E.I.D. - Parry (India) Limited
Regd.Office : Dare House, 234,N.S.C. Bose Road, Parrys Corner, Chennai 600 001, India.
Tel : 91.44.25306789 Fax : 91.44.25341609 / 25340858
CIN : L24211TN1975PLC006989
Website : www.eidparry.com

August 5, 2017

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400 001.

Scrip Code: EIDPARRY

Scrip Code No: 500125

Dear Sirs,

Sub: Submission of Annual Report under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We enclose a soft copy of the Annual Report for the financial year 2016-17 circulated to the shareholders of the Company.

Kindly take this on your record.

Thanking you,

For **E.I.D. – Parry (India) Limited**

G. Jalaja
Company Secretary

murugappa

Enriching & Energising Lives

E.I.D. - PARRY (INDIA) LIMITED
ANNUAL REPORT 2016-17

Contents

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.

Enriching Energising Lives &

We believe if we are passionate about our purpose, we can create a better World, make a difference to the lives of people we touch and build a sustainable, profitable business.

Working with nature for two centuries and more, our core purpose is based on one important learning, to sustain - energise, to grow - enrich. In each of our three businesses, ie. Sugar, Bio Pesticides and Nutraceuticals we have undertaken many pioneering initiatives and have constantly shared our learnings to energise and enrich millions of lives that we have touched across the value chain.

Our nature centric business model reflects an abiding commitment to the empowerment and enrichment of the rural communities we operate in. Our products, processes and technology initiatives are driven by our core purpose of energising and enriching lives with value added products from agriculture for our customers and the environment in which we operate. Our people practices of empowerment and capability development, is based on the key premise of enriching and energising our people, one of our most valued assets.

2016-17 - as we managed one of the worst drought hit years in a century, we expanded capacities, innovated with new products, increased efficiencies, bettered our employee engagement rankings, entered into new markets, invested in research and development for creating a pipeline of new products and recorded one of the best years in performance. And more than ever, we reaffirmed our core purpose of Enriching & Energising Lives.

Working with more than one lakh farmers and promoting progressive farming practices, at EID Parry, enriching and energising the agrarian communities and the rural landscape is an integral part of our vision.

As the first sugar manufacturer in India and among the oldest in the world, we have pioneered many progressive and innovative farming practices and partnered with farmers in setting new benchmarks in the Industry.

Continuing this tradition, some of the important initiatives undertaken in 2016-17 were :

- To improve the sugar recovery for the company and yield for the farmers, many new varietals were planted by farmers across our command area depending on soil, agro climate, amenability for mechanical harvesting, drought tolerance, resistance to certain pests / diseases.

- Farmers encouraged to become entrepreneurs for production of bio control agents like Trichogramma, which will help in pest management.

- New initiatives to reduce cost of cultivation to farmers by use of single bud seed multiplied through tissue culture Nurseries. A very important initiative, this will be scaled up in coming years.

- Wider row planting to facilitate mechanised harvesting and inter-cropping to increase yield and income for farmers.

- Farmers at Haliyal and Nellikuppam certified for sustainable sugarcane practices. These farmers will benefit through improved safety and agronomy practices, ultimately leading to higher output.

- Soil fertiliser maps developed at Haliyal and Sankili. Guidance provided to farmers on fertiliser status and recommendations on fertiliser usage.
- Work commenced on measuring water and carbon footprint, an initiative that will benefit both the farming community and the environment in the long term.
- Extensive training to farmers on yield improvement, better farm management and optimum utilisation of resources like water, fertiliser and labour.
- Implementation of a more robust and improved common cane management system across all factories with integrated data analytics and online tracking, with real time field updates for timely support and guidance.
- Commencement of project work for Cooperative farming in Bagalkot command area.
- De-silting of ponds in identified areas.

Parry believes that enriching and energising the farming community is critical since the fortunes of the Company and the farmers are completely interlinked. These initiatives have been on-going for decades and the journey continues...

Enriching & Energising Lives

In line with our vision of enriching and energising lives, our product, process and technology initiatives are centred on value creation and enriching all stakeholders.

Our fully integrated Sugar Plants with cogeneration and dedicated distilleries continue to set new benchmarks in operational efficiencies and adhere to the highest standards in Health, Safety, Quality and Environment.

The Total Productive Maintenance (TPM) model of employee empowerment and ownership, adopted by our manufacturing plants is centred on work practices that promote 'zero accidents, zero machine breakdowns and zero losses'.

'Reduce, recycle and reuse' is our operating principle, to optimise operational efficiencies, eliminate process losses and achieve continuous reduction in water, energy and fuel consumption. We have achieved zero fresh water drawal from ground, river and canal through efficient Water Management systems. We have achieved near zero levels in effluent generation at our Sugar Plants with stringent online monitoring systems.

Our advanced recycling processes have enabled conversion of effluents into Plant Nutrients. The potash rich fertilizers and the press mud from the Sugar Plants are sold to farmers for application in their fields for enriching the soil. This initiative has earned us two Awards for the 'Most Innovative Environmental Project' and 'Most Useful Environmental Project' in a Nation -wide Competition conducted by CII, across Industries.

Three of our Manufacturing Plants at Nellikuppam, Haliyal and Pugalur are certified by Bonsucro for sustainable sugar production.

Our focus on energy conservation through use of direct contact heaters, wide gap plate heat exchangers, bagasse dryer system technology and saturated steam turbine, besides many other initiatives, has made the Sugar and the Cogen factories the best in its class, in the Industry.

Our focussed quality improvement initiatives have enabled us to benchmark with the best-in-class and meet the stringent requirements of our customers, including major Pharmaceutical Manufacturers.

The Cogenerated power from bagasse is green energy, used for both captive consumption and for sale to the State Grids. Over 5% of Ethanol, the green fuel of the future, blended with petrol in Southern India is supplied by the Company.

Manufacturing processes, technology practices and customer-centric product developments are all centred on our core purpose of enriching and energising lives and the environment in which we operate.

Enriching
Energising &
Lives

For us sugar making is not just a commodity production but a serious science that mandates great expertise and a greater commitment towards enriching and energising lives.

Our preferred vendor ranking with a wide spectrum of institutional customers across 15 States and 12 Sectors, including food, beverages, confectionery and pharmaceutical companies is a validation of our core strength to manufacture customised sugar to stringent specifications in quality, size, colour and structure.

With upgradation of our refinery this year, we now have the expertise to make 'infant-safe' sugar that is certified for 'zero bacteria', 'zero mould' and 'zero yeast' and is used by pharmaceutical companies for their various products including infant food and critical intravenous applications.

