 | |
| On loans and advances to subsidiaries (Refer Note 46.3) | 8 | | 864 | |
| On others | 271 | 563 | 57 | 1,032 |
| (b) Dividend Income | | | | |
| (i) Current investments | - | | 168 | |
| (ii) Long term investments | | | | |
| Subsidiaries (Refer note 46.3) | 4,429 | | 11,767 | |
| Others | 19 | 4,448 | 18 | 11,953 |
| (c) Profit on sale of fixed assets (Net) | | 24 | | 1574 |
| (d) Gain on sale of investments (Net) | | 147 | | - |
| (e) Other non-operating income (Refer Note 20.1) | | 2,866 | | 2,451 |
| (f) Net gain on foreign currency transaction and translation (other than considered in finance cost) | | 449 | | 1,327 |
| | | 8,497 | | 18,337 |

20.1 Other non-operating income comprises of:

₹ in Lakh

| Particulars | For the year Ended March 31, 2016 | | For the year Ended March 31, 2015 | |
|----------------------------|--------------------------------------|--|--------------------------------------|--|
| | | | | |
| - Rental income | 1,610 | | 1,509 | |
| - Services | 643 | | 695 | |
| - Insurance claim received | 425 | | 83 | |
| - Others | 188 | | 164 | |
| | 2,866 | | 2,451 | |

NOTE 21 COST OF MATERIALS CONSUMED

₹ in Lakh

| DESCRIPTION | For the year Ended March 31, 2016 | | For the year Ended March 31, 2015 | |
|---------------------------------|--------------------------------------|--|--------------------------------------|--|
| | | | | |
| (a) Sugarcane (refer note 21.1) | 1,11,334 | | 1,16,851 | |
| (b) Others | 21,374 | | 22,631 | |
| Total | 1,32,708 | | 1,39,482 | |

21.1 The above raw material consumption includes Purchase Tax of ₹ 745 Lakh (2015 - ₹ 1,451 Lakh).

NOTE 22 PURCHASES OF STOCK-IN-TRADE

₹ in Lakh

| Particulars | For the year Ended March 31, 2016 | | For the year Ended March 31, 2015 | |
|-------------------------|--------------------------------------|--|--------------------------------------|--|
| | | | | |
| Classes of Goods | | | | |
| (a) Sugar | - | | 1,294 | |
| (b) Bio Products | 139 | | 172 | |
| (c) Nutra Products | 1,169 | | 1,056 | |
| Total | 1,308 | | 2,522 | |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 23

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK IN TRADE

₹ in Lakh

| Particulars | For the year Ended March 31, 2016 | | For the year Ended March 31, 2015 | |
|---|--------------------------------------|---------------|--------------------------------------|----------------|
| Opening Stock: | | | | |
| Work-in-process | 6,741 | | 7,452 | |
| Finished goods | 95,804 | | 91,157 | |
| Stock-in-trade | 566 | | 712 | |
| Total (A) | 1,03,111 | | 99,321 | |
| Inventory acquired pursuant to Scheme of Amalgamation - (Parry Phytoremedies Private Limited) | | | | |
| Work-in-process | 118 | | - | |
| Finished goods | 8 | | - | |
| Total (B) | 126 | | - | |
| Closing Stock: | | | | |
| Work-in-process | 6,259 | | 6,741 | |
| Finished goods | 56,718 | | 95,804 | |
| Stock-in-trade | 425 | | 566 | |
| Total (C) | 63,402 | 39,835 | 1,03,111 | (3,790) |
| Changes in Inventory - Total (A + B - C) | | 39,835 | | (3,790) |

NOTE 24

EMPLOYEE BENEFIT EXPENSE

₹ in Lakh

| Particulars | For the year Ended March 31, 2016 | | For the year Ended March 31, 2015 | |
|---|--------------------------------------|--|--------------------------------------|--|
| (a) Salaries, Wages and Bonus | 10,666 | | 10,228 | |
| (b) Contribution to Provident and Other Funds | 1,020 | | 968 | |
| (c) Workmen and Staff Welfare Expenses | 1,742 | | 1,576 | |
| | 13,428 | | 12,772 | |

NOTE 25

FINANCE COST

₹ in Lakh

| Particulars | For the year Ended March 31, 2016 | | For the year Ended March 31, 2015 | |
|---|--------------------------------------|--|--------------------------------------|--|
| i) Interest expense | | | | |
| (a) Debentures | 4,559 | | 4,880 | |
| (b) Term loans | 3,820 | | 3,992 | |
| (c) Working Capital | 5,257 | | 5,557 | |
| ii) Other borrowing costs (Refer note 25.1) | 676 | | 550 | |
| iii) Exchange difference to the extent considered as an adjustment to borrowing costs | - | | 148 | |
| | 14,312 | | 15,127 | |

25.1 Other borrowing costs include commitment charges, loan processing charges, loan facilitation charges, discounts /premiums on borrowings and other ancillary costs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 26 OTHER EXPENSES

₹ in Lakh

| Particulars | For the year Ended March 31, 2016 | | For the year Ended March 31, 2015 | |
|--|--------------------------------------|---------------|--------------------------------------|---------------|
| (a) Consumption of Stores, Spares and Consumables | | 3,308 | | 3,457 |
| (b) Power and Fuel | | 7,672 | | 6,640 |
| (c) Rent | | 358 | | 404 |
| (d) Repairs and Maintenance (Refer note 34) | | | | |
| - Buildings | 180 | | 225 | |
| - Plant and Machinery | 3,541 | | 4,053 | |
| - Others | 3,051 | 6,772 | 2,864 | 7,142 |
| (e) Insurance | | 482 | | 548 |
| (f) Rates and Taxes (Refer note 26.1) | | 2,271 | | 2,426 |
| (g) Packing, Despatching and Freight | | 6,431 | | 6,184 |
| (h) Commission to Selling Agents | | 381 | | 335 |
| (i) Rebates and Discounts | | 477 | | 58 |
| (j) Auditors' Remuneration (Refer note 35) | | 48 | | 50 |
| (k) Directors' Fees and Commission (Refer note 36.2) | | 16 | | 156 |
| (l) Sales Promotion and Publicity | | 1,427 | | 1,266 |
| (m) Fixed Assets scrapped | | 88 | | 650 |
| (n) Professional Charges | | 2,427 | | 2,561 |
| (o) Provision for Doubtful Debts and Advances | | 1,015 | | 821 |
| (p) Bad Debts/Advances written off | 434 | | 137 | |
| Less: Transfer from provision | (127) | 307 | (4) | 133 |
| (q) Loss on sale of Investments | - | | 1,193 | |
| Less - Reversal of Provision for Diminution of Investments | - | - | (900) | 293 |
| (r) Cane Development Expenditure | | 300 | | 269 |
| (s) General Manufacturing, Selling and Administration Expenses | | 3,246 | | 3,089 |
| (t) Corporate Social Responsibility expenditure | | 83 | | 118 |
| | | 37,109 | | 36,600 |

26.1 Total Excise Duty on Sales for the year has been disclosed as deduction from the turnover. Excise duty related to the difference between the closing stock and opening stock amounting to credit of ₹ 85 Lakh (2015: credit of ₹ 97 Lakh) has been included in Rates and Taxes.

₹ in Lakh

| Note | Particulars | 2015-16 | 2014-15 |
|------|---|----------|---------|
| 27 | Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances | 243 | 1,353 |
| 28 | Other monies for which the Company is contingently liable | | |
| | (a) Letters of Credit and Bank Guarantees established for Purchases of Raw Materials, Spares and Capital Goods / Supply of Goods | 2,263 | 3,872 |
| | (b) Disputed Income Tax demands which are under various stages of appeal (out of which ₹ 1,578 Lakh (2015 - ₹ 1,578 lakh) have been paid under protest) - Refer Note 28.3 | 4,684 | 3,918 |
| | (c) Disputed Sales Tax, Excise Duty , Service Tax and Customs Duty demands out of which ₹ 252 lakh (2015 - ₹ 248 lakh) have been deposited under protest) - Refer Note 28.3 | 5,493 | 5,576 |
| | (d) Cane price (Refer Note 28.1) | 16,154 | 10,378 |
| | (e) Cane Cost Subsidy (Refer Note 28.2) | 898 | - |
| | (f) Corporate Guarantee / letter of undertaking given to Parry Sugars Refinery India Private Limited (a Wholly owned Subsidiary) | 1,34,950 | 36,000 |
| | (g) Other claims against the Company not acknowledged as debts | - | - |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28.1 The Tamilnadu Government declared State Advisory Price (SAP) for the sugar year 2013-14,2014-15 and 2015-16. The Company has challenged the right of State Government to declare the SAP in the Hon'ble High Court of Madras. The Matter is sub judice.

28.2 Government had announced production linked subsidy of ₹ 45/MT of sugarcane crushed subject to conditions on meeting Sugar export commitment and Supply of Ethanol in Sugar Year 2015-16 (by September 30, 2016). As on March 31, 2016 the Company has not met the said conditions.

28.3 Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

28.4 The Income Tax Department/Commercial Tax Department/Central Excise and Service Tax Authority has filed appeal against the favorable order passed by lower forum in favor of the Company in appropriate appellate forum to the extent of ₹ 2,053 lakh. It is expected that there will not be any outflow of economic resources embodying economic benefits. Hence, no provision is considered necessary against the same.

NOTE 29 (A)

₹ in Lakh

| Particulars | 2015-16 | 2014-15 |
|--|---------|---------|
| Net exchange difference dealt with in the Statement of Profit or Loss on foreign currency monetary items | 449 | 1,327 |

NOTE 29 (B)

As on 31 March 2016, the Company has foreign currency borrowing of US\$ 3.33 Lakh (2015: US\$ 20 Lakh). The Company entered into principal and interest rate swaps amounting US\$ 3.33 Lakh (2015: US\$ 20 Lakh) to hedge the foreign currency and interest rate risks thereon. The Company has marked to market the foreign currency borrowings and the corresponding swap contracts and the net exchange differences arising thereon have been recognised in the Statement of Profit and Loss.

NOTE 30**Derivative transactions**

The Company uses forward exchange contracts, interest rate swap and currency swap to hedge its exposure in foreign currency. The information on derivative instruments is as follows:

(a) Derivative Instruments outstanding as at March 31, 2016

| Particulars | Currency | Amount (Foreign Currency Lakh) | | Buy/Sell |
|--------------------------------|----------|--------------------------------|---------|----------|
| | | 2015-16 | 2014-15 | |
| (i) Forward exchange contracts | USD/INR | 376.74 | 212.40 | Sell |
| | EURO/INR | 94.16 | 47.11 | Sell |
| | USD/INR | 1.57 | - | Buy |
| (ii) ECB (Swaps) | USD/INR | 3.33 | 20.00 | Buy |

(b) All the foreign exchange forward contracts are designated as cash flow hedges.

(c) Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2016 - GBP 0.13 Million (March 2015 - GBP - 0.05 Million)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 31

Amalgamation of Parry Phyto Remedies Private Limited with the Company

i. Pursuant to the scheme of amalgamation of Parry Phyto Remedies Private Limited- a wholly owned subsidiary (“transferor company”) with the Company, as sanctioned by the Honourable High Court of Bombay vide their order dated April 30, 2015, the assets and liabilities of the transferor company were transferred to and vested with the Company with effect from the appointed date, April 1, 2014. The effective date of amalgamation is June 16, 2015 on which date, the copy of the order of the court sanctioning the scheme has been filed with the Registrar of Companies.

ii. The transferor company is engaged in the business of manufacture and sale of Nutraceutical products.

iii. The amalgamation has been accounted for under the ‘Pooling of interest’ method as prescribed by Accounting Standard 14 “Accounting for Amalgamations” specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly the assets and liabilities of the transferor company as at April 01, 2014, have been taken over at their book values.

iv. Consequent to the scheme of amalgamation, the authorized equity share capital of the Company stands increased from 1,92,50,00,000 equity shares of ₹ 1/- each, aggregating to INR 19,250 Lakh to 2,12,50,00,000 equity shares of ₹1/- each aggregating to INR 21,250 Lakh.

v. As per the scheme of amalgamation, the following amounts have been adjusted against the general reserve:

| Particulars | ₹ in Lakh |
|--|--------------|
| a. Debit balance in Statement of Profit and Loss of the transferor company as on March 31, 2014 | 1,831 |
| b. Difference between the amount recorded as investments in the books of the Company and the amount of share capital of the transferor company | 27 |
| Total | 1,858 |

(vi) Details of assets and liabilities taken over on Amalgamation:

| Particulars | Balance as at April 1, 2014 |
|-------------------------------|-----------------------------|
| Assets | |
| Fixed Assets (Net) | 198 |
| Long Term Loans & Advances | 312 |
| Current Assets | |
| Inventories | 192 |
| Trade Receivables | 277 |
| Cash and Cash Equivalents | 58 |
| Short term loans and Advances | 4 |
| Total Assets | 1,041 |
| Liabilities | |
| Current Liabilities | |
| Trade Payables | 910 |
| Other Current Liabilities | 16 |
| Short Term Provisions | 14 |
| Total Liabilities | 940 |

₹ in Lakh

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(vii) The scheme has been given effect to in the financial statements of the Company for the current year and the results of operations of the erstwhile Transferor Company for the period April 1, 2014 to March 31, 2015 amounting to ₹ 155 lakh has been adjusted in the Surplus in the Statement of Profit and Loss. Further ₹ 2 lakh relating to the transition impact of Depreciation under Schedule II of the Companies Act, 2013 on tangible assets with nil useful life of the Transferor Company has been given effect to in Surplus in the Statement of Profit and Loss.

32. Employee benefit plans

A. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 351 Lakh (Year ended March 31, 2015 - ₹ 350 Lakh) for Provident Fund contributions, ₹ 431 Lakh (Year ended March 31, 2015- ₹ 390 Lakh) for Superannuation Fund contributions and ₹ 2 Lakh (Year ended March 31, 2015 - ₹ 2 Lakh) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans :

Gratuity -

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. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

₹ in Lakh

| Particulars | Gratuity (Funded) | |
|---|-------------------|---------|
| | 2015-16 | 2014-15 |
| Present Value of obligations at the beginning of the year | 1,602 | 1,464 |
| Current service cost | 171 | 138 |
| Interest Cost | 124 | 113 |
| Actuarial loss | 58 | 51 |
| Benefits paid | (158) | (164) |
| Present Value of obligations at the end of the year | 1,797 | 1,602 |
| Changes in the fair value of planned assets | | |
| Fair value of plan assets at beginning of year | 1,278 | 1,334 |
| Expected return on plan assets | 98 | 100 |
| Contributions | 2 | - |
| Benefits Paid | (158) | (164) |
| Actuarial gain on plan assets | 26 | 8 |
| Fair Value of plan assets at the end of the year | 1,246 | 1,278 |
| Amounts recognized in the Balance Sheet | | |
| Projected benefit obligation at the end of the year | 1,797 | 1,602 |
| Fair value of plan assets at end of the year | 1,246 | 1,278 |
| Funded status of the plans – Liability recognised in the balance sheet | 551 | 324 |
| Cost for the period | | |
| Current service cost | 171 | 138 |
| Interest Cost | 124 | 113 |
| Expected return on plan assets | (98) | (100) |
| Net actuarial loss recognised in the period | 32 | 43 |
| Net Cost (included as part of Contribution to Provident and Other Funds in Note 24- Employee Benefits Expense) | 229 | 194 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Gratuity (Contd...)

| Assumptions | Gratuity (Funded) | |
|-----------------------------------|---------------------------------|---------------------------------|
| | 2015-16 | 2014-15 |
| Discount rate | 8% | 8% |
| Expected rate on planned assets | 8% | 8% |
| Expected rate of salary increases | 6% | 6% |
| Expected rate of attrition | 5% | 5% |
| Mortality | IALM (2006-2008) Ultimate | IALM (2006-2008) Ultimate |

| Particulars | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---------|---------|---------|---------|
| Experience Adjustment on obligation (₹ in Lakh) | 104 | 150 | 51 | 58 |
| Experience Adjustment on assets (₹ in Lakh) | -7 | 9 | 8 | 26 |

The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" have been disclosed to the extent of the information made available by the actuary.

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation. The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 237 lakh (2015: ₹ 50 lakh).