The focus during the year in the institutional segment was on product differentiation and value addition, allied with certifications, quality, service and key account management.

In the retail segment, Amrit, the Company's brand of 'natural brown sugar' with 6 vital minerals and 10 times more nutrients than normal sugar and the 'Vita' brand of Vitamin A fortified sugar, expanded shelf space addressing the growing demand from discerning, health conscious customers.

Enriching & Energising Lives

Our pioneering venture in neem based plant extract, bio-pesticides, more than 3 decades ago demonstrates our long and continued commitment to enriching agriculture and energising lives through safe and sustainable agri-inputs.

Enriching Energising & Lives

Parry ventured into the green arena of making bio products from plant origin, three decades ago, to provide safe and sustainable crop protection solutions. The objectives were, to infuse energy into the lives of the farming community by protecting them from the hazardous effects of chemical applications, to ensure safe food and protect the environment from the deleterious effects of synthetic toxins.

As a global leader in the Azadirachtin business, Parry is known for its quality and value offerings, with its in-house analytical methods reckoned as BIS standards for the Azadirachtin segment. Parry's Neemazal brand is manufactured in the world's largest Azadirachtin facility, with the highest purity and best stability. Backed with extensive global registrations, IPRs, FAO and IMO certifications, it stands guarantee for safe living and caters to the growing organic needs of the farmers and consumers alike.

The business has gone beyond offering products to providing personalized farmer consultation and services on real time basis with IT enabled Sales Force Automation (SFA) systems supported by an in-house department for Farmer Care Services (FCS). The Bio Products Division continues to explore the vistas beyond crop protection like Biocides for veterinary and household pest care.

Parry America Inc. (PAI), a subsidiary of EID Parry headquartered in the US manufactures Azadirachtin formulations and markets the products in North and South America, Australia and Japan. PAI has forged marketing tie-ups with leading Agri input suppliers and also provides techno commercial support. AzaMax® a leading brand of PAI in Hydroponics segment has enabled our foray into the Home & Garden segment.

Genome sequencing of neem trees across India for expanding the neem seed sourcing, cultivation of large scale neem plantations to address raw material availability for the long term, innovative and novel process of Azadirachtin extraction, registrations and label expansions for new pest management, exploring opportunities in the biocides market, R&D projects for microbial bio-pesticides, working on organic alternatives in water and weed management- all these formed part of the key initiatives undertaken during the current year, to grow the Bio Products business and carry forward the core purpose of Energising and Enriching Lives.

Pioneers in algal nutrition, our nutraceuticals business has enriched and energised lives for more than two decades.

Enriching Energising Lives &

Global demand for nutraceuticals is gaining prominence with an increased focus on preventive healthcare and peoples aspirations for a healthier way of life. EID Parry's Nutraceutical business addresses this market through its 3 outfits – Parry Nutraceuticals (India, SBU of EID Parry) Valensa International and Alimtec SA (both Subsidiaries).

Parry Nutraceuticals has more than 2 decades of experience in cultivation and processing of microalgae based nutraceuticals including Organic Spirulina, Organic Chlorella, Heamatococcus Pluvialis & Other Phytochemicals. We are known for our superior product quality and safety and have an enviable global customer base for our products. In line with our growth strategies and to offer a wider array of value added products from Microalgae to meet future consumer demands, we added capacity for the production of Organic Spirulina at a new site in Saveriarpuram, Tamil Nadu. In 2016, we started commercial production of Organic Chlorella, at our Oonaiyur facility, a dietary supplement which helps in detoxification, tissue regeneration and healthy ageing.

Valensa International based in Florida, USA is a subsidiary of EID Parry which specialises in development of condition-specific nutraceuticals, backed by clinical science and IP. Valensa's primary focus is to innovate and create formulations based on market needs that target quality of life and health issues like joint health (Flex Pro MD® for discomfort / pain & FlexPro ES® for flexibility), cardio-vascular (Deep Ocean Caviar® and Deep Ocean Krill® for healthy blood lipid profile), regularity (Go Easy® - ongoing clinical trials in Ireland), eye health (Eye Pro MD®), immunity, healthy prostate and some key women's health issues (NatruCal® bone health and FemCool® menopause support).

Valensa also manufactures unique ingredients like Natural Astaxanthin, USPlus® Saw Palmetto extract, plant-based Omega 3s (Verilla® Perilla seed oil & ChiaGold™) using its patented Deep Extract® Supercritical Co2 technology in Florida without use of any solvents or chemicals. Some of these ingredients form a base for our patented formulations and we conduct clinical studies on some of these formulations to support our marketers with qualified claims. Valensa also in-licenses unique ingredients that are clinically tested to build into our robust product portfolio. In 2014, EID Parry acquired Alimtec SA based in Chile for cultivation of Heamtococcus Pluvialis for extraction of Astaxanthin, a powerful antioxidant, marketed by Valensa under its trademark Zanthin® Natural Astaxanthin.

Our New Product Strategy is one of value addition from our existing 'greens' stable, coupled with an entry into newer Algal and Phytochemical verticals. In this regard, some of the products that we will bring to the market over the next two years include Organic Chlorella, Spirulina Granules, CO2 Extracted Lutein and Algal Beta Glucan, to name a few. These along with Vegan Algal proteins, Natural Colourants and Algae (Vegan) Omega 3s are some exciting new areas which are under development and part of the growth strategies for taking the larger vision of energising and enriching lives forward.

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Valensa International-USA

Our people are one of our most valued assets and we believe that energising, empowering and enriching them is vital to transforming the Organisation from “Good” to “Great”.

Our HR goal of “Building Organisational Capabilities to deliver superior business performance” is built on four key progressive HR imperatives: Capability Development, Talent Management, Employee Engagement and Productivity Enhancement. Capability Development in Parry not only covers technical and functional competencies but it is also extended to cover important behavioural competencies such as Customer Centricity, Execution Excellence and Innovation.

Building talent from within is a key HR imperative. The employee engagement journey commenced three years back based on four focus areas of Care, Recognition, Communication and Building people HR practices. Alignment of Individual / Unit and Business / Organisation goals was one of the more recent exercises undertaken in Parry.

The Company-wide Survey on Employment Engagement was undertaken in the second half of 2016-17 by Aon Hewitt. The Company received special recognition for its "Commitment to Engagement", as part of Aon Best Employers India Study 2017. This award is a reinforcement of our continued efforts in the journey of engaging employees and building a high performance work culture in the Organization.

People practices and CSR Initiatives are a reiteration of our core purpose of Enriching and Energising Lives through a sustainable eco system.

Aon Hewitt Best Employers Award for 'Commitment to Engagement '.