C. Note on Provident Fund:

With respect to employees, who are covered under the Provident Fund Trust administered by the company, the company shall make good deficiency, if any, in the interest rate declared by Trust over statutory limit. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

D. Long Term Compensated Absence:

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows:

| Assumptions | 2015-16 | 2014-15 |
|-----------------------------------|---------|---------|
| Discount rate | 8% | 8% |
| Attrition Rate | 5% | 5% |
| Expected rate of salary increases | 6% | 6% |

33. Research and Development expenditure incurred by the Approved In-house R & D Centres

₹ in Lakh

| Particulars | 2015-16 | 2014-15 |
|--|------------|------------|
| (i) Revenue Expenses (excluding depreciation and fixed assets scrapped): - | | |
| a) Employee benefit expense | 221 | 135 |
| b) Power and Fuel | 43 | 46 |
| c) Repairs and Maintenance | 58 | 61 |
| d) Miscellaneous expenses | 149 | 141 |
| e) Other Income relating to Research and Development | (11) | (13) |
| Net Revenue expenses on Research and Development | 460 | 370 |
| (ii) Fixed Assets additions in R & D Centres made during the year (Refer note 10.3) | 55 | 32 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

| | 2015 - 16 | 2014 - 15 |
|---|--------------|--------------|
| 34. Repairs and maintenance includes Stores and spare parts consumed | 2,525 | 2,858 |

₹ in Lakh

| 35. Auditors' remuneration and Expenses: | 2015- 16 | 2014- 15 |
|---|-----------|-----------|
| (i) Audit Fees | 27 | 23 |
| (ii) Tax Audit | - | 4 |
| (iii) Fees for other services | 20 | 18 |
| (iv) Reimbursement of out-of-pocket expenses | 1 | 2 |
| (v) Transfer Pricing | - | 3 |
| | 48 | 50 |

₹ in Lakh

| 36. Director's Remuneration: | 2015-16 | 2014-15 |
|---|------------|------------|
| 36.1 Whole time Directors' remuneration: | | |
| Salaries and Allowances | 127 | 120 |
| Contribution to Provident and Other Funds | 17 | 15 |
| Other Benefits | - | 3 |
| | 144 | 138 |

Note: Managerial remuneration above does not include gratuity and leave encashment benefit, since the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.

₹ in Lakh

| 36.2 Non Whole time Directors remuneration : | 2015 - 16 | 2014 - 15 |
|---|-----------|------------|
| Commission to Non Whole Time Directors | - | 138 |
| Directors' sitting Fees | 16 | 18 |
| | 16 | 156 |

37. PARTICULARS IN RESPECT OF STOCK

₹ in Lakh

| Classes of Goods | 2015-16 | 2014-15 |
|-------------------------|---------------|---------------|
| Finished Stock | | |
| Sugar | 54,979 | 90,151 |
| Others | 1,739 | 5,653 |
| | 56,718 | 95,804 |
| Trading Stock | | |
| Sugar | 10 | 8 |
| Bio Products | 56 | 83 |
| Nutra | 359 | 475 |
| | 425 | 566 |
| Work-in-Process | | |
| Sugar | 3,701 | 3,352 |
| Others | 2,558 | 3,389 |
| | 6,259 | 6,741 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

38. Value of imported raw materials and stores and spare parts consumed and the value of all indigenous raw materials and stores and spare parts similarly consumed and percentage of each to total consumption:

| Description | 2015-16 | | 2014-15 | |
|------------------------|-----------------|---------------|-----------------|---------------|
| | ₹ in Lakh | % | ₹ in Lakh | % |
| Imported | 2,623 | 1.89 | 394 | 0.27 |
| Indigenous | 1,35,918 | 98.11 | 1,45,403 | 99.73 |
| | 1,38,541 | 100.00 | 1,45,797 | 100.00 |
| Raw Materials | 1,32,708 | | 1,39,482 | |
| Stores and Spare parts | 5,833 | | 6,315 | |
| | 1,38,541 | | 1,45,797 | |

₹ in Lakh

| 39. Value of Imports on C.I.F basis (other than Raw Materials) | 2015-16 | 2014-15 |
|---|-----------|------------|
| Components, Stores and Spare Parts | 57 | 58 |
| Traded Goods | - | 372 |
| Capital Goods | 39 | 65 |
| | 96 | 495 |

₹ in Lakh

| 40. Expenditure in Foreign Currency | 2015-16 | 2014-15 |
|-------------------------------------|------------|------------|
| Travel | 22 | 12 |
| Professional Fee | 36 | 69 |
| Others | 727 | 445 |
| | 785 | 526 |

₹ in Lakh

| 41. Earnings in Foreign Exchange | 2015-16 | 2014-15 |
|----------------------------------|---------------|---------------|
| FOB Value of exports | 25,146 | 17,633 |
| Interest income | 8 | 13 |
| Share of Income from US Nutra | - | 252 |
| | 25,154 | 17,898 |

| 42. Remittances in foreign currencies of dividends to Non Resident Shareholders of the Company | 2015-16 | 2014-15 |
|---|----------|----------|
| Equity Shares | | |
| No. of shareholders | 31 | 32 |
| No. of shares held | 2,69,184 | 2,70,044 |
| Net amount remitted (₹ Lakh) | 3 | 5 |
| Year to which Dividend relates to | 2014-15 | 2014-15 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43. Employee Stock Option Plan – ESOP 2007

- a) Pursuant to the decision of the shareholders, at their meeting held on July 26, 2007, the Company has established an 'Employee Stock Option Scheme 2007' ('ESOP 2007' or 'the Scheme') to be administered by the Compensation and Nomination Committee of the Board of Directors.
- b) Under the Scheme, options not exceeding 89,24,850 have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year and not more than five years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of three years from the date of vesting.
- c) The exercise price of the option is equal to the latest available closing market price of the shares on the stock exchange where there is highest trading volume as on the date prior to the date of the Compensation and Nomination Committee resolution approving the grant.
- d) Pursuant to the above mentioned scheme, on the recommendation of the Compensation and Nomination Committee the Company has, upto March 31, 2016, granted 40,34,000 options vesting over a period of four years commencing from the respective dates of grant. The exercise price being equal to the closing market price prevailing on the date prior to the date of grant, there is no deferred compensation cost to be amortised in this regard. The company has not granted any stock options during the year 2015-16.
- e) The details of the grants under the aforesaid schemes are summarized below :-

| S. No | Description | Date of grant | Number of Options granted | Date of vesting |
|-------|----------------------------|---------------|---------------------------|-----------------|
| 1. | Details of options granted | 31.08.2007 | 18,58,200 | 31.08.2008 |
| | | 29.10.2007 | 2,32,400 | 29.10.2008 |
| | | 24.01.2008 | 4,60,600 | 24.01.2009 |
| | | 24.04.2008 | 1,52,200 | 24.04.2009 |
| | | 28.07.2008 | 1,30,000 | 28.07.2009 |
| | | 24.09.2008 | 3,87,000 | 24.09.2009 |
| | | 29.10.2008 | 1,13,600 | 29.10.2009 |
| | | 20.03.2009 | 47,800 | 20.03.2010 |
| | | 28.01.2011 | 3,66,300 | 28.01.2012 |
| | | 29.04.2011 | 75,900 | 29.04.2012 |
| | | 27.07.2011 | 1,15,000 | 27.07.2012 |
| | | 24.10.2011 | 95,000 | 24.10.2012 |
| | Total | | 40,34,000 | |

| S. No | Description | | Options (Numbers) 2015-16 | Weighted Average exercise price per option (₹) | Options (Numbers) 2014-15 | Weighted average exercise price per option (₹) |
|-------|--|--------------------------------|---------------------------|--|---------------------------|--|
| 2 | Options granted and outstanding at the beginning of the year | Options vested and exercisable | 1,88,144 | 163.51 | 2,44,656 | 161.23 |
| | | Options unvested | 33,480 | 248.19 | 1,03,440 | 239.27 |
| | | Total | 2,21,624 | 176.30 | 3,48,096 | 184.42 |
| 3 | Options granted during the year | | - | - | - | - |
| 4 | Options vested during the year | | 15,210 | 248.39 | 60,448 | 236.55 |
| 5 | Options exercised during the year | | - | - | 28,888 | 94.15 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| S. No | Description | | Options (Numbers) 2015-16 | Weighted Average exercise price per option (₹) | Options (Numbers) 2014-15 | Weighted average exercise price per option (₹) |
|-------|--|--------------------------------|---------------------------------|--|---------------------------------|--|
| 6. | Options lapsed/cancelled during the year | | 29,598 | 213.02 | 97,584 | 229.59 |
| 7. | Options outstanding at the end of the year | Options vested and exercisable | 1,92,026 | 170.64 | 1,88,144 | 163.51 |
| | | Options unvested | - | - | 33,480 | 248.19 |
| | | Total (2-5-6) | 1,92,026 | 170.64 | 2,21,624 | 176.30 |

The fair value of options based on the valuation of the independent valuer as of the respective dates of grant are given below

| Date of grant | Number of Options granted | Fair value as per Black Scholes Options pricing model (₹) |
|---------------|---------------------------|--|
| 31.08.2007 | 18,58,200 | 29.46 |
| 29.10.2007 | 2,32,400 | 26.32 |
| 24.01.2008 | 4,60,600 | 21.98 |
| 24.04.2008 | 1,52,200 | 24.59 |
| 28.07.2008 | 1,30,000 | 26.63 |
| 24.09.2008 | 3,87,000 | 24.11 |
| 29.10.2008 | 1,13,600 | 30.73 |
| 20.03.2009 | 47,800 | 32.26 |
| 28.01.2011 | 3,29,600 | 90.05 |
| 28.01.2011 | 36,700 | 87.86 |
| 29.04.2011 | 41,400 | 92.46 |
| 29.04.2011 | 34,500 | 58.18 |
| 27.07.2011 | 1,15,000 | 105.80 |
| 24.10.2011 | 75,700 | 80.86 |
| 24.10.2011 | 19,300 | 30.21 |
| Total | 40,34,000 | |

Had the company adopted the fair value method in respect of options granted, the total amount that would have been amortised over the vesting period is ₹1,501 Lakh (2015 - ₹ 1,495 Lakh) and the impact on the financial statements would be

| | |
|--|----------|
| Increase in employee compensation cost : | ₹ 6 Lakh |
| Decrease in Profit After Tax: | ₹ 6 Lakh |
| Decrease in Earning per share : (Basic) : | — |
| Decrease in Earning per share : (Diluted): | — |

The fair value has been calculated using the Black Scholes Options Model and the significant assumptions made in this regard are as follows:

| | |
|--------------------------------------|---------|
| Risk Free Interest Rate: | 8% |
| Expected average Life of the option: | 4 years |
| Expected Volatility: | 0.4560 |
| Expected Dividend Yield: | 400% |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43. Segment Reporting

Composition of Business Segments:

Primary Segments:

| Sugar | Cogeneration | Distillery | Bio Products | Others |
|-------|--------------|------------|------------------------|---------------------|
| Sugar | Power | Spirits | Neem Nutraceuticals | Corporate Others |

Secondary Segments

Geographical Segment:

| North America | Europe | Rest of the world | India |
|---------------|--------|-------------------|-------|
| | | | |

Inter Segment Transfer Pricing:

Inter Segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall optimisation objective for the enterprise.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Segment Reporting

Composition of Business Segments :

₹ in Lakh

| Particulars | PRIMARY SEGMENTS | | | | | | | | | | | | Overall | |
|---|------------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|------------|----------------|-----------------|-----------------|------|
| | Sugar | | Cogeneration | | Distillery | | Bio Products | | Others | | Elimination | | 2016 | 2015 |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Revenue (Sales/Income) : | | | | | | | | | | | | | | |
| (Gross of Excise Duty) | | | | | | | | | | | | | | |
| External Customers | 1,69,215 | 1,53,807 | 19,302 | 13,783 | 28,628 | 27,198 | 17,623 | 16,790 | - | - | - | 2,34,768 | 2,11,578 | |
| Inter-segmental Sales | | 2,362 | 1,003 | | | | | | | (2,362) | (1,003) | - | - | |
| Total | 1,69,215 | 1,53,807 | 21,664 | 14,786 | 28,628 | 27,198 | 17,623 | 16,790 | - | - | (2,362) | 2,34,768 | 2,11,578 | |
| Results : | | | | | | | | | | | | | | |
| Operating (Loss) / Profit | (15,371) | (116) | 6,567 | 4,617 | 4,793 | 5,868 | 3,681 | 4,452 | 15 | 919 | - | (315) | 15,740 | |
| Interest income | | | | | | | | | | | | 563 | 1,032 | |
| Dividend Income | | | | | | | | | | | | 4,448 | 11,953 | |
| Finance Costs | | | | | | | | | | | | (14,312) | (15,127) | |
| (Loss) / Profit Before Tax | | | | | | | | | | | | (9,616) | 13,598 | |
| Income Tax - Current | | | | | | | | | | | | - | 693 | |
| - MAT Credit Entitlement | | | | | | | | | | | | - | (693) | |
| - Deferred | | | | | | | | | | | | 2,971 | 1,227 | |
| Net (Loss) / Profit After Tax | | | | | | | | | | | | (6,645) | 14,825 | |
| Other Information : | | | | | | | | | | | | | | |
| Segment Assets | 1,51,812 | 1,94,612 | 46,696 | 49,290 | 27,567 | 29,766 | 19,844 | 18,550 | 765 | 751 | | 2,46,684 | 2,92,969 | |
| Unallocated Corporate Assets | | | | | | | | | | | | 1,00,819 | 96,580 | |
| Total Assets | 91,016 | 54,410 | 1,577 | 5,242 | 1,415 | 2,268 | 3,654 | 3,373 | 110 | 45 | | 97,772 | 65,338 | |
| Segment Liabilities | | | | | | | | | | | | 1,20,663 | 1,87,293 | |
| Unallocated Corporate Liabilities | | | | | | | | | | | | | | |
| Total Liabilities | 1,146 | 4,900 | 205 | 2,388 | 1,474 | 282 | 2,705 | 801 | 156 | 499 | | 2,18,435 | 2,52,631 | |
| Capital Expenditure | 5,355 | 5,209 | 3,010 | 2,882 | 1,469 | 1,436 | 441 | 390 | 182 | 276 | | 5,686 | 8,870 | |
| Depreciation | | | | | | | | | | | | 10,457 | 10,193 | |
| Non-cash expenditure (excluding Depreciation) | 1,049 | 851 | 109 | 38 | 26 | 58 | 303 | 299 | 78 | 388 | | 1,565 | 1,634 | |

| Particulars | SECONDARY SEGMENTS | | | | | | | | Total | |
|-----------------------|--------------------|---------|---------|---------|-------------------|---------|----------|----------|----------|----------|
| | North America | | Europe | | Rest of the World | | India | | 2015-16 | 2014-15 |
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Segment Revenue | 6,235 | 6,244 | 10,833 | 8,282 | 4,784 | 2,930 | 2,12,916 | 1,94,122 | 2,34,768 | 2,11,578 |
| Carrying Amounts of : | | | | | | | | | | |
| Segment Assets | 2,490 | 2,707 | 3,171 | 1,074 | 670 | 194 | 3,41,172 | 3,85,574 | 3,47,503 | 3,89,549 |
| Segment Liabilities | 23 | 38 | 12 | 16 | 221 | 1,587 | 2,18,179 | 2,50,990 | 2,18,435 | 2,52,631 |
| Capital Expenditure | - | - | - | - | - | - | 5,686 | 8,870 | 5,686 | 8,870 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**45. Earnings per Share**

| Particulars | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| (A) (Loss) /Profit after Taxation (₹ in Lakh) | (6,645) | 14,825 |
| Number of equity shares of ₹ 1 each outstanding at the beginning of the year | 17,58,14,884 | 17,57,85,996 |
| Add : Number of shares issued pursuant exercise of Employees Stock option | - | 28,888 |
| (a) Number of equity Shares of ₹1 each outstanding at the end of the year | 17,58,14,884 | 17,58,14,884 |
| (b) Weighted Average number of Equity Shares | 17,58,14,884 | 17,58,02,552 |
| (c) Diluted shares on account of issue of ESOP granted | 10,037 | 25,343 |
| (d) Number of potential equity shares of ₹ 1 each outstanding at the end of the year | 17,58,24,921 | 17,58,27,895 |
| Earnings per Share | | |
| – Basic (₹) (A)/(b) | (3.78) | 8.43 |
| – Diluted (₹) (A)/(d) | (3.78) | 8.43 |

46. Related Party Disclosure for the year ended March 31, 2016**46.1. Subsidiary Companies/ Entities**

1. Coromandel International Ltd.
2. Parry Chemicals Ltd.
3. CFL Mauritius Limited.
4. Coromandel Brasil Limitada – Partnership.
5. Liberty Pesticides and Fertilisers Limited.
6. Dare Investments Ltd.
7. Sabero Europe BV.
8. Sabero Australia Pty.Ltd.
9. Sabero Organics America Ltda.
10. Sabero Argentina SA.
11. Coromandel Agronegocios de Mexico S.A De C.V.
12. Parrys Sugar Industries Ltd.
13. Parry America Inc.,
14. Parrys Investments Limited.
15. Parrys Sugar Limited.
16. Parry Infrastructure Company Private Limited.
17. US Nutraceuticals LLC.
18. Parry Agrochem Exports Limited.
19. La Belle Botanics LLC (has become an associate from April 02, 2015).
20. Parry Sugars Refinery India Private Limited (Formerly known as Silkroad Sugars Pvt Ltd).
21. Alimtec S.A.