Enriching & Energising Lives

Enriching & Energising Lives

BOARD OF DIRECTORS

(Sitting L- R)

Mr V Manickam - Independent Director
Mr M B N Rao - Independent Director
Mr A Vellayan - Chairman
Dr (Ms) Rca Godbole - Independent Director
Mr Anand Narain Bhatia - Independent Director

(Standing L- R)

Mr S Suresh - Deputy Managing Director
Mr V Ravichandran - Vice Chairman
Mr V Ramesh - Managing Director

MANAGEMENT TEAM

(Sitting L- R)

Mr V Suri - Sr. Vice President & Chief Financial Officer
Mr S Suresh - Deputy Managing Director
Mr V Ramesh - Managing Director
Ms G Jalaja - Sr. Vice President - Management Audit & Company Secretary
Mr S K Satyavrdhan - Sr. Vice President (HR)

(Standing L- R)

Mr T M Shankar - Sr. Vice President - Commercial & Corporate Affairs
Mr Muthiah Murugappan - Business Head - Nutraceuticals
Mr T Rajasekar - Sr. Vice President - Head - Manufacturing
Mr L K Baburaj - Business Head - Bio Products
Mr T Kannan - Vice President - Operations, Karnataka
Mr G Madhavan - Sr. Associate Vice President - Sales

Enriching & Energising Lives

THE SPIRIT OF THE MURUGAPPA GROUP

THE FIVE LIGHTS

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

INTEGRITY

We value professional and personal integrity above all else. We achieve our goals by being honest and straight forward 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.

murugappa

BE THE ENERGY

CORPORATE INFORMATION AS ON MARCH 31, 2017

BOARD OF DIRECTORS

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

COMPANY SECRETARY

G. Jalaja

CORPORATE MANAGEMENT TEAM

V. Ramesh, Managing Director
S. Suresh, Deputy Managing Director
L. K. Baburaj, Business Head - Bio Products
G. Jalaja, Sr. Vice President-Management Audit & Company Secretary
T. Kannan, Vice President-Operations-Karnataka
G. Madhavan, Sr. Associate Vice President-Sales
Muthiah Murugappan, Business Head - Nutraceuticals
T. Rajasekhar, Sr. Vice President & Head - Manufacturing
S. K. Sathyavrdhan, Sr. Vice President - HR
T. M. Shankar, Sr. Vice President-Commercial & Corporate Affairs
V. Suri, Sr. Vice President & Chief Financial Officer

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,
Hyderabad - 500 032.
Tel. : +91-40-67162222
Fax : +91-40-23420814
Toll free: 1800-345-4001
E-mail : einward.ris@karvy.com

COMPANY

Secretarial Division
Tel. : +91-44 - 25306789
Fax : +91-44 - 25341609
E-mail : investorservices@parry.murugappa.com
Website : www.eidparry.com

FINANCIAL HIGHLIGHTS - TEN YEARS AT A GLANCE

Standalone

₹ in Lakh except ratios

Particulars	2007-08	2008-09	2009-10	2010-11 @	2011-12	2012-13	2013-14	2014-15	2015-16 #	2016-17
Profitability Items										
Gross Income	72,932	1,70,599	1,33,526	1,47,386	1,75,364	2,41,448	1,94,548	2,26,504	2,78,559	2,63,121
Gross Profit (PBDIT)	1,898	96,539	35,536	18,927	27,447	60,562	26,237	38,918	15,751	50,867
Depreciation & Amortisation	4,403	5,017	6,933	7,370	7,397	10,787	9,731	10,193	11,200	11,211
Profit/(Loss) before Interest & Tax	(2,505)	91,522	28,603	11,557	20,050	49,775	16,506	28,725	4,551	39,656
Finance costs	1,345	2,682	3,857	4,817	6,443	13,668	19,616	15,127	16,710	13,991
Profit/(Loss) Before Tax	(3,850)	88,840	24,746	6,740	13,607	36,107	(3,110)	13,598	(12,159)	25,665
Tax	(2,192)	19,644	4,218	(1,186)	(125)	2,936	(5,763)	(1,227)	(2,948)	(2,696)
Profit/(Loss) after Tax	(1,658)	69,196	20,528	7,926	13,732	33,171	2,653	14,825	(9,211)	28,361
Balance Sheet Items										
Net Fixed Assets	61,999	85,942	84,650	80,986	80,876	1,28,652	1,52,515	1,49,968	1,57,806	1,48,816
Investments	18,344	48,561	68,282	43,414	68,278	87,110	54,478	68,293	77,432	78,575
Net Current Assets	33,537	26,584	27,561	61,572	63,604	1,04,089	1,06,014	83,987	25,359	8,539
Total Capital Employed	1,13,880	1,61,087	1,80,493	1,85,972	2,12,758	3,19,851	3,13,007	3,02,248	2,60,597	2,35,930
Shareholders Funds	50,607	96,346	1,09,066	1,14,474	1,21,223	1,34,162	1,27,432	1,36,408	1,28,276	1,47,746
Borrowings	58,161	53,853	57,552	58,809	78,971	1,72,309	1,78,559	1,60,211	1,31,941	94,346
Deferred Tax Liability/ (Asset)	5,112	10,888	13,875	12,689	12,564	13,380	7,016	5,629	380	(6,162)
Total	1,13,880	1,61,087	1,80,493	1,85,972	2,12,758	3,19,851	3,13,007	3,02,248	2,60,597	2,35,930
Ratios										
Book Value per share (₹)	57	113	127	66	70	77	73	78	73	84
EPS (₹)	(1.86)	77.8	23.81	4.58	7.92	19.08	1.51	8.43	(5.21)	16.03
Dividend on Equity %	25	1,000	500	200	400	600	-	300	-	400

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

Notes : -

1. The equity shares of ₹ 2 each were subdivided into shares of ₹ 1 each with effect from December 24, 2010.
2. Haliyal and Sankili units of Parrys Sugar Industries Limited were merged with effect from April 1, 2012.
3. Sadashiva Sugars Limited was merged effective April 1, 2013.
4. Parry Phytoremedies Private Limited was merged effective April 1, 2014.
5. Parrys Sugar Industries Limited was merged with effect from April 1, 2016.

NOTICE

Notice is hereby given that the Forty Second Annual General Meeting of the Members of E.I.D.- Parry (India) Limited will be held on Friday, August 4, 2017 at 3.30 p.m. at The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600014 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

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

(a) Audited standalone financial statements of the Company for the financial year ended March 31,2017.

"Resolved that the audited standalone financial statements of the Company including the balance sheet as at March 31, 2017, the statement of profit and loss, the cash flow statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

(b) Audited consolidated financial statements of the Company for the financial year ended March 31, 2017.

"Resolved that the audited consolidated financial statements of the Company including the balance sheet as at March 31, 2017, the statement of profit and loss, the cash flow statement for the year ended on that date and the report of the Auditors thereon be and are hereby received, considered and adopted."

2. Confirmation of Dividend

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

"**RESOLVED THAT** the interim dividend of ₹ 4/- per equity share of ₹ 1 each declared by the Board of Directors on February 21, 2017 for the year 2016-17 on the outstanding equity shares of ₹ 1/- each of the Company and paid to those equity shareholders whose names appeared in the register of members as on March 6, 2017 being the record date fixed for that purpose be and is hereby confirmed."

3. Appointment of Director

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

"**RESOLVED THAT** Mr. V.Ravichandran (DIN: 00110086) 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."

4. 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, 142 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 thereof, for the time being in force), M/s. Price Waterhouse, Chartered Accountants, LLP (Firm Registration No. 012754N/N500016) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five years from the conclusion of this Annual General Meeting until the conclusion of the 47th Annual General Meeting of the Company, subject to ratification by the Members at every Annual General Meeting till the 47th Annual General Meeting, on a remuneration of ₹ 33,00,000/- (Rupees Thirty Three Lakh Only) for the Financial year 2017-18 and as may be decided by the Board on the recommendation of the Audit Committee for the subsequent years plus applicable taxes and reimbursement of out-of pocket expenses in connection with the audit."

SPECIAL BUSINESS

5. Appointment of Managing Director and payment of remuneration

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 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) and the Articles of Association of the Company, approval of the Company be and is hereby accorded to the appointment of Mr. S.Suresh as the Managing Director (DIN: 06999319) of the Company for a period of five years with effect from August 1, 2017 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination & Remuneration 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, in such manner and to such extent as may be agreed to by the Board and Mr. S.Suresh.

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."

6. **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 ₹ 10,10,000/- (Rupees Ten Lakh Ten Thousand only) plus applicable taxes and reimbursement of out of pocket expenses payable to M/s. Narasimha Murthy & Co., Cost Accountants (Firm Registration No.: 000042) for audit of the cost records of the Company for the financial year ending March 31, 2018 as approved by the Board of Directors of the Company, be and is hereby ratified."

7. **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, 71 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 ₹ 300 Crore (Rupees Three Hundred Crore), on private placement basis to 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 (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) 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,security, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

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

Place : Chennai
Date : May 18, 2017

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 Item Nos. 4 to 7 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 28, 2017 to Friday, August 4, 2017 (both days inclusive).

5. **The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting.** Information and instructions including details of user id and password relating to e-voting are provided in the Notice.

6. Members holding shares in electronic mode are requested to keep their e-mail addresses updated and intimate 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 Company's Registrar and Transfer Agent, M/s. Karvy Computershare Private Limited (Karvy), Karvy Selenium Tower B, Plot number 31 & 32, Financial District, 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 2009-10 (Interim 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 2009-10 (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 5th August, 2016 (date of last AGM) on the website of the Company (www.eidparry.com) and also on the website of the Ministry of Corporate Affairs.

10. In terms of Section 152 of the Companies Act, 2013, Mr. V.Ravichandran, Director retires by rotation at the Meeting and being eligible, offers himself for reappointment. Mr. S.Suresh was appointed by the Board as the Managing Director of the Company for a period of five years with effect from August 1, 2017. Details of Directors retiring by rotation / seeking appointment at the ensuing meeting are provided in the "Annexure" to the Notice pursuant to the provisions of (i) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

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 form SH-13 with Karvy. 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 Karvy .

13. Pursuant to Regulation 36 (1) & 44 of the Listing Regulations 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 e-mail to those shareholders whose e-mail addresses have been made available to the Company/ Depository Participants unless any member has requested for a hard copy of the same.

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. **Information on Remote e-voting & Insta-poll and other information :**

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 e-mail from Karvy [for Members whose e-mail 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, e-mail 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 Participant(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, 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 Tuesday, August 1, 2017 (9.00 A.M. IST) and ends on Thursday, August 3, 2017 (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 Friday, July 28, 2017, 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.

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. Friday, July 28, 2017.

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., Friday July 28, 2017, 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 scrutinizer to scrutinise the remote e-voting and voting at the AGM venue in a fair and transparent manner.

g. The scrutinizer after scrutinizing the votes cast at the meeting and through remote e-voting, will not later than 48 hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the company www.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 4, 2017.

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 Check-in 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., Tuesday, August 1, 2017 (9.00 A.M. IST) and ends on Thursday, August 3, 2017 (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 7 of the accompanying Notice:

Item No. 4

In terms of the provisions of Section 139 of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. The Act further prescribes that the Company has to comply with these provisions within three years from the commencement of the Act. M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai (Firm Registration No. 008072S), were appointed as the Statutory Auditors of the Company for a period of three years at the 39th AGM held on July 30, 2014 and the appointment was ratified at every AGM thereafter. In compliance with the provisions of the Act, the Company will have to appoint a new auditor in place of the retiring auditors. The Board of Directors have, at their meeting held on May 18, 2017, based on the recommendation of the Audit Committee, recommended the appointment of M/s. Price Waterhouse, Chartered Accountants, LLP (Firm Registration No. 012754N/N500016) as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of this AGM until the conclusion of the 47th AGM of the Company, subject to ratification by the Members at every year. None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions. The resolution as set out in item no. 4 of this Notice is accordingly commended for your approval.

Item No. 5

The appointment of Mr. S.Suresh as the Deputy Managing Director of the Company for a period of three years from July 1, 2016 was approved by the Members at the 41st AGM held on August 5, 2016.

Consequent to the approval of early retirement of Mr. V.Ramesh as the Managing Director w.e.f July 31, 2017,the Board at their meeting held on May 18, 2017, on the recommendation of the Nomination & Remuneration Committee, have approved the appointment of Mr. S.Suresh as the Managing Director of the Company for a period of five years with effect from August 1, 2017 on a remuneration as set out below subject to the limits prescribed under Schedule V of the Companies Act, 2013.

(i) Salary ₹ 2,59,555/- (in the range of ₹ 2,50,000/- to ₹ 8,00,000/-).

The annual increments which will be effective from July 1 every year will be decided by the Nomination & Remuneration Committee and the Board.

(ii) Allowances and Perquisites not exceeding 150% of the Salary

(a) Allowances shall include House Rent Allowance, Leave Travel Allowance, Special Allowance, Additional Special Allowance and/or any other allowance as determined by the Nomination & Remuneration Committee

(b) 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, leave encashment 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 & 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 the annual pay (at 100% achievement level) as may be determined by the Nomination & 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 Nomination & Remuneration Committee from time to time.