Investing Party

1. Murugappa Holdings Limited.

46.2 Key Management Personnel (KMP)

Mr. V. Ramesh, Managing Director

Note : Related Party Relationships are as identified by the management and relied upon by the auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46.3 Transactions with related parties

₹ in Lakh

| Particulars | 2015-16 | 2014-15 |
|--|----------------------|----------------------|
| | Subsidiary Companies | Subsidiary Companies |
| Sale of Goods | | |
| a. Parry America Inc. | 3,554 | 3,235 |
| b. Parry Phyto remedies Private Limited | - | 666 |
| c. U.S. Nutraceuticals L.L.C | 661 | 740 |
| d. Coromandel International Limited | 1,092 | 338 |
| e. Parry Sugars Refinery India Private Limited | 3,315 | 2,469 |
| Rendering of services | | |
| a. Coromandel International Limited | 265 | 362 |
| b. Parry Sugars Refinery India Private Limited | 184 | 113 |
| c. Parrys Sugar Industries Limited | 7 | - |
| d. Parry Infrastructure Company Limited | 29 | - |
| Dividend Income / Share of income | | |
| a. Coromandel International Limited | 4,429 | 11,515 |
| b. U.S. Nutraceuticals L.L.C | - | 252 |
| Deputation Charges Received | | |
| a. Parry Sugars Refinery India Private Limited | 168 | 159 |
| b. Parrys Sugar Industries Limited | 73 | 102 |
| Purchase/Receipt of Goods | | |
| a. Coromandel International Limited | - | 74 |
| b. Parrys Sugar Industries Limited | 456 | 1,313 |
| c. Parry Sugars Refinery India Private Limited | 363 | 448 |
| Receipt of Services | | |
| a. U.S. Nutraceuticals L.L.C | 183 | 169 |
| b. Coromandel International Limited | - | 64 |
| Others -Discount on Sales | | |
| a. U.S. Nutraceuticals L.L.C | 205 | - |
| Interest Income on ICD Loans | | |
| a. Parrys Sugar Industries Limited | - | 114 |
| b. Parry Sugars Refinery India Private Limited | - | 607 |
| c. Alimtec SA | 8 | 13 |
| d. Alagawadi Bireshwar Sugar Pvt Ltd. | - | 130 |
| Dividend Paid | | |
| Murugappa Holdings Limited (Investing Party) | - | 1,175 |
| Subscription to Equity Shares | | |
| a. Parry Sugars Refinery India Private Limited (Refer Note 11.2) | 5,000 | - |
| b. Alimtec SA (Refer Note 11.1) | 140 | 2,500 |
| c. Parrys Investments Limited (Refer Note 11.5) | 65 | - |
| Subscription to Preference Shares | | |
| a. Parrys Sugar Industries Limited (Refer Note 11.4) | 3,500 | 1,300 |
| b. Parry Sugars Refinery India Private Limited (Refer Note 11.3) | 2,800 | 10,200 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46.3 Transactions with related parties (Contd...)

₹ in Lakh

| Particulars | 2015-16 | 2014-15 |
|--|----------------------|----------------------|
| | Subsidiary Companies | Subsidiary Companies |
| Loans and Advances to Subsidiaries Given / (Repaid) | | |
| a. Parrys Sugar Industries Limited | - | (5) |
| b. Alagawadi Bireswar Sugars Private Limited | - | (1,350) |
| c. Alimtec SA | 265 | 289 |
| Closing Balance - Debit / (Credit) | | |
| a. Coromandel International Limited | (168) | 3,670 |
| b. Parry America Inc. | 1,608 | 193 |
| c. Parry Phytoremedies Private Limited | - | 889 |
| d. U.S. Nutraceuticals LLC | 465 | 213 |
| e. Parry Sugars Refinery India Private Limited | 186 | 528 |
| f. Parry Infrastructure Company Private Limited | 31 | - |
| g. Parrys Sugar Industries Limited | 1,809 | 5,629 |
| h. Alimtec SA | 287 | 13 |
| Guarantees given | | |
| Parry Sugars Refinery India Private Limited | 1,34,950 | 36,000 |

For remuneration to KMP refer Note 36.1 above

47. The Board of Directors have approved a Scheme of Amalgamation for amalgamating Parrys Sugar Industries Limited (PSIL), a subsidiary of the Company, with the Company effective April 01, 2016, subject to approval of the shareholders and various statutory and regulatory authorities.

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

For and on behalf of the Board of Directors

V Ramesh
Managing Director

A. Vellayan
Chairman

Chennai
May 10, 2016

G Jalaja
Company Secretary

V Suri
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E.I.D.-PARRY (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **E.I.D.-PARRY (INDIA) LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

a) We did not audit the financial statements / financial information of eighteen subsidiaries, and two jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 74,032 Lakh as at March 31, 2016, total revenues of ₹ 52,269 Lakh and net cash flows amounting to ₹ 2,374 Lakh for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 58 Lakh for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary company's / jointly controlled companies incorporated in India internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

M.K. Ananthanarayanan
(Partner)
(Membership No. 19521)

Chennai
May 10, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **E.I.D.-PARRY (INDIA) LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, are 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 the respective 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate Internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to eight subsidiary companies, and one jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Chennai,
May 10, 2016

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

M.K. Ananthanarayanan
Partner
(Membership No. 19521)

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

₹ in Lakh

| S. No | Particulars | Note No. | As at March 31, 2016 | As at March 31, 2015 |
|----------|---|----------|----------------------|----------------------|
| | A. EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share Capital | 2 | 1,758 | 1,758 |
| | (b) Reserves and Surplus | 3 | 2,20,850 | 2,20,942 |
| | | | 2,22,608 | 2,22,700 |
| 2 | Minority Interest | | 1,00,324 | 89,655 |
| 3 | Non-Current Liabilities | | | |
| | (a) Long Term Borrowings | 4 | 1,03,363 | 1,13,735 |
| | (b) Deferred Tax Liabilities (net) | 42 | 19,071 | 24,383 |
| | (c) Other Long Term Liabilities | 5.1 | 2 | 84 |
| | (d) Long Term Provisions | 5.2 | 1,803 | 1,692 |
| | | | 1,24,239 | 1,39,894 |
| 4 | Current Liabilities | | | |
| | (a) Short Term Borrowings | 6 | 3,22,060 | 3,25,504 |
| | (b) Trade Payables | 7 | | |
| | i). Total outstanding dues of micro enterprises and small enterprises | | 421 | 310 |
| | ii). Total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,55,524 | 3,88,326 |
| | (c) Other Current Liabilities | 8 | 1,42,370 | 1,17,096 |
| | (d) Short Term Provisions | 9 | 8,579 | 6,451 |
| | | | 9,28,954 | 8,37,687 |
| | TOTAL | | 13,76,125 | 12,89,936 |
| | B. ASSETS | | | |
| 1 | Non-Current Assets | | | |
| | (a) Fixed Assets | 10 | | |
| | (i) Tangible Assets | | 3,33,335 | 3,40,531 |
| | (ii) Intangible Assets | | 3,307 | 3,384 |
| | (iii) Intangible Assets under development | | 1,077 | 789 |
| | (iv) Capital Work in Progress | | 6,606 | 6,747 |
| | (b) Goodwill on Consolidation | 43.1 | 2,524 | 3,734 |
| | (c) Cost of Investment in Associate (including a Goodwill of ₹ 596 lakh) | | 740 | - |
| | (d) Non Current Investments | 11 | 39,478 | 35,799 |
| | (e) Long Term Loans and Advances | 12 | 19,091 | 22,651 |
| | (f) Other Non-Current Assets | 17 | 1,687 | 2,506 |
| | | | 4,07,845 | 4,16,141 |
| 2 | Current Assets | | | |
| | (a) Current Investments | 13 | 5,757 | 1,085 |
| | (b) Inventories | 14 | 4,02,471 | 3,96,302 |
| | (c) Trade Receivables | 15 | 2,20,312 | 1,71,376 |
| | (d) Cash and Cash Equivalents | 16 | 33,777 | 37,637 |
| | (e) Short Term Loans and Advances | 12 | 3,00,391 | 2,64,862 |
| | (f) Other current assets | 17 | 5,572 | 2,533 |
| | | | 9,68,280 | 8,73,795 |
| | TOTAL | | 13,76,125 | 12,89,936 |
| | See accompanying notes forming part of the Consolidated Financial Statements | 1-45 | | |

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ramesh
Managing Director

A Vellayan
Chairman

M.K.Ananthanarayanan
Partner
Chennai
May 10, 2016

G Jalaja
Company Secretary
Chennai
May 10, 2016

V Suri
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

₹ in Lakh

| S. No | Particulars | Note No. | Year ended March 31, 2016 | Year ended March 31, 2015 |
|-----------|--|----------|---------------------------|---------------------------|
| 1 | Income | | | |
| | Revenue from Operations (Gross) | 18 | 15,64,052 | 14,19,164 |
| | Less: Excise Duty | | (24,206) | (23,900) |
| | Revenue from Operations (Net) | | 15,39,846 | 13,95,264 |
| | Other Income | 19 | 11,660 | 11,155 |
| | Total Revenue | | 15,51,506 | 14,06,419 |
| 2 | Expenses | | | |
| | Cost of materials consumed | 20 | 9,38,535 | 9,10,794 |
| | Purchases of Stock-in-Trade | 21 | 2,08,528 | 1,94,672 |
| | Changes in Inventories of finished goods, work-in-process and stock in trade | 22 | 31,630 | (59,259) |
| | Employee benefits expense | 23 | 46,361 | 43,530 |
| | Finance costs | 24 | 43,525 | 41,974 |
| | Depreciation and amortisation expense | 10 | 24,907 | 24,410 |
| | Other expenses | 25 | 2,30,320 | 2,04,376 |
| | Total Expenses | | 15,23,806 | 13,60,497 |
| 3 | Profit before exceptional items and tax (1-2) | | 27,700 | 45,922 |
| 4 | Exceptional items | 31 | (2,500) | 394 |
| 5 | Profit before tax (3-4) | | 30,200 | 45,528 |
| 6 | Add: Share of Profit from Associate | | 58 | - |
| 7 | Tax Expense: | | | |
| | (a) Current Tax | | 18,995 | 19,579 |
| | (b) MAT Credit Entitlement | | - | (693) |
| | (c) Deferred Tax | | (4,340) | (993) |
| | Total | | 14,655 | 17,893 |
| 8 | Profit after tax before minority interest (5+6-7) | | 15,603 | 27,635 |
| 9 | Less: Minority Interest | | 14,209 | 15,956 |
| 10 | Profit for the year (8-9) | | 1,394 | 11,679 |
| 11 | Earnings Per Equity Share (Nominal value per share ₹ 1) | 40 | | |
| | (a) Basic | | 0.79 | 6.64 |
| | (b) Diluted | | 0.79 | 6.64 |
| | See accompanying notes forming part of the Consolidated financial statements | 1-45 | | |

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ramesh
Managing Director

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

G Jalaja
Company Secretary

V Suri
Chief Financial Officer

Chennai
May 10, 2016

Chennai
May 10, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

₹ in Lakh

| Particulars | Year ended March 31, 2016 | | Year ended March 31, 2015 | |
|---|---------------------------|-----------------|---------------------------|-----------------|
| A. Cash flow from operating activities | | | | |
| Profit before tax and minority interest | | 30,258 | | 45,528 |
| Adjustments for : | | | | |
| Depreciation and Amortisation | 24,907 | | 24,410 | |
| Finance cost | 43,525 | | 42,368 | |
| Interest Income | (7,009) | | (5,275) | |
| Dividend income | (109) | | (378) | |
| Net Loss / (Profit) on sale / write off of fixed assets | 332 | | (642) | |
| Net Loss on sale of investments | (250) | | (124) | |
| Goodwill write off on sale of investment | 25 | | 365 | |
| MTM (gain)/Loss on swap and commodity contracts | 2,564 | | - | |
| Net unrealised exchange loss | 8,488 | | 9,763 | |
| Liabilities / provisions no longer required written back | (2,323) | | (871) | |
| Bad debts written off | 494 | | 163 | |
| Provision for doubtful trade and other receivables, loans and advances | 4670 | | 2,331 | |
| Provision for employee benefits | 227 | | 130 | |
| Earnings on Equity method | (58) | 75,483 | - | 72,240 |
| Operating profit before working capital changes | | 1,05,741 | | 1,17,768 |
| Adjustments for : increase / decrease in Operating assets and liabilities | | | | |
| Trade and other receivables | (84,613) | | (67,577) | |
| Inventories | (5,894) | | (95,986) | |
| Current liabilities | 84,749 | (5,758) | 82,725 | (80,838) |
| Cash generated from operations | | 99,983 | | 36,930 |
| Direct taxes net of refund | | (16,704) | | (14,763) |
| Net cash flow from operating activities (A) | | 83,279 | | 22,167 |
| B. Cash flow from investing activities | | | | |
| Purchase of fixed assets including capital advances | (20,398) | | (20,570) | |
| Proceeds on sale of fixed assets | 255 | | 1,946 | |
| Loans & Advances given to others | - | | (30) | |
| Purchase of investments | (33,323) | | (92,622) | |
| Amounts paid for acquiring investments in subsidiary companies | - | | (1,980) | |
| Repayment received from loans | - | | 1,385 | |
| Sale of investments | 32,215 | | 92,771 | |
| Interest received | 6,566 | | 6,358 | |
| Inter-corporate deposits (net) | (1,000) | | - | |
| Amount transferred to Escrow account | - | | (18,500) | |
| Investment income (including fixed deposits) | 109 | (15,576) | 541 | (30,701) |
| Net cash used in investing activities (B) | | (15,576) | | (30,701) |
| C. Cash flow from financing activities | | | | |
| Proceeds from issue of Equity shares on exercise of ESOP | 31 | | 353 | |
| Proceed from issue of debentures | 10,000 | | 31,482 | |
| Proceeds from long term borrowings | 28,692 | | 21,079 | |
| Repayment from long term borrowings | (42,979) | | (89,922) | |
| Proceeds from other term borrowings (net) | (9,898) | | 4,387 | |
| Net increase / (decrease) in working capital borrowings | 735 | | 77,275 | |
| Interest paid | (42,090) | | (40,950) | |
| Dividends paid including tax thereon | (6,092) | | (17,937) | |
| Net cash flow used in financing activities (C) | | (61,601) | | (14,233) |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

₹ in Lakh

| Particulars | Year ended March 31, 2016 | | Year ended March 31, 2015 | |
|--|---------------------------|---------------|---------------------------|---------------|
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | | 6,102 | | (22,767) |
| Cash and cash equivalents as at beginning of the year | | 23,665 | | 46,404 |
| Exchange gain / (loss) on cash and cash equivalents | | (509) | | 7 |
| Add: Cash and Cash equivalents on acquisition of subsidiary | | - | | 23 |
| Less: Cash & Cash Equivalent de-recognised on sale of subsidiary | | (203) | | (2) |
| Cash and cash equivalents as at end of the year | | 29,055 | | 23,665 |

Reconciliation of Cash and Cash equivalents with the Consolidated Balance Sheet

₹ in Lakh

| Particulars | Year ended March 31, 2016 | | Year ended March 31, 2015 | |
|---|---------------------------|---------------|---------------------------|---------------|
| Cash & cash equivalents as per Consolidated Balance Sheet (Refer note 16) | | 33,777 | | 37,637 |
| Less: Bank balances not considered as Cash and Cash equivalents as defined under AS 3 Cash Flow Statement | | | | |
| (i) In other deposit accounts - original maturity more than 3 months | | 17 | | 16 |
| (ii) Balance in earmarked accounts | | | | |
| - Unclaimed Dividend accounts | | 1,778 | | 7,716 |
| - Balances held as Margin money | | 896 | | 1,095 |
| - Escrow account | | 122 | | 2,021 |
| - Debenture Redemption account | | 5,214 | | 3,126 |
| Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer note 13.1 Current investments) | | 3,305 | | 2 |
| Cash & cash equivalents as per AS 3 | | 29,055 | | 23,665 |

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ramesh
Managing Director

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

G Jalaja
Company Secretary

V Suri
Chief Financial Officer

Chennai
May 10, 2016

Chennai
May 10, 2016

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 Corporate Information

E.I.D. Parry is a significant player in Sugar with interests in promising areas of Bio Pesticides and Nutraceuticals. E.I.D Parry was incorporated in 1975 and having registered office at Chennai. The company also has a significant presence in Farm Inputs business through its subsidiary, Coromandel International Limited. EID Parry has a 100% stake in Parry Sugars Refinery India Private Limited, 93.52% stake in US Nutraceuticals LLC, USA with 100% voting rights and a 65% stake in Parrys Sugar Industries Limited.