GENERAL

i. In the event of absence or inadequacy of profits in any financial year, subject to such approvals as may be required,the Company shall pay the above remuneration by way of salary, allowances, perquisites, incentive and retirement benefits to Mr. S.Suresh, Managing Director as may be determined by the Board or Nomination & Remuneration Committee, in terms of the Schedule V of the Companies Act, 2013.

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 will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

iv. Mr. S.Suresh will be subject to all other service conditions as applicable to any other senior management employee of the Company.

The appointment and remuneration of Mr. S.Suresh is subject to approval of the shareholders.

Brief Profile of Mr. S.Suresh

Mr. S.Suresh is a Mechanical Engineering Graduate with a Post Graduate Diploma in Industrial Engineering and a PGDM in Finance. He has 27 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. Mr. S.Suresh is not related to any other Director of the Company.

The Board recommends the Resolutions at Item No. 5 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. 5 of the Notice.

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s.Narasimha Murthy & Co., Cost Accountants (Firm Registration No.: 000042) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018. 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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

The Board recommends the Ordinary Resolution at Item No. 6 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

The members of the Company, at the previous AGM held on August 5, 2016, had passed a special resolution authorising the Board of Directors of the Company to offer or invite subscription for redeemable non-convertible debentures for an amount not exceeding ₹ 300 Crore in one or more tranches, on private placement. The said resolution is valid and effective for 1 (One) year from August 5, 2016. The members may note that the Company has not made any private placement of redeemable non-convertible debentures pursuant to the said authorisation

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed there under 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 for an amount not exceeding ₹ 300 Crore on private placement.

Accordingly, consent of the members is sought for passing the Special Resolution as set out at Item No. 7 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. 7 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. 7 of the Notice.