EID Parry together with its subsidiaries has nine sugar factories having a capacity to crush 39,000 Tonnes of Cane per day, generate 160 MW of power and four distilleries having a capacity of 230 KLPD. In the Bio Pesticides business, the Company offers a unique neem extract, Azadirachtin, having a good demand in the developed countries' bio pesticide markets. In the Nutraceuticals business, it holds a strong position in the growing wellness segment mainly catering to the world markets with its organic products.

1.2 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together, "the Group") 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 consolidated financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 30 June, 1987, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.3 Principles of Consolidation

The consolidated financial statements relate to **E.I.D.- Parry (India) Limited** ('the Company') and its Subsidiary Companies, Jointly controlled entities and Associates. The consolidated financial statements have been prepared on the following basis.

(i) The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2016, except for certain subsidiary companies/ jointly controlled entities as mentioned in Note 1.4.3 below for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements.

(ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

(iii) All Inter company transactions, balances and unrealized surplus and deficits on transactions between Group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable except in certain cases where the impact is not quantifiable.

(iv) The operations of the company's foreign subsidiary - Parry America Inc and Alimtec S. A. is considered as integral operations and US Nutraceuticals LLC as non-integral operations for the purpose of consolidation. Foreign subsidiaries and joint ventures of Coromandel International Limited, a subsidiary of the Company, are considered as non-integral operations for the purpose of consolidation.

(v) Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on

a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity. Jointly controlled entities that are considered subsidiaries under AS 21 Consolidated Financial Statements are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) above) and the share of interest of the other venturers in such entities is included as part of minority interest.

(vi) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

(vii) The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' in the consolidated financial statements. Goodwill arising on consolidation is not amortised but tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(viii) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

1.4 The Subsidiary Companies and associate companies considered in the consolidated financial statements are

| Name of the company | Country of incorporation | % of voting power held on March 31, 2016 | | % of voting power held on March 31, 2015 | |
|---|--------------------------|--|----------|--|----------|
| | | Direct | Indirect | Direct | Indirect |
| Parry Chemicals Limited (PCHL) | India | | 60.81 | | 60.83 |
| Parry America Inc. (PAI) | USA | 100.00 | | 100.00 | |
| Coromandel International Limited (CIL) | India | 60.81 | | 60.83 | |
| Sabero Europe BV (Sabero Europe) | Netherlands | | 60.81 | | 60.83 |
| Sabero Australia Pty.Ltd (Sabero Australia) | Australia | | 60.81 | | 60.83 |
| Sabero Organics America Ltda (SOAL) | Brazil | | 60.77 | | 60.79 |
| Sabero Argentina SA (Sabero Argentina) | Argentina | | 57.77 | | 57.79 |
| Coromandel Agronegocios de Mexico, S.A de C.V (Coromandel Mexico) | Mexico | | 60.81 | | 60.83 |
| Parry Infrastructure company Pvt Ltd (PICPL) | India | 100.00 | | 100.00 | |
| Parrys Investments Limited (PIL) | India | 100.00 | | 100.00 | |
| Parrys Sugar Limited (PSL) | India | 100.00 | | 100.00 | |
| Parry Phytoremedies Private Limited (PPPL) | India | - | | 100.00 | |
| CFL Mauritius Limited (CML) | Mauritius | | 60.81 | | 60.83 |
| Coromandel Brasil Limitada (CBL) | Brazil | | 60.81 | | 60.83 |
| US Nutraceuticals LLC (USN) | USA | 100.00 | | 100.00 | |
| Parrys Sugar Industries Limited (PSIL) | India | 65.00 | | 65.00 | |
| Parry Sugars Refinery India Private Limited (PSRIPL) | India | 100.00 | | 100.00 | |
| Parry Agrochem Exports Limited (PAEL) | India | 19.00 | 81.00 | 19.00 | 81.00 |
| La Belle Botanics LLC (LBBL) (Refer note 26) | USA | | 49.00 | | 51.00 |
| Liberty Pesticides and Fertilisers Limited (LPFL) | India | | 60.81 | | 60.83 |
| Dare Investments Limited (DIL) | India | | 60.81 | | 60.83 |
| Alimtec SA (ASA) | Chile | 100.00 | | 100.00 | |

Refer Note No. 38 for Information on Joint Ventures

1.4.1 The above excludes Sabero Organics Philippines Asia Inc., an Associate of Sabero for which no operations have commenced and hence not been considered for consolidation.

1.4.2 In respect of USN, PAI, ASA, CBL and CML the financial year is from January 1, 2015 to December 31, 2015 however audited financial statements for period April 1, 2015 to March 31, 2016 has been considered for the purpose of preparation of consolidated financial statements.

1.4.3 In respect of SOAL, Coromandel Mexico, Sabero Argentina and CGPL (Coromandel Getax Phosphates Pte Ltd.) , the financial year is from January 1, 2015 to December 31, 2015 and accordingly audited financial statement are available upto December 31, 2015. These consolidated financials have been adjusted by the Management for significant transactions between January 1, 2016 and March 31, 2016 to align for consolidation purposes.

1.4.4 In respect of Sabero Europe the financial year is from June 1, 2015 to May 31,2016. However audited financial statements for the period April 1, 2015 to March 31, 2016 has been considered for the purpose of preparation of consolidated financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.5 Other Significant Accounting Policies

These are set out in the notes to accounts under Significant Accounting Policies' of the financial statements of the Company and its Subsidiaries, Jointly controlled and Associate entities.

1.6 Use of Estimates

The preparation of the consolidated 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 consolidated 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.

1.7 Inventories

(i) Inventories other than by-products are valued at lower of cost and net realisable value.

(ii) In respect of work-in-process and finished goods, cost includes all applicable production overheads incurred in bringing such inventories to their present location and condition. Cost also includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from taxing authorities.

(iii) In respect of Raw materials, boughtout items, consumables and stores and spares, cost is determined based on weighted average cost basis.

(iv) Inventories of by-products are valued at estimated net realisable value.

In respect of E.I.D- Parry (India) Limited, holding company, the cost (Net of Cenvat Credits where applicable) in case of Raw materials is determined on a moving weighted average basis, whereas in case of subsidiary company Coromandel International Limited and in the previous year with respect to Parry Phytoremedies Private Limited, the cost is determined on the basis of "first-in first-out" basis and incase of Parry Sugar Refinery India Private Limited cost is determined on the basis of "specific identification method".

Since it is not practically possible to use uniform accounting policy, the valuation of the inventory of such subsidiaries have been considered for the purpose of consolidation. The raw material inventory held by these subsidiary companies as on March 31, 2016 aggregates to ₹ 1,53,592 Lakh. (2015 – ₹ 89,038 Lakh).

| Particulars | Name of the Entity | March 31, 2016 | | March 31, 2015 | |
|------------------------|--------------------|----------------|------------------------|----------------|------------------------|
| | | ₹ in Lakh | Proportion to the item | ₹ in Lakh | Proportion to the item |
| Raw Material Inventory | CIL | 86,457 | 55.01% | 88,920 | 74.45% |
| Raw Material Inventory | PSRIPL | 67,135 | 42.72% | - | - |
| Raw Material Inventory | PPPL | - | - | 118 | 0.10% |

1.8 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.

1.9 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 Group are segregated based on the available information.

1.10 Revenue Recognition

(i) Revenue from sale is recognized when risks and rewards of ownership are transferred to the buyer under the terms of the contract.

(ii) Sales include Excise duty recovered and are stated net of trade discounts and sales returns.

(iii) Export Incentive under Duty Entitlement Pass Book Scheme are treated as income in the year of export at the estimated realisable value.

(iv) Dividend income is accounted for in the year in which the right to receive it is established.

(v) Subsidy is recognised on the basis of the rates notified from time to time by the Government of India in accordance with the Nutrient

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Based Subsidy (NBS) policy on the quantity of fertilisers sold by the Group for the period for which notification has been issued and for the remaining period, based on estimates.

(vi) Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

(vii) Income from services rendered is booked based on agreements/arrangements with the concerned parties.

(viii) Revenue recognition for property development is recognised when the Group enters into an agreement for sale with the buyer and all significant risks and rewards have been transferred to the buyer. Revenue from real estate projects is recognized on the "Percentage of Completion Method" of accounting.

1.11 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.

1.12 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 straight

line method as per the useful life specified in Schedule II of 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 asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc.,

| Asset | Useful life (in years) |
|--|------------------------|
| Plant and equipment | 3-18 |
| Vehicles | 4-7 |
| Office equipment, furniture and fixtures | 3-5 |

The useful lives of assets are periodically reviewed and re-determined and the unamortised depreciable amount is charged over the remaining useful lives of such assets.

Leased assets are fully depreciated over the primary lease period. In respect of additions and deletions during the year, depreciation charge is provided on pro-rata basis. Assets costing individually ₹ 5000 or less are fully depreciated in the year of addition.

Intangible assets are amortised over their estimated useful life on straight line method. Cost of patent is amortised over a period of 3 years and Software over the license period. In the case of US Nutraceuticals LLC, cost of patents are amortised over their estimated useful lives, ranging from 10 to 20 years.

| Particulars | Name of the Entity | March 31, 2016 | | March 31, 2015 | |
|-------------|--------------------|----------------|------------------------|----------------|------------------------|
| | | ₹ in Lakh | Proportion to the item | ₹ in Lakh | Proportion to the item |
| Patent | USN | 117 | 36.91% | 142 | 35.06% |

1.13 Foreign Currency Transactions and Translations

(a) 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.

Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations 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.

Net investment in non-integral foreign operations: Net investment in non-integral foreign operations is accounted at the exchange rates

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Non-integral foreign operations: Transactions of non-integral foreign operations are translated 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.

(b) Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) 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.

Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Net investment in non-integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates. Accordingly, the exchange differences arising on conversion into Indian Rupees is reflected under 'Foreign Currency Translation Reserve'.

(c) Settlement

Exchange differences arising on actual payment / realisation and year end reinstatement referred to above are recognised in the Consolidated Statement of Profit and Loss.

(d) Accounting for 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.

Refer Notes 1.25 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

1.14 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 include acquisition charges such as brokerage, fees and duties.

1.15 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

a) Defined Contribution Plans

Contribution to provident fund, superannuation fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

b) Defined Benefit Plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits,

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 Consolidated 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 Consolidated 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

e) Employee share based payments

Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognized as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

1.16 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 are 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.

1.17 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 Group. 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 Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

1.18 Leases

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

1.19 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 relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per

share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average 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.

1.20 Taxes on Income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

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 Entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Entity.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

1.21 Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

1.22 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, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on

an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

1.23 Provisions and Contingencies

A provision is recognised when the Group 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.

1.24 Trade Receivables and Loans & Advances

Specific debts and advances identified as irrecoverable or doubtful are written off or provided for respectively. Subsidy receivable is disclosed under "Short Term Loans and Advances".

1.25 Derivative Instruments and Hedge Accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves

and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

In respect of Parry Sugars Refinery India Private Limited, a subsidiary, Transactions in Financial Derivatives and Commodity Futures are accounted based on the mode of final settlement. Transactions, which are ultimately settled net, without taking delivery, are recorded net with gains/losses being recognised as income/expenses in the financial statements. Transactions, which stipulate physical delivery of the goods and where the Company intends to take delivery, are recorded at gross, as purchases and sales as a part of the Company's sugar manufacturing activities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

1.26 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.

1.27 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.

1.28 Operating Cycle

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

NOTE 2

SHARE CAPITAL :

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| AUTHORISED : | | |
| Equity Shares: | | |
| 2,12,50,00,000 Equity Shares of ₹ 1 each (Refer note 2.1) | 21,250 | 19,250 |
| (2015 - 1,92,50,00,000 Equity Shares of ₹ 1 each). | | |
| Preference Shares: | | |
| 50,00,00,000 Redeemable Preference Shares of ₹ 100 each | 5,000 | 5,000 |
| (2015 - 50,00,00,000 Redeemable Preference Shares of ₹ 100 each) | | |
| | 26,250 | 24,250 |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | |
| 17,58,14,884 Equity Shares of ₹ 1 each | | |
| (2015 - 17,58,14,884 Equity Shares of ₹ 1 each) | 1,758 | 1,758 |
| | 1,758 | 1,758 |

2.1. Increase of ₹ 2,000 Lakh is on account of merger of Parry Phytoremedies Private Limited with the Company effective from April 1, 2014 as per the scheme of amalgamation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.2 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period :

| Reconciliation | 2015-16 | | 2014-15 | |
|--|---------------------|--------------|---------------------|--------------|
| | No. of Shares | ₹ Lakh | No. of Shares | ₹ Lakh |
| Equity Shares of ₹ 1 each fully paid up | | | | |
| At the beginning of the period | 17,58,14,884 | 1,758 | 17,57,85,996 | 1,758 |
| Allotment of shares on exercise of Employee Stock Option (Refer note 39) | - | - | 28,888 | * |
| At the end of the period | 17,58,14,884 | 1,758 | 17,58,14,884 | 1,758 |

* less than a Lakh

2.3 Details of shares held by each shareholder holding more than 5 percent of equity shares in the Company:

₹ in Lakh

| Name of the Share holder | No of shares held as at March 31, 2016 | | No of shares held as at March 31, 2015 | |
|--|--|-------|--|-------|
| | Nos. | % | Nos. | % |
| Murugappa Holdings Limited (Associate - Investing Party) | 5,87,35,204 | 33.41 | 5,87,35,204 | 33.41 |
| Ambadi Investment Private Ltd | 93,23,240 | 5.30 | 93,23,240 | 5.30 |

2.4 Under the Employee Stock Option Plan – ESOP 2007, options not exceeding 89,24,850 have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year and not more than five years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of three years from the date of vesting.

Total options outstanding in respect of the Company as at March 31, 2016 -1,92,026 (March 31, 2015- 2,21,624) equity shares of ₹ 1 each. Refer Note 39 for other details about the scheme.

2.5 Terms attached to Equity Shares

The Company has only one class of Equity share having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The dividend 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 RESERVES AND SURPLUS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (i) Capital Subsidy | 7 | 7 |
| (ii) Capital Reserve | | |
| Opening balance | 3,940 | 3,819 |
| Add : Additions during the year | - | 123 |
| Less : Utilised during the year | - | 2 |
| Closing balance | 3,940 | 3,940 |
| (iii) Capital reserve on consolidation | | |
| As per last Balance Sheet | 6,227 | 6,019 |
| Add: (Deletions)/Additions on consolidation | (1) | 208 |
| Closing balance | 6,226 | 6,227 |
| (iv) Capital Redemption Reserve | | |
| As per last Balance Sheet | 4,477 | 4,494 |
| Less: Utilised during the year | - | 17 |
| Closing balance | 4,477 | 4,477 |
| (v) Securities Premium Account | | |
| Opening balance | 42,623 | 41,718 |
| Add :Premium on shares issued during the year | 19 | 224 |
| Add: On Amalgamation / Acquisition | - | 834 |
| Less : Utilised during the year | 66 | 153 |
| Closing balance | 42,576 | 42,623 |
| (vi) Debenture Redemption Reserve | | |
| Opening balance | 9,000 | 6,653 |
| Add : Transferred from Surplus in Consolidated Statement of Profit and Loss | - | 4,847 |
| Less : Utilised during the year | 4,000 | 2,500 |
| Closing balance | 5,000 | 9,000 |
| (vii) Fixed Asset Revaluation Reserve | 510 | 510 |
| (viii) Statutory Reserve | 23 | 23 |
| (ix) General Reserve | | |
| Opening balance | 1,74,173 | 1,78,991 |
| Add : Transferred from Surplus in Consolidated Statement of Profit and Loss | 18,243 | 19,749 |
| Less : Utilised during the year | 1,193 | 24,567 |
| Closing balance | 1,91,223 | 1,74,173 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 3 (Contd...)

RESERVES AND SURPLUS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (x) Hedging Reserve | | |
| Opening balance | (146) | 146 |
| Add :Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year | - | (146) |
| Less : Reversed on settlement of hedge contracts | (117) | 146 |
| Closing balance | (29) | (146) |
| (xi) Foreign Currency Translation Reserve | | |
| Opening balance | 4,122 | 3,343 |
| Add: Effect of foreign exchange rate changes | 751 | 779 |
| Closing balance | 4,873 | 4,122 |
| (xii) Surplus in the Statement of Profit and Loss | | |
| Opening Balance | (24,014) | (5,796) |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of Deferred Tax of ₹ 279 lakh (2015: ₹ 535 lakh)) (Refer note 32) | (531) | (1,075) |
| Add: Transfer from Debenture Redemption Reserve | 4,000 | - |
| Add: Profit for the year | 1,394 | 11,679 |
| Add/(Less): Transfer on amalgamation and consolidation | 6,357 | 5,292 |
| Less: Appropriations | | |
| Interim Dividend on Equity Shares -Nil (2015 : ₹ 2 per share) | - | 3,516 |
| Interim Dividend on Equity Shares by subsidiary | - | 2,282 |
| Proposed Final Dividend on Equity Shares - Nil (2015 : ₹ 1 per share) | - | 1,758 |
| Proposed dividend of Subsidiary | 4,567 | 2,852 |
| Dividend Distribution Tax | 2,372 | 1,610 |
| Transfer to Debenture Redemption Reserve (Net) | - | 2,347 |
| Transfer to General Reserve | 18,243 | 19,749 |
| Closing Balance | (37,976) | (24,014) |
| TOTAL RESERVES AND SURPLUS | 2,20,850 | 2,20,942 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4

LONG TERM BORROWINGS

₹ in Lakh

| Particulars | Non-Current | | Current | |
|---|-----------------|-----------------|----------------|----------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| (a) Privately placed Secured, Redeemable Non-convertible debenture | | | | |
| 10.05% Secured Redeemable Non-convertible debentures 2014-15 series (Refer note 4.1) | 27,000 | 27,000 | - | - |
| 10.20% Secured Redeemable Non-convertible debentures 2014-15 series (Refer note 4.2) | 6,000 | 6,000 | - | - |
| 10.25% Secured Redeemable Non-convertible debentures 2013-14 series (Refer note 4.3) | - | 10,000 | 10,000 | - |
| 8.97% Secured Redeemable Non-convertible debentures 2013-14 series (Refer note 4.4) | - | 20,000 | 20,000 | - |
| 9.25% Secured Redeemable Non-convertible debentures 2012-13 series (Refer note 4.5) | - | - | - | 10,000 |
| 9.15% Secured Redeemable Non-convertible debentures 2012-13 series (Refer note 4.6) | - | - | - | 6,000 |
| (b) Privately placed Unsecured, Redeemable Non-convertible debentures | | | | |
| 9.23% Unsecured Redeemable Non-convertible debentures 2015-16 series (Refer note 4.7) | 10,000 | - | - | - |
| (c) Secured Term Loans from | | | | |
| Banks | 47,043 | 35,191 | 17,646 | 24,968 |
| Government of India - Sugar Development Fund | 10,066 | 11,691 | 1,520 | 1,858 |
| Others | - | 572 | - | - |
| (d) Other loans and advances | | | | |
| Unsecured loan from banks | 404 | 593 | 170 | 164 |
| Purchase Tax deferment loan | 350 | 188 | - | - |
| Unsecured loan from others (Refer note 4.8) | 2,500 | 2,500 | - | 98 |
| | 1,03,363 | 1,13,735 | 49,336 | 43,088 |
| The above amount includes | | | | |
| Secured Borrowings | 1,00,109 | 1,10,454 | 49,166 | 42,826 |
| Unsecured Borrowings | 3,254 | 3,281 | 170 | 262 |
| Amount disclosed under the head "other current liabilities" (Note 8) | - | - | (49,336) | (43,088) |
| Net amount | 1,03,363 | 1,13,735 | - | - |

4.1. 1350 10.05% Series A Secured Redeemable Non- Convertible Debentures and 1350 10.05% Series B Secured Redeemable Non- Convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 2,70,00,00,000 of Parry Sugars Refinery India Private Limited (PSRIPL) are secured by exclusive charge on the fixed assets of the PSRIPL. Debentures are redeemable in full at par on July 16, 2018. The Company has given corporate guarantee to the Debenture Trustee IDBI Trusteeship Services Limited against this issue.

The Principal INR liability of Debentures mentioned above aggregating to ₹ 2,70,00,00,000 has been swapped for USD 44,665,012. The swap trade is effective from August 22, 2014 and termination date is July 12, 2019. Interest liability of 10.05% p.a. in Indian Rupees has been swapped for 3.4% fixed per annum on Effective USD Notional.

4.2. 600 Zero Coupon Secured Unlisted Redeemable Non-convertible Debentures with a yield of 10.20% p.a having 3 years tenor aggregating to ₹ 44,82,19,800/- of PSRIPL are secured by First Charge on the fixed assets of PSRIPL with an asset cover of 1.25 times (based on market value) at all times during the tenure of the debentures. The debentures have been discounted for ₹ 15,17,80,200/- The due date for redemption is September 19, 2017. The Company has given corporate guarantee to the Debenture Trustee IDBI Trusteeship Services Limited against this issue.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Principal INR liability of Debentures mentioned above aggregating to ₹ 44,82,19,800 has been swapped for USD 7,276,295. The swap trade is effective from September 19, 2014 and maturity date is September 19, 2017. Interest liability of 10.20% p.a. in Indian Rupees has been swapped for 3.84% fixed per annum on Effective USD Notional.

4.3 1000 - 10.25% Secured Redeemable Non-convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 10,000 Lakh are secured by a pari passu first charge by way of a registered mortgage deed on the Company's immovable properties/fixed assets both present and future situated at Pugalur and Nellikuppam. Debentures are redeemable in full at par on January 6, 2017.

4.4 2000 - 8.97% Secured Redeemable Non-convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 20,000 Lakh are secured by a pari passu first charge by way of a registered mortgage deed on the Company's immovable properties/fixed assets both present and future situated at Pugalur. Debentures are redeemable in full at par on May 3, 2016.

4.5 1,000 - 9.25% Secured Redeemable Non-convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 10,000 Lakh were fully redeemed during the year.

4.6 600 - 9.15% Secured Redeemable Non-convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 6,000 Lakh were fully redeemed during the year.

4.7 9.23% Unsecured Redeemable Non-convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 10,000 Lakh is redeemable on September 04, 2018. The rate of interest on this debenture series is linked to the external credit rating of the same.

4.8 The Interest free loan is repayable after 9 years.

4.9 There is no default in repayment of the loans and interest thereon.

NOTE 5.1 OTHER LONG-TERM LIABILITIES

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|----------------|-------------------------|-------------------------|
| Other Payables | 2 | 84 |
| | 2 | 84 |

5.1.1 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2016 (2015 - Nil) which is on the basis of such parties having been identified by the Management.

NOTE 5.2 LONG-TERM PROVISIONS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---------------------------------|-------------------------|-------------------------|
| (a) For Gratuity | 548 | 109 |
| (b) For Compensated absences | 1,183 | 1,098 |
| (c) For other employee benefits | 72 | 485 |
| | 1,803 | 1,692 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 6
SHORT TERM BORROWINGS**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|-----------------------------------|-------------------------|-------------------------|
| (a) Loans repayable on demand | | |
| From Banks | | |
| (i) Secured (Refer note 6.1) | 48,478 | 1,13,486 |
| (ii) Unsecured (Refer note 6.2) | 1,06,396 | 99,686 |
| (b) Short term loans | | |
| From Banks | | |
| (i) Secured (Refer note 6.1) | 790 | 1,179 |
| (ii) Unsecured (Refer note 6.2) | 83,496 | 23,153 |
| (c) Commercial Papers - Unsecured | 82,900 | 88,000 |
| | 3,22,060 | 3,25,504 |

6.1 The above loans are secured by hypothecation of certain fixed assets and current assets both present and future.

6.2 Unsecured short-term borrowings comprises buyers credit denominated in foreign currency, packing credit facility on the basis of letter of credit or confirmed and irrevocable order for the export of goods / services and rupee loan from banks.

**NOTE 7
TRADE PAYABLES**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|----------------------------|-------------------------|-------------------------|
| Trade Payables | | |
| (a) Acceptances | 2,13,115 | 1,75,847 |
| (b) Other than Acceptances | 2,42,830 | 2,12,789 |
| | 4,55,945 | 3,88,636 |

**NOTE 8
OTHER CURRENT LIABILITIES**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| (a) Current maturities of long-term debt | 49,336 | 43,088 |
| (b) Interest accrued but not due on borrowings | 9,208 | 8,283 |
| (c) Unclaimed dividends (Refer note 8.1 and 8.2 below) | 1,778 | 1,891 |
| (d) Unpaid debenture and interest | 714 | 726 |
| (e) Other Liabilities | | |
| (i) Vendor for purchase of capital goods | 515 | 1,763 |
| (ii) Cane Bill due payable to Banks | 37,738 | 15,579 |
| (iii) Other Miscellaneous Liabilities (Refer note 8.3 below) | 37,266 | 41,207 |
| (iv) Advances and Deposits from Customers/Others | 5,815 | 4,559 |
| | 1,42,370 | 1,17,096 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

8.1 These amounts represent warrants issued to the Shareholders which remained unrepresented as at March 31, 2016.

8.2 There are no amounts due to be credited to Investor Education and Protection Fund as at March 31, 2016.

8.3 Other Miscellaneous Liabilities also include liability towards capital goods, payroll deductions and statutory dues such as Property Tax, Purchase Tax, Withholding Taxes, Service Tax, VAT, Excise Duty etc.,

NOTE 9 SHORT-TERM PROVISIONS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| (a) Provision for compensated absences | 1,427 | 1,263 |
| (b) Provision for other employee benefits | 850 | 717 |
| (c) Proposed dividend on Equity shares | - | 1,758 |
| (d) Provision for Tax on dividend proposed by subsidiary | 2,372 | 1,482 |
| (e) Provision for tax net of advance tax | 3,930 | 1,212 |
| (f) Provision for others | - | 19 |
| | 8,579 | 6,451 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 10 - CONSOLIDATED FIXED ASSETS:

₹ in Lakh

| Particulars | GROSS BLOCK | | | | | | ACCUMULATED DEPRECIATION AND AMORTISATION | | | | | | NET BLOCK | |
|--|---------------------------------|-----------------------------------|---------------|------------------------|-----------------------|----------------------------------|---|-----------------------------------|---------------|-------------------------------------|--|-----------------------|----------------------|----------------------|
| | Cost/ Value As at April 1, 2015 | Deletion on Disposal (Refer 10.2) | Additions | Disposals/ Adjustments | Effect of Translation | Cost/ Value As at March 31, 2016 | As at April 1, 2015 | Deletion on Disposal (Refer 10.2) | For the year | Withdrawn/ for the year adjustments | Transition adjustment recorded against surplus balance in Statement of Profit and Loss | Effect of Translation | As at March 31, 2016 | As at March 31, 2015 |
| Tangible assets (A) | | | | | | | | | | | | | | |
| Freehold Land | 34,176 | 20 | 253 | - | 5 | 34,414 | 45 | 2 | 1 | - | - | 44 | 34,370 | 34,131 |
| Leasehold Land | 5,022 | - | 26 | - | - | 5,048 | 591 | - | 99 | - | - | 690 | 4,358 | 4,431 |
| Buildings (note 10.1) | 74,020 | 192 | 4,196 | 49 | 159 | 78,134 | 17,593 | 23 | 2,458 | - | 99 | 20,102 | 58,032 | 56,427 |
| Railway Siding | 2,870 | - | 110 | 8 | - | 2,972 | 681 | - | 182 | - | - | 855 | 2,117 | 2,189 |
| Plant and Machinery | 4,11,704 | 149 | 13,163 | 2,369 | 176 | 4,22,525 | 1,72,271 | 119 | 20,454 | 810 | 156 | 1,91,665 | 2,30,860 | 2,39,433 |
| Furniture & Fixtures and Office Equipments | 13,371 | 24 | 808 | 685 | 18 | 13,488 | 10,848 | 1 | 945 | - | 12 | 11,147 | 2,341 | 2,523 |
| Vehicles | 4,119 | - | 369 | 230 | 1 | 4,259 | 2,722 | - | 451 | - | (1) | 3,002 | 1,257 | 1,397 |
| Total (A) | 5,45,282 | 385 | 18,925 | 3,341 | 359 | 5,60,840 | 2,04,751 | 145 | 24,590 | 810 | 266 | 2,27,505 | 3,33,335 | 3,40,531 |
| Intangible Assets (B) | | | | | | | | | | | | | | |
| Patent | 3,988 | - | 342 | - | 125 | 4,455 | 1,760 | - | 205 | - | 23 | 1,988 | 2,467 | 2,228 |
| Product development | 1,404 | - | - | - | (196) | 1,208 | 349 | - | 107 | - | 8 | 464 | 744 | 1,055 |
| Softwares | 1 | - | - | - | - | 1 | (9) | - | - | - | - | (9) | 10 | 10 |
| Licence | 129 | - | - | - | - | 129 | 38 | - | 5 | - | - | 43 | 86 | 91 |
| Total (B) | 5,522 | - | 342 | - | (71) | 5,793 | 2,138 | - | 317 | - | 31 | 2,486 | 3,307 | 3,384 |
| Total (A) + (B) | 5,50,804 | 385 | 19,267 | 3,341 | 288 | 5,66,633 | 2,06,889 | 145 | 24,907 | 810 | 297 | 2,29,991 | 3,36,642 | 3,43,915 |
| Capital work in Progress | | | | | | | | | | | | | 6,606 | 6,747 |
| Intangibles under development | | | | | | | | | | | | | 1077 | 789 |
| | | | | | | | | | | | | | 3,44,325 | 3,51,451 |

Notes:

- 10.1 Includes Building on Leasehold land : Cost : ₹ 884.41 Lakh (2015 - ₹ 884.41 Lakh) and Accumulated Depreciation : ₹ 286.21 Lakh (2015 - ₹ 272.47 Lakh).
- 10.2 Represent Assets of Labelle Botanics LLC which has got converted from Subsidiary to an Associate.
- 10.3 The above assets include certain assets used for Research and Development.
- 10.4 Capital Work - in Progress includes ₹ 31 lakh towards Interest Capitalization of Spirulina expansion project at Saveriarpuram.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 10
FIXED ASSETS
CONSOLIDATED FIXED ASSETS OF PREVIOUS YEAR : 2014-15