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

Place : Chennai
Date : May 18, 2017

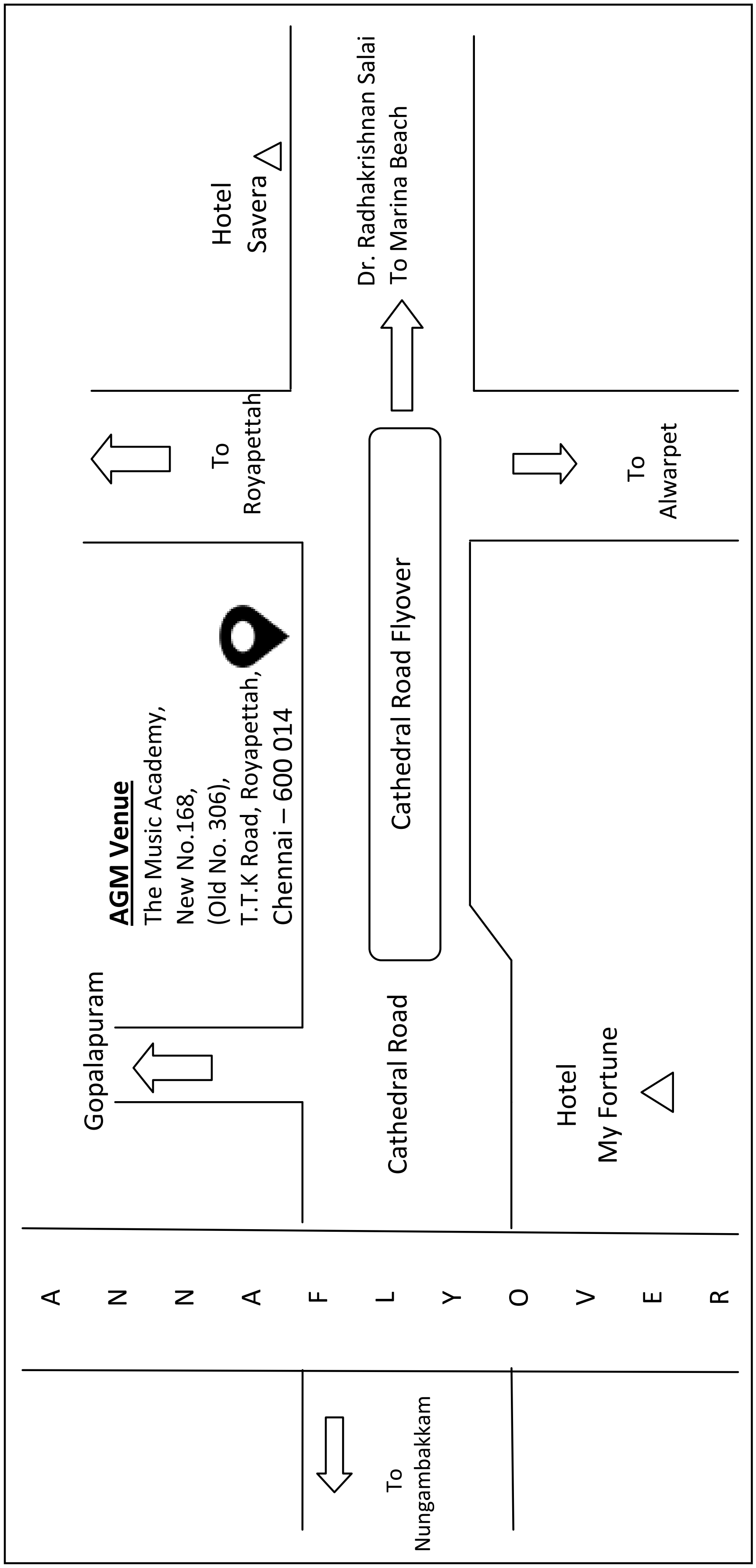
G.Jalaja
Company Secretary

ANNEXURE TO THE NOTICE DATED MAY 18, 2017
DETAILS OF DIRECTORS RETIRING BY ROTATION/SEEKING APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Particulars	Mr. V. Ravichandran	Mr. S.Suresh
Age	61	51
Qualification	Engineering Graduate and holds a Post Graduate Diploma in Management from IIM, Ahmedabad, a Cost Accountant and a Company Secretary.	Mechanical Engineering Graduate with a Post Graduate Diploma in Industrial Engineering and an MBA with specialization in Finance.
Experience (Including Expertise in specific functional Area / Brief Resume)	Vast experience mainly in the field of Finance and Marketing before moving to Coromandel International Limited he also headed the crop protection Business. During the period 2004-2010 he was the Managing Director / Whole time Director of Coromandel International Limited. Currently Mr. V.Ravichandran is Lead Director (Fertilizers and Sugars) on the Murugappa Corporate Board.	26 years of Experience across different industries in the areas of Sales and Marketing, Manufacturing, Industrial Relations, Supply Chain, Management of Special Projects, Industrial Engineering and Business Turnarounds.
Terms & Condition of appointment / reappointment	As per the resolution passed by the Shareholders at the Annual General Meeting held on July 28, 2010. Mr. V.Ravichandran was appointed as Non-Executive Director liable to retire by rotation.	As per the resolution at Item No. 5 of the Notice convening Annual General Meeting on August 4, 2017 read with explanatory statement thereto. Mr. S. Suresh is proposed to be appointed as Managing Director for five years.
Remuneration last drawn (including sitting fees)	Please refer point no. 4.4 of Corporate Governance Report	Please refer point no. 4.5 of Corporate Governance Report
Remuneration proposed to be paid	As per the existing terms and condition	As per the resolution at Item No. 5 of the notice convening Annual General Meeting on August 04, 2017 read with explanatory statement thereto.
Date of first appointment on the Board	October 30, 2009	July 1, 2016
Shareholding in the Company	Nil	Nil
Relationship with other Director / Key Managerial Personnel	Nil	Nil
Number of Meetings of the Board attended during the year	9	6
Directorships of other Boards	Coromandel International Limited Murugappa Holdings Limited Parry Infrastructure Company Private Limited Parry Sugars Refinery India Private Ltd Yanmar Coromandel agrisolutions Private Limited CFL Mauritius Limited US Nutraceuticals LLC Parry America Inc Foskor Pty Limited Alimtec SA	Parry Sugars Refinery India Private Ltd

Particulars	Mr. V. Ravichandran	Mr. S.Suresh
Chairmanship / Membership of Committees of other Boards	**Coromandel International Limited.** Member-Stakeholders Relationship Committee Member-Corporate Social Responsibility Committee **Parry Sugars Refinery India Private Ltd** Member-Nomination & Remuneration Committee Member-Loan Committee **Parry Infrastructure Company Private Ltd** Member-Audit Committee **Murugappa Holdings Limited** Member-Share Transfer & Investors Grievance Committee Member-Corporate Social Responsibility Committee	-

ROUTE MAP TO AGM VENUE



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

Dear Shareholders,

Your Directors have pleasure in presenting the Forty Second Annual Report together with the audited financial statements for the year ended March 31, 2017.

FINANCIAL PERFORMANCE

₹ in Crore

Particulars	Standalone		Consolidated	
	2016-17	2015–16	2016-17	2015–16
Gross Revenue	2631.21	2785.59	14825.70	15753.21
Profit Before Interest and Depreciation (EBITDA)	508.67	157.51	1584.96	1019.70
Depreciation	112.11	112.00	248.04	249.61
Profit Before Interest and Tax (EBIT)	396.56	45.51	1336.92	770.09
Finance Charges	139.91	167.10	417.32	451.20
Net Profit Before Tax	256.65	(121.59)	919.60	318.89
Tax - Expenses	(26.96)	**(29.48)**	211.35	143.67
Net Profit After Tax before minority interest	283.61	**(92.11)**	**708.25**	**175.22**
Minority Interest	-	-	**187.44**	**140.71**
Net Profit After Tax after minority interest	**283.61**	**(92.11)**	**520.81**	**34.51**
Balance of profit brought forward	85.90	155.59	(381.26)	(240.35)
Transfer from Debenture Redemption Reserve (Net)	33.33	40.00	19.17	40.00
Balance available for appropriation	**402.84**	**103.48**	**158.72**	**(165.84)**

Indian Accounting Standards (IND AS)

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable for the Company from April 1, 2016, with a transition date of April 1, 2015 and IGAAP as the previous GAAP.

The following are the areas which had an impact on account of transition to Ind AS :

- Business combination including recording of intangibles and deferred taxes and accounting for common control transactions
- Fair valuation of certain financial instruments
- Employee costs pertaining to defined benefit obligations
- Discounting of certain long-term liabilities
- Share based payments

The reconciliation and description of the effect of the transition from IGAAP to IND AS have been provided in Note 55 & 54 in the notes to accounts in the standalone and consolidated financial statements respectively.

Consolidated Operations

Consolidated Revenue of your Company for the year was ₹ 14,826 Crore 5.88% lower than ₹ 15,753 Crore in the previous year. Overall expenses for the year was ₹ 13,906 Crore as against ₹ 15,458 Crore in the previous year. Operating Profit (EBITDA) was ₹ 1,585 Crore as against ₹ 1,020 Crore in the previous year. Profit after Tax and minority interest for the year at ₹ 521 Crore, was ₹ 486 Crore higher over ₹ 35 Crore in the previous year.

Standalone Operations

Standalone Revenue of your Company for the year was ₹ 2,631 Crore, 5.56% lower than ₹ 2,786 Crore in the previous year. Operating Profit (EBITDA) was ₹ 509 Crore, as against ₹ 158 Crore in the previous year. Profit after Tax (excluding exceptional item) for the year was at ₹ 284 Crore as against loss after tax of ₹ 92 Crore for the previous year. Reduction of total debt is important to improve the Company's risk profile and increase sustained earnings. Total debt was reduced from ₹ 1,319 Crore as of March 2016 to ₹ 943 Crore in March 2017. This enabled the Company to reduce interest/finance charges to ₹ 140 Crore as compared to ₹ 167 Crore in the previous year.

Sugar

The improved performance of the Company was largely on account of better sugar prices, which have been on an upswing since August 2016, after touching all time lows in the previous two years. More than 90% of the Company's revenue comes from the sugar business and hence the sugar prices play a predominant role in determining the profitability of the Company. Higher profitability has been achieved notwithstanding lower cane crushed, lower sugar produced and sold as compared to the previous year, due to better sugar prices and a host of other initiatives taken by the Company to improve profitability.

Product Differentiation

In terms of sales and marketing, the Company has focussed on product differentiation and value addition to the customer to improve realizations. The Company is one of South India's leading suppliers of sugar to the Institutional segment. Currently the Company services varied sectors such as carbonated drinks, beverages, juices, confectionery, dairy, biscuits, ice creams, ketchups and Indian sweets across 15 States. The Company is also focussed on supplying sugar to the Pharma Industry which requires customised sugar to meet their specific product requirements. The Company has recently commenced sale of Bonsucro certified sugar, produced from sustainable sugarcane. Over 40% of Company's sugar volumes have been sold to the Institutional segment. The Company's retail product Amrit, a 100% original cane sugar product, with about ten times the nutrients as compared to normal sugar, is growing and is being extended to more towns in South India.

Manufacturing Excellence

The focus of the Company has been on driving cost optimisation across the entire conversion cost chain. Improvements in daily crush rate, better efficiencies on steam, energy and chemicals consumption besides reduction of total losses have all helped in maintaining and improving profitability. The ongoing TPM initiative at the Company's two Units will enable the Company to achieve Manufacturing Excellence in all its operations over the next few years. Safety has been on top of the agenda across all the Factories. Some of the areas covered under the Safety program include Standard Operating Procedure and work instructions for critical jobs such as working at heights, hot work, confined space entry and electrical work; more safety visuals and safety patrols; improved 1S & 2S; rigour in implementation of safety permit system and development of accident matrix with corrective actions. Sustainability initiatives implemented during the year include Zero Water Drawal from ground, river or canal; online monitoring of emission and effluent parameters; production of Potash fertiliser as part of "Waste to Wealth" initiative and conversion of Bio Methanated Distillery spent wash to Potash rich powder, to name a few. The technology of bagasse dryer system using flue gas for reducing the bagasse moisture has been perfected. Turbines at Nellikuppam and Haliyal were overhauled with specific focus on improving specific steam consumption. New concept such as Saturated Steam Turbine was commissioned at one plant. The Sankili Plant at Andhra Pradesh also commenced trial production of Ethanol from Sweet Sorghum grown by the farmers within the command area. The Nellikuppam refinery was upgraded to meet stringent pharma standards of production. The Company's Distillery at Nellikuppam is amongst the first in India to be given the permission to run for 350 days with a zero liquid discharge system in place. Continued improvements in quality and food safety of the products, across all the locations, have been another area of focus.

Sugarcane

Although the Company has benefited from improving sugar prices in the wake of lower sugar production, the sugarcane availability was a major concern for the year. Improved sugarcane availability is important for sustaining and growing the profitability of the sugar business. The lower sugarcane crush in Tamil Nadu was mainly on account of lower yield due to a very serious drought. Tamil Nadu, across many of its Districts, witnessed the lowest rainfall in 2016 in the last hundred years. The problems were further exacerbated due to non availability of water for irrigation from the Cauvery river. During the year under review, the cane crushed by the Tamil Nadu Plants was at 24.61 LMT as against 23.46 LMT in the previous year. The daily crush rate at 14291 TCD was better than the actual of 13340 TCD achieved in the previous year. The average recovery was at 8.89 % as against 9.14% in the previous year. The situation in AP was no different with much lower rainfall in 2016. In Karnataka too, the Company crushed less cane than the previous year due to lower yield because of a poor South West monsoon, combined with farmers diverting cane due to fear of perishals, if not harvested in time. In Karnataka / Andhra Pradesh, the overall cane crush came down from 32.43 LMT in the previous year to 19.83 LMT in the current year. While the average crush rates were maintained at about the previous year's levels, the number of crush days came down from 188 to 102, in Karnataka. The average recovery was at 10.75 % & 9.67 % in Karnataka & Andhra Pradesh as against 11.53 % & 9.37 % in the previous year respectively. During the year, the Sugar Units of the Company in Karnataka commenced operations earlier to ensure maximum crushing during the season but unauthorised cane poaching in the light of restricted cane availability, led to the Company losing cane to competition. This combined with lower yield resulted in early closure of the season.

The Company has launched a number of initiatives like cooperative farming, providing resources for drip and micro irrigation besides partnering the farmers through various activities such as trash shredding and mulching, foliar application of potash, supply of seed through a three tier nursery programme, intercropping, wider row spacing, gap filling, desilting of ponds, new varietal trials, release of bio control agents, mechanisation of agronomy practices, training programmes, village meetings, improved farmer connect, etc. to improve yield, reduce cost of cultivation and thereby improve the economic wellbeing of the farmers.

Sugarcane Price

For the Sugar Season 2016-17, the Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, fixed the sugarcane Fair & Remunerative Price (FRP) at ₹ 230/quintal for a basic recovery of 9.5% and a premium of ₹ 2.42 for every 0.1% increase in the recovery rate, as recommended by the Commission of Agricultural Costs and Prices (CACP). The Company has paid cane prices higher than FRP across all the three States. The Company is committed to provide a fair share of its revenue to the farmers. While the link between the revenue and the sugarcane price has been made possible in sugar season 2016-17, due to improved sugar prices, it is important and in the interest of both the farmers and mills that this umbilical link between the revenue and the sugarcane price is established and maintained going forward. The Central Government must continue the policy of a price stabilisation fund, which was in place with cess being collected on sale of sugar from February 1, 2016. This will ensure that the farmer gets a minimum price protection by way of FRP a bonus by way of Revenue Sharing Formula when sugar prices are higher and payment of FRP including contributions from the price stabilisation fund, when sugar prices are lower. Unarguably, this is the only way in which cane price arrears can be avoided in a cyclical industry like sugar during downtimes.

All India Sugar Production and Government Policies

The Sugar Industry has witnessed challenging times with volatile sugar prices over the two previous sugar seasons, ending sugar season 2015-16. This was mainly because sugar production on an all India basis continued to outstrip sugar consumption levels over previous five consecutive sugar seasons. With mounting stocks, the sugar prices started declining from May, 2015. However, the situation changed in sugar season 2016-17 with Indian sugar production estimated at 20.3 million tonnes and over all consumption at about 24 million tonnes. The decline in sugar production in 2016-17 can be primarily attributed to drought and consequently, lower sugarcane in the States of Maharashtra and Karnataka. The Government at the Centre has played a key role in turnaround of the fortunes of the Sugar Industry. It swiftly responded and introduced various actions and measures to alleviate the problems of mounting cane arrears and poor financial performance of the sugar mills. In the previous year, the Government introduced measures like soft loan schemes, production subsidy, mandatory export and Ethanol blending programmes to improve the profitability of the sugar mills and speed up cane payments to the farmers. Once the sugar prices improved to the desired levels, the Government reacted promptly with imposition of stock holding limits at the trader level and mill level, withdrew production subsidy, imposed export duty and withdrew the excise benefit on ethanol supply for blending. It also brought in changes in metrology rules and empowered itself to fix the retail prices of essential commodities. The Government of Karnataka also pitched in by waiving purchase tax on sugarcane in the financial year 2016-17, provided the Mills cleared their cane arrears of previous years by June 30, 2017 and also undertook to pay a part of the disputed cane price pertaining to SY 2013-14.