₹ in Lakh

| Particulars | GROSS BLOCK | | | | | | | ACCUMULATED DEPRECIATION AND AMORTISATION | | | | | | | NET BLOCK | |
|--|--------------------------------|---------------------------|---------------|-----------------------------|------------------------|-----------------------|---------------------------------|---|---------------------------|---------------|--------------------------------------|--|-----------------------|----------------------|----------------------|----------------------|
| | Cost/Value As at April 1, 2014 | Additions on Acquisitions | Additions | Borrowing costs capitalised | Disposals/ Adjustments | Effect of Translation | Cost/Value As at March 31, 2015 | As at April 1, 2014 | Additions on Acquisitions | For the year | Withdrawn / for the year adjustments | Transition adjustment recorded against surplus balance in Statement of Profit and Loss | Effect of Translation | As at March 31, 2015 | As at March 31, 2015 | As at March 31, 2014 |
| Tangible assets (A) | | | | | | | | | | | | | | | | |
| Freehold Land | 34,984 | 222 | 21 | - | 1,051 | - | 34,176 | - | 45 | - | - | - | 45 | 34,131 | 34,984 | |
| Leasehold Land | 5,122 | - | 12 | - | 117 | 5 | 5,022 | 540 | 52 | 1 | - | - | 591 | 4,431 | 4,582 | |
| Buildings | 68,707 | 479 | 5,215 | 128 | 631 | 122 | 74,020 | 14,884 | 72 | 2,530 | 520 | 557 | 17,593 | 56,427 | 53,823 | |
| Railway Siding | 2,626 | - | 244 | - | - | - | 2,870 | 499 | 178 | - | 4 | - | 681 | 2,189 | 2,127 | |
| Plant and Machinery | 3,93,485 | 1,875 | 22,170 | 597 | 6,556 | 133 | 4,11,704 | 1,57,231 | 616 | 19,456 | 5,457 | 308 | 1,72,271 | 2,39,433 | 2,36,254 | |
| Furniture & Fixtures and Office Equipments | 12,965 | - | 977 | - | 563 | 12 | 13,371 | 9,499 | - | 1,175 | 549 | 716 | 10,848 | 2,523 | 3,466 | |
| Vehicles | 3,970 | 60 | 482 | - | 389 | (4) | 4,119 | 2504 | 9 | 509 | 321 | 25 | 2,722 | 1,397 | 1,466 | |
| Total (A) | 5,21,859 | 2,636 | 29,121 | 725 | 9,327 | 268 | 5,45,282 | 1,85,157 | 697 | 23,945 | 6,848 | 1,610 | 2,04,751 | 3,40,531 | 3,36,702 | |
| Intangible Assets (B) | | | | | | | | | | | | | | | | |
| Patent | 3,582 | - | 374 | - | 55 | 87 | 3,988 | 1,397 | - | 405 | 55 | - | 1,760 | 2,228 | 2,185 | |
| Product development | 1,423 | - | 234 | - | 2 | (251) | 1,404 | 364 | - | 4 | (14) | - | 349 | 1,055 | 1,059 | |
| Softwares | 144 | - | - | - | 143 | - | 1 | 98 | - | 47 | 154 | - | (9) | 10 | 46 | |
| Licence | 13 | 76 | 40 | - | - | - | 129 | 8 | 21 | 9 | - | - | 38 | 91 | 5 | |
| Total (B) | 5,162 | 76 | 648 | - | 200 | (164) | 5,522 | 1,867 | 21 | 465 | 195 | - | 2,138 | 3,384 | 3,295 | |
| Total (A) + (B) | 5,27,021 | 2,712 | 29,769 | 725 | 9,527 | 104 | 5,50,804 | 1,87,024 | 718 | 24,410 | 7,043 | 1,610 | 2,06,889 | 3,43,915 | 3,39,997 | |
| Capital Work - in Progress | | | | | | | | | | | | | | 6,747 | 16,303 | |
| Intangibles under development | | | | | | | | | | | | | | 789 | - | |
| | | | | | | | | | | | | | | 3,51,451 | 3,56,300 | |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 11
NON-CURRENT INVESTMENTS (AT COST)**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| I. Quoted Investments | | |
| (A) Trade Investments | | |
| (a) Investments in Equity Instruments | | |
| (i) Other Companies | | |
| 13,719 (2015 - 13,719) shares of ₹ 10 each fully paid up in Rama Phosphates Limited | 10 | 10 |
| 23,600 (2015 - 23,600) shares of ₹ 10 each fully paid up in Kartik Investments Trust Limited | 4 | 4 |
| 82,440 (2015 - 82,440) shares of ₹ 1 each fully paid up in State Bank of India | 25 | 25 |
| 50,43,138 (2015 - 50,43,138) shares of ₹ 10 each fully paid up in Coromandel Engineering Company Limited | 1,004 | 1,004 |
| 100 (2015 - 100) shares of ₹ 10 each fully paid up in Travancore Sugars and Chemicals Limited | * | * |
| 393 (2015 - 393) shares of ₹ 10 each fully paid up in Cholamandalam Investment and Finance Company Limited | * | * |
| 2,000 (2015 - 2,000) shares of ₹ 1 each fully paid up in Carborundum Universal Limited | * | * |
| 300 (2015 - 300) shares of ₹ 10 each fully paid up in Chennai Petrochemical Corporation Limited | * | * |
| Total Quoted Investments | 1,043 | 1,043 |
| Market Value of Quoted Investments | 3,095 | 2,400 |
| II. Unquoted Investments | | |
| (A) Trade Investments | | |
| (a) Investments in Equity Instruments | | |
| (i) Other companies | | |
| 42,410 (2015 - 42,410) shares of ₹ 100 each fully paid up Murugappa Management Services Limited | 99 | 99 |
| 10,01,000 (2015 - 10,01,000) shares of ₹ 10 each fully paid up Prathyusha Chemicals and Fertilisers Limited | 143 | 143 |
| 7,27,200 (2015 - 7,27,200) shares of ₹ 10 each fully paid up Indian Potash Limited | 37 | 37 |
| 12,82,070 (2015 - 12,82,070) shares of South African Rand of 1 each fully paid up Foskor (Pty) Limited | 18,177 | 17,295 |
| 16,100 (2015 - 16,100) shares of ₹ 10 each fully paid up Bharuch Enviro Infrastructure Limited | 2 | 2 |
| 2,75,000 (2015 - 2,75,000) shares of ₹ 10 each fully paid up Narmada Clean Tech | 28 | 28 |
| 53,92,160 (2015 - 53,92,160) shares of ₹ 10 each fully paid up A.P.Gas Power Corporation Limited | 8,300 | 8,300 |
| 41,79,848 (2015 - 33,75,000) shares of Tunisian Dinars 10 each fully paid up Tunisian Indian Fertilisers S.A. (Refer note 11.2) | 11,312 | 8,514 |
| 318 (2015 - 318) shares of PHP \$ 100 each fully paid up Sabero Organics Philippines Asia Inc - Associate | * | * |
| 2,000 (2015 - 2,000) shares of ₹ 10 each fully paid up Nandeswari Environment Control Limited | * | * |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 (Contd...)

NON-CURRENT INVESTMENTS (AT COST)

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (B) Other Investments | | |
| (a) Investments in Equity Instruments | | |
| (i) Other companies | | |
| 1,00,000 (2015 - 1,00,000) shares of ₹ 10 each fully paid up in Bio Tech Consortium (India) Limited | 10 | 10 |
| 125 (2015 - 125) shares of 25 pence each fully paid up in Hawker Siddley Group Limited (Refer note 11.3) | * | * |
| 10,000 (2015 - 10,000) shares of ₹ 1 each fully paid up in Indian Dairy Entrepreneur and Agricultural Co Limited (At cost less amount written off ₹ 0.90 Lakh) | * | * |
| 266 (2015 - 266) shares of ₹ 10 each fully paid up in Chennai Wellingdon Corporate Foundation | * | * |
| 2 (2015 - 2) shares of ₹ 10 each fully paid up in Murugappa Morgan Thermal Ceramics Limited | * | * |
| 20 (2015 - 20) shares of ₹ 100 each fully paid up in Kullittalai Cane Farms Private Limited (Refer note 11.3) | * | * |
| (b) Investments in Mutual Fund | | |
| 46658 (2015 - 46,832) units of ₹ 1000 each fully paid up in Faering Capital India Evolving Fund | 467 | 468 |
| (c) Investments in Government or trust securities | | |
| Government Securities (Lodged as Security deposit) | 1 | 1 |
| Total Unquoted Investments | 38,576 | 34,897 |
| Less : Provision for diminution in value of investments | (141) | (141) |
| Total Non-Current Investments | 39,478 | 35,799 |

* Less than ₹ 1 Lakh.

11.1 - Refer note 1.14 for valuation of investments.

11.2 - The Ordinary shares of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT) held by Coromandel International Limited have been pledged to secure the obligations of TIFERT to their lenders except 804848 shares. During the year, the compulsorily convertible loan and interest accrued thereon have been converted into Ordinary shares of TIFERT.

11.3 - Fifteen Shares in Kullittalai Cane Farms Private Limited and One hundred and twenty five shares in Hawker Siddley Group Limited are in the process of being transferred in the name of the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 12****LOANS AND ADVANCES**

₹ in Lakh

| Particulars | Long-Term | | Short-Term | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| Unsecured and considered good unless otherwise stated : | | | | |
| (a) Capital Advances | 1,509 | 1,685 | - | - |
| (b) Security Deposits | 3,882 | 3,472 | - | - |
| (c) Advance Income Tax (net of provisions) | 4,412 | 4,020 | 127 | 62 |
| (d) Balance with Customs and Central Excise Authorities | 26 | 290 | 2,256 | 1,245 |
| (e) MAT Credit Entitlement | 3,514 | 3,524 | - | - |
| (f) Government Subsidies receivable | - | - | 2,01,706 | 1,78,940 |
| (g) Loans and Advances | - | - | 262 | 487 |
| (h) Intercompany Deposits | - | - | 48,000 | 47,000 |
| (i) Share Application money pending Allotment | - | 192 | - | - |
| (j) Advance recoverable in cash or in kind or for value to be received | | | | |
| (i) Unsecured and Considered Good | 5,748 | 9468* | 48,040** | 37,128 |
| (ii) Considered Doubtful | 47 | 47 | 4,279 | 3,276 |
| Less: Provision for Doubtful Advances | (47) | (47) | (4,279) | (3,276) |
| | 19,091 | 22,651 | 3,00,391 | 2,64,862 |

*includes loan amounting ₹ Nil (2015 : ₹ 2551 lakh) to TIFERT which is compulsorily convertible to equity shares at the end of three years from November 2012.

** Includes fund available with the commodity exchange brokers of ₹ 22,365 Lakh.

NOTE 13**CURRENT INVESTMENTS**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| I. Quoted Investments | | |
| (A) Trade Investments | | |
| (a) Investments in Equity Instruments | | |
| (i) Other companies | 4 | 4 |
| (B) Other Investments | | |
| (a) Investments in Equity Instruments | | |
| (i) Other companies | 5 | 5 |
| (C) Investments in Mutual Funds | 2,430 | 1,060 |
| | 2,439 | 1,069 |
| II. Un Quoted Investments | | |
| (A) Other Investments | | |
| (a) Investments in Government or trust securities | 1 | 2 |
| (B) Investments in Mutual Funds | 3,317 | 14 |
| | 3,318 | 16 |
| Total | 5,757 | 1,085 |

13.1 Out of the above, Current investments considered as Cash and Cash Equivalent amounts to ₹ 3,305 lakh (2015- ₹ 2 lakh)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 INVENTORIES

(At lower of cost and net realisable value)

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (a) Raw materials | 1,57,158 | 1,19,435 |
| (b) Work-in-process | 10,133 | 14,424 |
| (c) Finished goods | 1,78,755 | 2,05,719 |
| (d) Stock-in-trade (goods acquired for trading) | 44,936 | 45,311 |
| (e) Stores and spares | 11,489 | 11,413 |
| | 4,02,471 | 3,96,302 |

14.1 - Mode of valuation of Inventories - Refer Note No 1.7

NOTE 15 TRADE RECEIVABLES

₹ in Lakh

| Particulars | Current | |
|---|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 |
| (a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| (i) Secured - Considered good | 1,428 | 1,296 |
| (ii) Unsecured - Considered good | 6,981 | 15,587 |
| (iii) Unsecured - Considered doubtful | 9,823 | 6,089 |
| Less: Provision for doubtful debts | (9,823) | (6,089) |
| | 8,409 | 16,883 |
| (b) Other Trade Receivables | | |
| (i) Secured - Considered good | 7,315 | 7,982 |
| (ii) Unsecured - Considered good | 2,04,588 | 1,46,511 |
| | 2,11,903 | 1,54,493 |
| | 2,20,312 | 1,71,376 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 CASH AND CASH EQUIVALENTS

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (a) Cash on hand | 78 | 238 |
| (b) Cheques, drafts on hand | 80 | 5 |
| (c) Balances with banks | | |
| (i) In Current account | 14,423 | 18,349 |
| (ii) In earmarked accounts | | |
| - In Dividend account | 1,778 | 7,716 |
| - Margin Money account | 896 | 1,095 |
| - Escrow account | 122 | 2,021 |
| - On Debenture redemption account | 5,214 | 3,126 |
| - On Deposit accounts with less than 3 month maturity | 11,169 | 5,071 |
| Other balances | | |
| On Deposit accounts with more than 3 month and less than 12 months maturity | 17 | 16 |
| | 33,777 | 37,637 |

16.1 Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 25,750 Lakh (2015: ₹ 23,663 Lakh)

NOTE 17 OTHER ASSETS

₹ in Lakh

| Particulars | Non Current | | Current | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| (a) Income Accrued on Deposits etc. | - | - | 1,041 | 869 |
| (b) Unbilled revenue | - | - | 2,827 | 25 |
| (c) Fair value Derivative Hedging receivable | - | - | 661 | 994 |
| (d) Long Term Trade Receivable | 1,449 | 1,763 | - | - |
| (e) Discount on issue of debentures | 238 | 743 | 505 | 506 |
| (f) Others | - | - | 538 | 139 |
| | 1,687 | 2,506 | 5,572 | 2,533 |

NOTE 18 REVENUE FROM OPERATIONS

₹ in Lakh

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--|------------------------------|------------------------------|
| (a) Sales of Products (Refer note no 18.1 for details) | 12,20,387 | 10,91,693 |
| (b) Sales of services | 174 | 174 |
| (c) Government Subsidies | 3,30,756 | 3,16,577 |
| (d) Other operating revenues | 12,735 | 10,720 |
| | 15,64,052 | 14,19,164 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

18.1 Details of Products Sold

₹ in Lakh

| Classes of goods | Year ended March 31, 2016 | Year ended March 31, 2015 |
|------------------|------------------------------|------------------------------|
| Farm inputs | 8,30,664 | 8,24,895 |
| Sugar | 3,06,172 | 1,93,065 |
| Others | 83,551 | 73,733 |
| | 12,20,387 | 10,91,693 |

NOTE 19 OTHER INCOME

₹ in Lakh

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--|------------------------------|------------------------------|
| (a) Interest Income | 7,009 | 5,275 |
| (b) Dividend Income - Others | | |
| (i) Current investments | 88 | 357 |
| (ii) Long term investments | 21 | 21 |
| (c) Profit on sale of fixed assets (Net) | 24 | 1,575 |
| (d) Profit on sale of Investments | 250 | 124 |
| (e) Other non-operating income | 3,814 | 2,481 |
| (f) Net gain on foreign currency transactions and translation (other than considered as finance cost) | 454 | 1,322 |
| | 11,660 | 11,155 |

NOTE 20 COST OF MATERIALS CONSUMED

₹ in Lakh

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|-------------------------------------|------------------------------|------------------------------|
| (a) Farm Inputs | 6,77,596 | 7,10,930 |
| (b) Raw Material for Sugar Business | 1,32,659 | 1,33,197 |
| (c) Others | 1,28,280 | 66,667 |
| | 9,38,535 | 9,10,794 |

NOTE 21 PURCHASES OF STOCK-IN-TRADE

₹ in Lakh

| CLASSES OF GOODS | Year ended March 31, 2016 | Year ended March 31, 2015 |
|------------------|------------------------------|------------------------------|
| (a) Farm Inputs | 2,07,220 | 1,92,150 |
| (b) Sugar | - | 1,294 |
| (c) Others | 1,308 | 1,228 |
| | 2,08,528 | 1,94,672 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK IN TRADE

₹ in Lakh

| Particulars | Year ended March 31, 2016 | | Year ended March 31, 2015 | |
|--------------------------------------|------------------------------|---------------|------------------------------|-----------------|
| (Increase)/Decrease in Stocks | | | | |
| (a) Opening Stock: | | | | |
| Work-in-process | 14,424 | | 10,329 | |
| Finished goods | 2,05,719 | | 1,69,276 | |
| Stock-in-trade | 45,311 | | 26,590 | |
| | 2,65,454 | | 2,06,195 | |
| (b) Closing Stock: | | | | |
| Work-in-process | 10,133 | | 14,424 | |
| Finished goods | 1,78,755 | | 2,05,719 | |
| Stock-in-trade | 44,936 | | 45,311 | |
| | 2,33,824 | 31,630 | 2,65,454 | (59,259) |
| Changes in Inventory | | 31,630 | | (59,259) |

NOTE 23

EMPLOYEE BENEFITS EXPENSE

₹ in Lakh

| Particulars | Year ended March 31, 2016 | | Year ended March 31, 2015 | |
|---|------------------------------|--|------------------------------|--|
| (a) Salaries, Wages and Bonus | 38,361 | | 36,312 | |
| (b) Contribution to Provident and Other Funds | 3,263 | | 2,982 | |
| (c) Workmen and Staff Welfare Expenses | 4,737 | | 4,236 | |
| | 46,361 | | 43,530 | |

NOTE 24

FINANCE COSTS

₹ in Lakh

| Particulars | Year ended March 31, 2016 | | Year ended March 31, 2015 | |
|--|------------------------------|--|------------------------------|--|
| Interest Expense | | | | |
| (a) Debentures | 5,065 | | 4,880 | |
| (b) Other term loans | 36,456 | | 34,937 | |
| (c) Other borrowing costs (Refer note 24.1 below) | 2,004 | | 2,009 | |
| (d) Exchange difference to the extent considered as an adjustment to borrowing costs | - | | 148 | |
| | 43,525 | | 41,974 | |

24.1 Other borrowing costs include commitment charges, loan processing charges, loan facilitation charges, discounts /premiums on borrowings and other ancillary costs.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 OTHER EXPENSES

₹ in Lakh

| Particulars | Year ended March 31, 2016 | | Year ended March 31, 2015 | |
|--|------------------------------|-----------------|------------------------------|-----------------|
| (a) Consumption of Stores, Spares and Consumables | | 12,939 | | 11,291 |
| (b) Power and Fuel | | 29,343 | | 31,043 |
| (c) Rent | | 5,868 | | 3,479 |
| (d) Repairs and Maintenance | | | | |
| - Building | 836 | | 654 | |
| - Plant and Machinery | 7,557 | | 8,360 | |
| - Others | 5,520 | 13,913 | 4,389 | 13,403 |
| (e) Insurance | | 1,950 | | 1,740 |
| (f) Rates and Taxes (Refer note 25.1) | | 3,345 | | 5,678 |
| (g) Packing, Despatching and Freight | | 91,453 | | 75,937 |
| (h) Commission to Selling Agents | | 513 | | 509 |
| (i) Rebates and Discounts | | 272 | | 58 |
| (j) Directors' Fees and Commission | | 16 | | 166 |
| (k) Sales Promotion and Publicity | | 1,346 | | 1,238 |
| (l) Fixed Assets scrapped | | 88 | | 651 |
| (m) Professional Charges | | 3,598 | | 4,251 |
| (n) Provision for Doubtful Debts and Advances | | 4,670 | | 2,331 |
| (o) Bad Debts/Advances written off | 644 | | 516 | |
| Less: Transfer from provision | (150) | 494 | (353) | 163 |
| (p) Impairment of Other investments | | - | | - |
| (q) Goodwill Write off on sale of stake in subsidiary | | 25 | | 365 |
| (r) Loss on sale of fixed assets | | 268 | | 282 |
| (s) General Manufacturing, Selling and Administration Expenses | | 33,841 | | 31,664 |
| (t) Net Loss on foreign currency transaction and translation (other than considered in finance cost) | | 25,220 | | 18,981 |
| (u) Corporate Social Responsibility | | 1,158 | | 1,146 |
| | | 2,30,320 | | 2,04,376 |

25.1 Total Excise Duty on Sales for the year has been disclosed as reduction from the turnover. Excise duty related to the difference between the closing stock and opening stock has been included in Rates & Taxes.

26. Sale of stake in Labelle Botanics LLC

During the year, U S Nutraceuticals LLC, a subsidiary of the Company, has sold 2% stake in its subsidiary Labelle Botanics LLC (Labelle). Consequent to the sale, Labelle has become an associate of the Subsidiary.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**27 Additional Investments in Subsidiaries made during the year**

During the year, the Company has invested in 113 equity Shares of No par value in Alimtec S.A aggregating to ₹ 140 lakh.

The Company has invested in 5,00,00,000 fully paid Equity shares of ₹ 10/- each of Parry Sugars Refinery India Private Limited aggregating to ₹ 5,000 lakh.

The Company has invested in 28,00,000 10% Redeemable Cumulative Preference shares of ₹ 100 each at par in Parry Sugars Refinery India Private Limited amounting to ₹ 2,800 lakh which is redeemable on March 31, 2019.

The Company has invested in 3,50,00,000 8% Redeemable Cumulative Preference shares of ₹ 10 each at par in Parrys Sugar Industries Limited amounting to ₹ 3,500 lakh which is redeemable on March 30, 2021.

The Company has invested in 6,50,000 Equity shares of ₹ 10 each in Parrys Investments Limited amounting to ₹ 65 lakh.

28 Amalgamation of Parry Phytoremedies Private Limited and Parry Sugar Industries Limited**a) Parry Phytoremedies Private Limited**

Pursuant to the scheme of amalgamation of Parry Phytoremedies Private Limited- a wholly owned subsidiary (“transferor company”) with the Company, as sanctioned by the Honourable High Court of Bombay vide their order dated April 30, 2015, the assets and liabilities of the transferor company were transferred to and vested with the Company with effect from the appointed date, April 1, 2014. The effective date of amalgamation is June 16, 2015 on which date, the copy of the order of the court sanctioning the scheme has been filed with the Registrar of Companies. Merger has been given effect to in the Consolidated financial statements in the current year.

b) Parry Sugar Industries Limited

The Board of Directors of the Company have approved a Scheme of Amalgamation for amalgamating Parrys Sugar Industries Limited (PSIL), a subsidiary of the Company, with the Company effective April 01, 2016, subject to aproval of the shareholders a various statutory and regulatory authorities.

**NOTE 29 (A)
COMMITMENTS**

₹ in Lakh

| Particular | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances | 1,556 | 3,917 |
| (ii) Uncalled liability on shares and other investments partly paid | 732 | 1,132 |

(iii) Maximum obligation of the subsidiary company, Coromandel, on long term lease of land - ₹ 370 Lakh (2015: ₹ 378 Lakh)

**NOTE 29 (B)
Other monies for which the Group is contingently liable**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (i) Letters of Credit and Bank Guarantees established for Purchases of Raw Materials, Spares and Capital Goods | 9,767 | 8,553 |
| (ii) Guarantees by Coromandel International Limited, a subsidiary towards borrowing of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT), a venture of Coromandel International Limited. | 27,233 | 32,346 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 29 (B) (Contd...)

Other monies for which the Group is contingently liable

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| (iii) Corporate Guarantees given by the Company to banks in respect of crop loans to farmers and H&T loan etc., | - | 22 |
| (iv) Income Tax demands contested for which no Provision has been made | 6,022 | 5,013 |
| (v) Claims against the Group for Sales Tax, Excise Duty and others including Industrial Disputes not acknowledged as Debt and not provided for. | 10,999 | 16,423 |
| (vi) Other Contingent Liabilities: | | |
| (a) In respect of assignment of receivables from fertiliser dealers and dealers financing by bank | 4,538 | 3,415 |
| (b) Cane price (Refer note 29B.1) | 16,154 | 10,873 |
| (c) Cane cost subsidy (Refer note 29B.2) | 898 | - |

29B.1 The Tamilnadu Government declared State Advisory Price (SAP) for the sugar year 2013-14, 2014-15 and 2015-16. The Company has challenged the right of State Government to declare the SAP in the Hon'ble High Court of Madras. The matter is subjudice.

29B.2 Government had announced production linked subsidy of ₹ 45/MT of sugarcane crushed subject to conditions on meeting Sugar export commitment and Supply of Ethanol in Sugar Year 2015-16 (by September 30, 2016). As on March 31, 2016 the Company has not met the said conditions.

29B.3 The Income Tax Department/Commercial Tax Department/Central Excise and Service Tax Authority has filed appeal against the favorable order passed by lower forum in favor of the Holding Company in appropriate appellate forum to the extent of ₹ 2,053 lakh. It is expected that there will not be any outflow of economic resources embodying economic benefits. Hence, no provision is considered necessary against the same.

29B.4 Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums/ authorities

30. Coromandel International Limited (CIL), a subsidiary of the company, has entered into certain operating lease agreements and an amount of ₹ 2,358 lakh (2015: ₹ 2,335 lakh) paid under such agreements has been charged to the Consolidated Statement of Profit and Loss. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by such agreements.

Parrys Sugar Industries Limited (PSIL), a subsidiary of the Company has entered in to a non cancellable operating lease agreement with Shri DhanaLakshmi Sahakri Sakkari Karkhane Niyamit, Ramdurg for the lease of sugar factory together with the specified assets on Built, Own, operate and Transfer basis (BOOT) for a period of 25 years. Lease rentals of ₹ 841 Lakh (2015: ₹ 817 Lakh) in respect of the obligation under such lease agreement have been recognized in the Profit and Loss Account.

Future obligations of lease rentals applicable to the above lease agreement aggregate to ₹ 11,017 Lakh (2015: ₹ 11,859 Lakh) and are due:

₹ in Lakh

| Particulars | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Not later than one year | 866 | 841 |
| Later than one year and not later than five years | 3,734 | 3,625 |
| Later than five years | 6,417 | 7,393 |
| Total | 11,017 | 11,859 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31. Exceptional Item

a. The Exceptional item in previous year of ₹ 394 lakh represents interest expense on enhanced compensation of Coromandel International Limited payable pursuant to the Court Order on land acquired by it in the earlier years.

b. In respect of the 'Hudhud' cyclone which impacted Coromandel International Limited's (CIL) operations at Vishakapatnam in the previous year, CIL has filed the claim (including for loss of profits) with the Insurance Company. CIL set up a receivable based on its current best estimates and reasonable certainty, which is equivalent to the losses (including for inventories, repairs to fixed assets to the extent incurred, etc.). Additionally, during the current year, CIL has recognised the business interruption claim amounting to ₹ 2,500 lakh received from the Insurance company on account of the 'Hudhud' cyclone in Vishakapatnam unit.

32. In accordance with the requirements of component accounting of fixed assets as per Schedule II to the Companies Act, 2013, CIL has identified and accounted for the components of fixed assets during the current year. As per the transitional provisions prescribed in Schedule II, CIL has fully depreciated the carrying value of components, net of residual value, where the remaining life of the component was determined to be Nil as on the date of transition (April 01, 2015) and has adjusted an amount of ₹ 531 lakh (net of deferred tax of ₹ 279 lakh) against the opening Surplus in the Statement of Profit and Loss under Reserves and Surplus.

During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of certain assets to align the useful life with those specified in Schedule II and in accordance with the transitional provisions the Company has adjusted an amount of ₹ 1,075 lakh (net of deferred tax of ₹ 535 lakh) against the opening Surplus in the Statement of Profit and Loss under Reserves and Surplus.

33. Exchange difference in respect of forward exchange contracts relating to Coromandel International Limited (CIL), a subsidiary of the Company, to be recognised in the Consolidated Statement of Profit and Loss in the subsequent accounting period is ₹ 1,787 lakh debit (2015: ₹ 2,197 lakh debit).

34. Segment Reporting as at March 31, 2016

Composition of Business Segments:

Primary Segments :

| Farm Inputs | Sugar | Cogeneration | Distillery | Bio Products | Others |
|---------------------------|-------|--------------|------------|------------------------|--|
| Fertilisers Pesticides | Sugar | Power | Spirits | Neem Nutraceuticals | Corporate Investments, Infrastructure Development Others |

Secondary Segments

Geographical Segment:

| | | | |
|-------|---------------|--------|-------------------|
| India | North America | Europe | Rest of the world |
|-------|---------------|--------|-------------------|

Inter Segment Transfer Pricing:

Inter Segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall optimisation objective for the enterprise.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

34. Segment Reporting as at March 31, 2016

Composition of Business Segments :

₹ in Lakh

| Particulars | PRIMARY SEGMENTS | | | | | | | | | | | | | | Overall | | |
|--|------------------|------------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|--------------|----------------|------------------|------------------|-----------------|-----------------|
| | Farm Inputs | | Sugar | | Cogeneration | | Distillery | | Bio Products | | Others | | Elimination | | Overall | | |
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | |
| Revenue (Sales/Income) : | | | | | | | | | | | | | | | | | |
| (Gross of Excise Duty) | | | | | | | | | | | | | | | | | |
| External Customers | 11,61,594 | 11,41,646 | 3,06,172 | 1,93,065 | 20,744 | 14,569 | 28,316 | 25,539 | 34,491 | 33,625 | - | - | - | 15,51,317 | 14,08,444 | - | - |
| Inter-segmental Sales | | | 2,547 | 1,723 | 5,013 | 2,740 | | | | | | | | (7,560) | (4,463) | | |
| Total | 11,61,594 | 11,41,646 | 3,08,719 | 1,94,788 | 25,757 | 17,309 | 28,316 | 25,539 | 34,491 | 33,625 | - | - | (7,560) | 15,51,317 | 14,08,444 | - | - |
| Results : | | | | | | | | | | | | | | | | | |
| Operating Profit/(Loss) | 68,288 | 75,522 | (20,743) | (9,870) | 7,449 | 4,728 | 4,793 | 5,868 | 4,748 | 5,069 | 50 | 1,219 | - | 64,585 | 82,536 | (25) | (293) |
| (Loss) on Sale of Investment | | | | | | | | | | | | | | | | | |
| Interest Income | | | | | | | | | | | | | | | | | 6,556 |
| Dividend Income | | | | | | | | | | | | | | | | | 5,275 |
| Finance Cost | | | | | | | | | | | | | | | | 109 | 378 |
| Profit before Tax and Exceptional items | | | | | | | | | | | | | | | | (43,525) | (41,974) |
| Exceptional items | | | | | | | | | | | | | | | | | |
| Profit before Tax | | | | | | | | | | | | | | | | 27,700 | 45,922 |
| Income tax - Current | | | | | | | | | | | | | | | | (2,500) | 394 |
| - MAT Credit Entitlement | | | | | | | | | | | | | | | | 30,200 | 45,528 |
| - Deferred | | | | | | | | | | | | | | | | 18,995 | 19,579 |
| Net Profit After Tax | | | | | | | | | | | | | | | | (4,340) | (993) |
| Less: Share of Minority Interest | | | | | | | | | | | | | | | | | |
| Add: Share of Profit/(Loss) from Associate | | | | | | | | | | | | | | | | | |
| Net Profit relating to the Group | | | | | | | | | | | | | | | | 15,545 | 27,635 |
| Other Information : | | | | | | | | | | | | | | | | (14,209) | (15,956) |
| Segment Assets | 8,89,068 | 8,85,706 | 3,46,889 | 3,11,172 | 51,024 | 54,026 | 27,567 | 18,550 | 35,656 | 46,456 | 2,666 | 2,569 | - | 13,52,870 | 12,68,479 | - | - |
| Share in Joint Venture | | | | | | | | | | | | | | | | | |
| Unallocated Corporate Assets | | | | | | | | | | | | | | | | | |
| Total Assets | 6,33,626 | 6,02,143 | 2,87,145 | 1,70,136 | 1,620 | 5,305 | 1,415 | 3,373 | 8,576 | 9,211 | 153 | 120 | - | 9,32,535 | 7,90,288 | - | - |
| Segment Liabilities | | | | | | | | | | | | | | | | | |
| Share in Joint Venture | | | | | | | | | | | | | | | | | |
| Unallocated Corporate Liabilities | | | | | | | | | | | | | | | | | |
| Minority Interest | | | | | | | | | | | | | | | | | |
| Total Liabilities | 9,173 | 8,877 | 4,724 | 7,425 | 265 | 2,450 | 1,474 | 282 | 3,623 | 1,959 | 156 | 499 | - | 11,53,517 | 10,67,236 | 23,255 | 21,457 |
| Capital Expenditure | 10,650 | 10,457 | 8,316 | 8,086 | 3,265 | 3,133 | 1,469 | 1,436 | 1,025 | 1,022 | 182 | 276 | - | 24,907 | 24,410 | - | - |
| Depreciation | | | | | | | | | | | | | | | | | |
| Non-cash expenditure (excluding Depreciation) | | | | | | | | | | | | | | | | | |

| Particulars | SECONDARY SEGMENTS | | | | | | | | Total | |
|-----------------------|--------------------|-----------|---------------|---------|---------|---------|-------------------|---------|-----------|-----------|
| | India | | North America | | Europe | | Rest of the World | | Total | |
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Segment Revenue | 15,11,612 | 13,74,031 | 24,088 | 23,201 | 10,833 | 8,282 | 4,784 | 2,930 | 15,51,317 | 14,08,444 |
| Carrying Amounts of : | | | | | | | | | | |
| Segment Assets | 13,51,909 | 12,68,333 | 17,324 | 17,515 | 3,171 | 1,082 | 3,721 | 3,006 | 13,76,125 | 12,89,936 |
| Segment Liabilities | 10,47,993 | 9,68,372 | 4,804 | 7,442 | 12 | 16 | 384 | 1,751 | 10,53,193 | 9,77,581 |
| Capital Expenditure | 18,487 | 20,390 | 605 | 554 | - | - | 313 | 548 | 19,415 | 21,492 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

35. Employee Benefit Plans

The Group has adopted Accounting Standard 15 (AS-15) on 'Employee Benefits'. These Consolidated Financial Statements include the obligations as per requirement of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation / provision for employee benefits as per requirements of their respective countries. In the opinion of the Management, the impact of this deviation is not considered material.

(i) Defined Contribution Plans

In respect of the defined contribution plans of the Company, an amount of ₹ 2,410 lakh (2015: ₹ 2,055 lakh) has been recognised as an expense in the Consolidated Statement of Profit and Loss during the year.

(ii) Defined Benefit Plans

(a) The details of actuarial valuation in respect of Gratuity plan and the Superannuation and other Pension plans, in respect of parent company and domestic subsidiaries and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, are given below:

₹ in Lakh

| Particulars | Gratuity (Funded) | | Superannuation and other Pension Plans * | |
|---|-------------------|--------------|--|----------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Present Value of obligations at the beginning of the year | 5,495 | 5,037 | 6 | 6 |
| Current service cost | 568 | 519 | * | * |
| Interest Cost | 414 | 371 | * | * |
| Actuarial loss | 166 | 249 | - | - |
| Benefits paid | (672) | (681) | - | - |
| Present Value of obligations at the end of the year | 5,971 | 5,495 | 6 | 6 |
| Amounts recognized in the Consolidated Balance Sheet | | | | |
| Projected benefit obligation at the end of the year | 5,971 | 5,495 | 6 | 6 |
| Fair value of plan assets at end of the year | 4,868 | 5,059 | - | - |
| Funded status of the plans – Liability recognised in the Consolidated Balance Sheet | 1,103 | 436 | 6 | 6 |
| Cost for the year | | | | |
| Current service cost | 568 | 519 | * | * |
| Interest Cost | 414 | 371 | * | * |
| Expected return on plan assets | (393) | (384) | - | - |
| Net actuarial loss recognised in the year | 208 | 274 | | |
| Past service cost | - | - | - | - |
| Net Cost (included as part of Contribution to Provident and Other Funds in Note 23- Employee Benefits Expense) | 797 | 780 | - | - |
| Assumptions | | | | |
| Discount rate | 8% | 8% | 8% | 8% |
| Expected rate of planned assets | 8% | 8-8.25% | - | - |
| Expected rate of salary increases | 5 to 7% | 5 to 7% | - | - |
| Attrition rate | 5% | 5% | 1% | 1% |

* Nature and extent of investment details of the plan assets and Actual return on plan assets includes details of trusts other than those covered under a Scheme of Life Insurance Corporation of India.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Experience Adjustment

₹ in Lakh

| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---|---------|---------|---------|---------|---------|
| Gratuity plan | | | | | |
| Present value of DOB | 4,135 | 3,865 | 3,553 | 3,215 | 2,867 |
| Fair value of plan assets | 3,589 | 3,757 | 3,369 | 2,910 | 2,610 |
| Funded status [Asset/ (liability)] | (546) | (108) | (184) | (305) | (257) |
| Experience adjustments loss/(gain) | | | | | |
| - on plan liabilities | 110 | (94) | 26 | 180 | 183 |
| - on plan assets | (73) | (32) | 2 | 8 | (34) |
| | | | | | |
| Superannuation and other pension plans | | | | | |
| Present value of DOB | 6 | 6 | 6 | 8 | 31 |
| Fair value of plan assets | - | - | - | - | - |
| Funded status [Asset/ (liability)] | (6) | (6) | (6) | (8) | (31) |
| Experience adjustments loss/(gain) | | | | | |
| - on plan liabilities | - | - | (3) | (24) | (96) |
| - on plan assets | - | - | - | - | - |

Experience adjustment has been provided only to the extent of details available.

(c) Employee benefits pertaining to overseas subsidiaries have been accrued based on their respective labour laws.

36. Details of Research and Development expenditure incurred by the Approved Inhouse R & D Centres during the year

₹ in Lakh

| Particulars | 2015-16 | 2014-15 |
|---|--------------|--------------|
| (i) Revenue Expenses (excluding depreciation and fixed assets scrapped): - | | |
| a) Employee benefit expense | 796 | 619 |
| b) Consumption of Stores and Spare Parts | 60 | 64 |
| c) Power and Fuel | 70 | 63 |
| d) Repairs and Maintenance | 126 | 86 |
| e) Miscellaneous expenses | 228 | 182 |
| f) Other Income relating to Research and Development | (11) | (13) |
| Net Revenue expenses on Research and Development | 1,269 | 1,001 |
| (ii) Fixed Assets additions in R & D Centres made during the year | 168 | 418 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

37. Derivative instruments and Unhedged Foreign Currency Exposure:

(a) Outstanding Forward Exchange / Swap contracts entered into by the Group as at March 31, 2016:

| Particulars | Currency | Amount (Foreign Currency Millions) | | Buy/Sell |
|--------------------------------------|----------|------------------------------------|---------|----------|
| | | 2015-16 | 2014-15 | |
| (i) Forward exchange contracts (net) | USD/INR | 59.67 | 50.96 | Sell |
| | EURO/INR | 9.42 | 4.71 | Sell |
| | USD/INR | 388.21 | 411.77 | Buy |
| (ii) Options contract (net) | USD/INR | 60.00 | 69.00 | Buy |
| (iii) ECB (Swaps) - EID * | USD/INR | 0.33 | 2.00 | Buy |
| (iv) ECB (Swaps) - CIL * | USD/INR | 13.34 | 46.67 | Buy |

* The swap contract has been entered into to hedge the currency and interest rate risks on the external commercial borrowings of the Company.

As on 31 March 2016, the Group has foreign currency borrowing of US\$ 13.67 million (2015: US\$ 48.67 million). The Group entered into principal and interest rate swaps amounting US\$ 13.67 million (2015: US\$ 48.67 million) to hedge the foreign currency and interest rate risks thereon. The Group has marked to market the foreign currency borrowings and the corresponding swap contracts and the net exchange differences arising thereon have been recognised in the Statement of Profit and Loss.

(b) All the foreign exchange forward contracts are designated as cash flow hedges.

(c) The forward contracts have been entered into to hedge the purchase of raw materials and stock-in-trade and the related buyer's credit and in certain cases the foreign currency trade receivables.

(d) Details of foreign currency exposures as at the Balance Sheet date that have not been hedged by a derivative instrument or otherwise are given below:

| Particulars | Currency | As at March 31, 2016 | | As at March 31, 2015 | |
|-------------------|----------|------------------------------------|------------------|------------------------------------|------------------|
| | | Foreign currency amount in million | Amount ₹ In Lakh | Foreign currency amount in million | Amount ₹ in Lakh |
| Trade payables | USD | 162.9 | 1,07,928 | 82.48 | 51,546 |
| | EUR | 0.07 | 53 | - | - |
| | GBP | 0.13 | 124 | 0.05 | 46 |
| Trade receivables | USD | 60.48 | 40,065 | 0.12 | 76 |
| | EUR | 0.08 | 57 | * | 4 |
| Other Advances | USD | 0.08 | 52 | 4.47 | 2793 |
| Borrowings | USD | 139.6 | 92,485 | 37.48 | 23,420 |
| | EUR | - | - | * | 17 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

e) Outstanding Futures and Options of the Group as at March 31, 2016 for hedging commodity risks

₹ in Lakh

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|----------------------|----------------------|----------|----------------------|----------|
| | Purchase | Sales | Purchase | Sales |
| Raw Sugar (MT) (net) | 1,57,378 | | 80,061 | |
| White Sugar (MT) | | 4,45,950 | | 2,06,300 |

38. Disclosures in respect of Joint Ventures

₹ in Lakh

| Name of the Entity | Year ended March 31, 2016 | | | Year ended March 31, 2015 | | |
|----------------------------------|---------------------------|-------------------|----------|---------------------------|-------------------|----------|
| | Coromandel Getax | Coromandel SQM | YCAS | Coromandel Getax | Coromandel SQM | YCAS |
| | Indirect | Indirect | Indirect | Indirect | Indirect | Indirect |
| Country of Incorporation | Singapore | India | India | Singapore | India | India |
| Percentage of ownership interest | 30.41% | 30.41% | 24.32% | 30.42% | 30.42% | 24.33% |
| Non-current liabilities | - | 14 | 4 | - | 13 | * |
| Current liabilities | 5 | 294 | 287 | 4 | 888 | 237 |
| Non-current assets | - | 183 | 37 | - | 200 | 27 |
| Current assets | 75 | 609 | 602 | 88 | 1,139 | 472 |
| Income | - | 1,394 | 352 | - | 1,928 | 179 |
| Expenditure | 19 | 1,348 | 509 | 29 | 1,866 | 220 |

39. Employee Stock Option Plan (ESOP)

(a) Pursuant to the decision of the shareholders of EID Parry (India) Limited, at their meeting held on July 26, 2007, the Company has established an 'Employee Stock Option Scheme 2007'.

Under the Scheme, options not exceeding 8,924,850 equity shares of ₹ 1 each have been reserved to be issued to the eligible employees. Each option comprises one underlying equity share.

As per the Scheme, the Compensation and nomination Committee grants the options to the employees deemed eligible. The exercise price of each option is equal to the latest available closing market price of the shares on the stock exchange where there is highest trading volume as on the date prior to the date of the Compensation and Nomination Committee resolution approving the grant. The options granted under the Scheme would vest not less than one year and not more than five years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of three years from the date of vesting.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period. Since exercise price being equal to the closing market price prevailing on the date prior to the date of grant, there is no deferred compensation cost to be amortised during the current year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Employee stock options details as on the Balance Sheet date (March 31, 2016) are as follows:

| Particulars | During the year ended March 31, 2016 | | During the year ended March 31, 2015 | |
|--|---|--|---|--|
| | No. of Options | Weighted average exercise price per option (In ₹) | No. of Options | Weighted average exercise price per option (in ₹) |
| Option outstanding at the beginning of the year: | 2,21,624 | 176.30 | 3,48,096 | 203.66 |
| Granted during the year: | - | - | - | - |
| Vested during the year: | 15,210 | 248.39 | 60,448 | 236.55 |
| Exercised during the year: | - | - | 28,888 | 94.15 |
| Cancelled during the year: | 29,598 | 213.02 | 97,584 | 229.59 |
| Lapsed during the year: | - | - | - | - |
| Options outstanding at the end of the year: | 1,92,026 | 170.64 | 2,21,624 | 176.30 |

(c) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

| Assumptions | March 31, 2016 | March 31, 2015 |
|--------------------------------------|----------------|----------------|
| Risk Free Interest Rate | 8% | 8% |
| Expected Life | 4 | 4 |
| Expected Annual Volatility of Shares | 0.46% | 0.46% |
| Expected Dividend Yield | 400% | 400% |

40. Earnings per Share

| Particulars | For the Year ended March 31, 2016 | For the Year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| (A) Profit after Taxation (₹ in Lakh) | 1,394 | 11,679 |
| Number of equity shares of ₹ 1 each outstanding at the beginning of the year | 17,58,14,884 | 17,57,85,996 |
| Add : Number of shares issued pursuant exercise of Employees Stock Option | - | 28,888 |
| Add : Number of shares issued to PSIL Shareholders pursuant to merger | - | - |
| (a) Number of equity Shares of ₹ 1 each outstanding at the end of the year | 17,58,14,884 | 17,58,14,884 |
| (b) Weighted Average number of Equity Shares | 17,58,14,884 | 17,58,02,552 |
| (c) Diluted shares on account of issue of ESOP granted | 10,037 | 25,343 |
| (d) Number of potential equity shares of ₹ 1 each outstanding at the end of the year | 17,58,24,921 | 17,58,27,895 |
| Earnings per Share | | |
| - Basic (₹) (A)/(b) | 0.79 | 6.64 |
| - Diluted (₹) (A)/(d) | 0.79 | 6.64 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

41 Related Party Disclosure for the year ended March 31, 2016

(a) Investing Party

Murugappa Holdings Limited

(b) Joint Venture Entities:

- i) Coromandel Getax Phosphates Pte Ltd.
- ii) Coromandel SQM India Pvt Limited.
- iii) Yanmar Coromandel Agrisolutions Private Limited.

(c) Associate Entity

- i) Labelle Botanics LLC (subsidiary upto April 1, 2015)

(d) Key Management Personnel (KMP)

- i) Mr. V. Ramesh, Managing Director
- ii) Mr. Kapil Mehan, Managing Director in Coromandel International Limited (upto February 13, 2015)
- iii) Mr. S Govindarajan, Manager under the Companies Act 2013 in Coromandel International Limited (w.e.f. August 1, 2015 to September 30, 2015)
- iv) Mr. Sameer Goel, Managing Director in Coromandel International Limited (joined w.e.f. October 1, 2015)

(e) Transactions with related parties

₹ in Lakh

| Particulars | For the year ended March 31, 2016 Joint venture | For the year ended March 31, 2015 Joint venture |
|---|---|---|
| i) Sale of finished goods/raw materials/services | | |
| Coromandel SQM India Pvt Limited | 65 | 236 |
| ii) Purchase of finished goods and services | | |
| Coromandel SQM India Pvt Limited | 1,088 | 1,305 |
| Labelle Botanic LLC | 94 | - |
| iii) Rent received | | |
| Coromandel SQM India Pvt Limited | 7 | 7 |
| iv) Purchase of Assets and Spares | | |
| Yanmar Coromandel Agrisolutions Private Limited | 92 | - |
| v) Closing Balance - Debit /(credit) | | |
| Coromandel SQM India Pvt Limited | (603) | (316) |
| Yanmar Coromandel Agrisolutions Private Limited | (1) | 17 |
| Labelle Botanic LLC | 141 | - |

41.1 Details of remuneration to Directors are disclosed in the respective financial statements of the company and its subsidiaries.

41.2 During the year, no dividend was paid to Murugappa Holdings Limited (Investing Party) (2015 - ₹ 1,175 lakh).

41.3 The Company has extended guarantees on behalf of TIFERT. Refer Note 29 (B)(ii).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**42. Deferred Tax Liability (Net)**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| Tax effect of items constituting deferred tax liabilities | | |
| On difference between book balance and tax balance of fixed assets | 47,218 | 46,509 |
| Tax effect of items constituting deferred tax assets | | |
| Unabsorbed Depreciation and Business Loss | (21,220) | (16,614) |
| Provision for Doubtful Debts, Provision for compensated absences and others | (6,927) | (5,512) |
| Net Deferred Tax liabilities | 19,071 | 24,383 |

43. Additional disclosures related to Consolidated Financial Statements**43.1 Goodwill on consolidation**

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| Opening Balance | 3,734 | 38,783 |
| Add: On acquisition of stake in subsidiaries during the year | - | 43 |
| Add/ Less: Exchange difference during the year on translation of Goodwill of foreign subsidiaries | 58 | 70 |
| Add / (Less) : Change in goodwill in subsidiaries' books | - | (34,797) |
| Add / (Less) : Deletion due to sale of stake in subsidiary | (605) | (365) |
| Add / (Less) : Deletion due to Merger | (663) | - |
| Goodwill at the end of the year | 2,524 | 3,734 |

43.2 The effect of acquisition of subsidiaries / conversion of Joint Ventures Entity into subsidiary

The effect of acquisition of subsidiaries / conversion of Joint Venture Entity into subsidiary, on the financial position and results as included in the Consolidated Financial Statements, is given below:

₹ in Lakh

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Liabilities as at date of acquisition: | | |
| Non-current liabilities | - | - |
| Current liabilities | - | 145 |
| Assets as at date of acquisition: | | |
| Non-current assets | - | 1,994 |
| Current assets | - | 137 |
| Revenue for the period ended | - | 682 |
| Expenses for the period ended | - | 762 |
| Profit/ (loss) before tax for the year ended March 31, 2014 | - | (693) |
| Profit/ (loss) after tax for the period ended March 31, 2014 | - | (1,244) |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

44. Additional disclosure on consolidation relating to Subsidiaries, and Joint Ventures and Associate

| Name of the Company | Net assets as of March 31, 2016 | | Share in profit/(loss) for the year ended March 31, 2016 | |
|--|---------------------------------|------------------|--|------------------|
| | % of consolidated net assets | Amount in ₹ Lakh | % of consolidated profit/ (loss) | Amount in ₹ Lakh |
| E.I.D.Parry (India) Limited | 16 | 53,148 | (71) | (11,103) |
| Subsidiaries - Indian | | | | |
| Coromandel International Limited | 73 | 2,31,686 | 232 | 36,245 |
| Liberty Pesticides and Fertilisers Limited | * | 230 | * | 11 |
| Parry Chemicals Limited | * | 1,559 | * | 50 |
| Dare Investments Limited | * | 495 | * | (1) |
| Parry Infrastructure Company Private Limited | * | 1,430 | * | 24 |
| Parrys Sugar Limited | * | 264 | * | 14 |
| Parrys Investments Limited | * | 155 | * | 2 |
| Parry Agrochem Exports Limited | * | - | * | 1 |
| Parrys Sugar Industries Limited | 1 | 1,544 | (17) | (2,598) |
| Parry Sugars Refinery India Private limited | * | 977 | (49) | (7,745) |
| Subsidiaries - Foreign | | | | |
| Sabero Organics America S.A. | * | 298 | * | (37) |
| Sabero Australia Pty Ltd, Australia | * | (21) | * | (17) |
| Sabero Europe B.V. | * | (2) | * | 0 |
| Sabero Argentina S.A. | - | - | * | (7) |
| Coromandel Agronegocios de Mexico, S.A de C.V (Coromandel Mexico). | * | 67 | 1 | 83 |
| CFL Mauritius Limited | 6 | 18,425 | * | (25) |
| Coromandel Brasil Limitada, Limited Liability Partnership | * | (61) | * | 14 |
| Parry America Inc | 1 | 1,429 | 2 | 253 |
| U.S. Nutraceuticals L.L.C | 2 | 7,138 | 6 | 905 |
| Alimtec S.A. | 1 | 2,705 | (2) | (306) |
| Joint Ventures - Indian | | | | |
| Coromandel SQM (India) Private Limited | * | 779 | * | 75 |
| Yanmar Coromandel Agrisolutions Private Limited | * | 572 | (2) | (260) |
| Joint Ventures - Foreign | | | | |
| Coromandel Getax Phosphates Pte Ltd., | * | 115 | * | (33) |
| Associate - Foreign | | | | |
| Labelle Botanics LLC | - | - | * | 58 |
| Minority Interest in all subsidiaries | | 1,00,324 | | 14,209 |

* Less than 1%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

45 Previous year's figures

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

For and on behalf of the Board of Directors

V. Ramesh
Managing Director

A. Vellayan
Chairman

Chennai
May 10,2016

G Jalaja
Company Secretary

V Suri
Chief Financial Officer

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.



Be the energy

Concept & Design
HA STRA
hastra.hastra@gmail.com



E.I.D.-PARRY (INDIA) LIMITED

Dare House, Parrys Corner, Chennai- 600001
Ph: +91 44 2530 6789 Fax +91 44 2534 0858
www.eidparry.com