Bio Pesticides

During the year, the Bio Pesticides division of the Company was severely impacted by significant increase in neem seeds price from previous year levels due to season failure across southern India combined with increased competition. This unprecedented price increase has adversely impacted the profitability resulting in 45% drop in operating profits in spite of 22% growth in revenue over previous year. To mitigate the risks relating to the seeds availability, the business has taken measures over short term and long term horizon. The Company expects that these measures would bring stability in the operations of the business. 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. As a critical part of the future ready strategy for growth, work is in progress to foray into the 'Microbial segment'. The Company has undertaken a detailed study across the globe, on major crop pest problems and identified the critical ones for which it would work to identify patentable microbial solutions. Major factors such as toxicity, safety to users and consumers, eco friendliness, sustained and assured protection, low/no pre-harvest interval etc., are the objectives that Parry's Bio Products division envisages to achieve through its vision of being a Global Bio Products Business offering Organic solutions for Sustainable Crop Protection and Growth.

Nutraceuticals

During the year, overall sales of premium Organic Spirulina increased by 22% over previous year mainly due to improved sales in European market where premium quality continues to be valued. Spirulina production from the new Greenfield unit established at Saveriarpuram, Tamilnadu had commenced during Q4 of previous year and stabilised well during the year. The Nutraceuticals Division had made investments during the year to stabilize the Chlorella production process by achieving 20 MT production. Further investments are committed for process improvements and scale up of Chlorella volumes in the next financial year. The division has received the U.S. Food and Drug Administration (US-FDA) approval for its Oonaiyur facility for organic microalgae cultivation and processing. It is a testament to the Company's on-going commitment to maintaining superior quality systems. This approval will further enhance the Company's reputation as a leader in micro-algal technology. During the current year, Parry's Spirulina received R.A.W and C.L.E.A.N certification from Integrated systems, USA.

Alimtec SA, Chile which was acquired by the company in 2014 is shaping well and recorded 64% growth in production volumes during the year. Further, the business has invested in a window dryer during the year to improve the production quality. We expect this investment to yield desired results in Alimtec's performance during the next financial year.

US Nutraceuticals LLC, our USA based subsidiary has achieved a sales of USD 23.8 MN during the current year against USD 25.8 MN of previous year. Sales of formulation products has shown a degrowth of 24% over previous year. The company has been investing in clinical trials for developing new formulations. We expect these investments would improve the Company's performance in the next financial year.

Dividend And Reserves

During the year, the Company paid an interim dividend of ₹ 4/- (400%) per equity share of ₹ 1/- each in March, 2017.

The company has not transferred any amount to the reserves for the year ended March 31, 2017.

Amalgamation of Subsidiary

The Scheme of Amalgamation of Parrys Sugar Industries Limited, a subsidiary with the Company was approved by the NCLT, Chennai Bench on April 21, 2017. Similarly the Petition of Parrys Sugar Industries Limited was approved by the NCLT, Bengaluru Bench vide its Order dated April 21, 2017. Consequent to filing of the certified order copies along with the Scheme with the respective Registrar of Companies on April 25, 2017, the Scheme became effective from April 25, 2017 with appointed date of April 1, 2016.

Share Capital

The Paid up Equity Share Capital of the Company as on March 31, 2017 was ₹ 17.59 Crore. During the year under review, the Company allotted 56,014 equity shares on exercise of stock options under ESOP Scheme, 2007.

Consequent to the Scheme of amalgamation of Parrys Sugar Industries Limited (PSIL) with the Company becoming effective, the share capital will increase to ₹ 17.69 Crore after allotment of shares to the shareholders of PSIL in accordance with the said Scheme.

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, Joint ventures and Associates are given in **Annexure-A** to this Report.

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.

Performance of Business Segment

Sugar

During the year, the sugarcane crush dropped from 55.90 LMT in the previous year to 44.44 LMT in 2016-17. The overall recovery also dropped from 10.30 % in 15-16 to 9.61 % in 2016-17, largely because of lower sugarcane crushed in Karnataka. Lower sugarcane crushed as stated, is largely on account of drought conditions leading to lower yield across all the three Southern States of Tamil Nadu, Karnataka and Andhra Pradesh and diversion of cane to competition in Karnataka. Consequently the sugar production was lower at 4.33 LMT this year. The Company sold 4.78 LMT during the year. The Company however maintained the sales to Institutions at about the same volumes as in the previous year, while improving on the retail volumes. The average realization of sugar was up from ₹ 24.80 /Kg. in 2015-16 to ₹ 34.30 /Kg. in 2016-17. The higher sugar prices along with focus on product differentiation and Manufacturing Excellence programmes resulted in improved profitability of this segment.

Power

The Cogen Units in TN generated 3,006 Lakh Units as against 3,284 Lakh Units of the previous year. With the overall power situation improving dramatically this year and with inter-connection of grids, power tariff rates dropped and the Company entered into a short term power supply arrangement with the Tamilnadu Government Electricity Utilities in December 2016.

The Karnataka and Andhra Pradesh Units generated 2,533 Lakh Units as against 3,237 Lakh Units in the previous year. Along with the other Mills of the Karnataka Sugar Industry, a five year Power Purchase Agreement was entered into by the Bagalkot and Haliyal units with the Karnataka Government Electricity Utilities in January 2017.

Distillery

With own and bought-out molasses, the two Distilleries in Tamilnadu ran for over 330 days on an average and recorded highest production to-date of distillery products. The Company produced 708 LL of Alcohol during the year as against 657 LL of Alcohol during the previous year, an increase of over 8%. The Company completed the process of expansion of its Ethyl Neutral Alcohol production facility from 30 KLPD to 75 KLPD at Nellikuppam. The Company supplied over 5% of Ethanol used by the Oil Marketing Companies in South India for blending with petrol in 2016-17. Consequent to higher production / sales volumes and improved realisations of the distillery products, the division registered an increase in both revenue and operating profits during the year 2016-17.

Bio-Pesticides

The Bio-Pesticides Division registered a revenue of ₹ 122 Crore as compared to ₹ 100 Crore in the previous year, accounting for 5% of the Company's revenue. The sale of Aza Products registered a growth of 15% over 2015-16. Export sale of Neemazal Technical registered a growth of 17% over 2015-16. USA accounted for 63% of Export sales, while Europe and Asia accounted for 33% and 4% respectively. Domestic sales registered a growth of 22% over 2015-16 enabled by growth of Aza & Non Aza products by 10% & 31% respectively. PBIT for the year was at ₹ 14.7 Crore against ₹ 26.73 Crore in 2015-16. Parry America Inc, wholly owned subsidiary of the Company, registered sales of ₹ 57 Crore with 12% growth over previous year. On a consolidated basis the Bio-Pesticides Business registered a revenue of ₹ 123 Crore in 2016-17 as compared to ₹ 107 Crore in the previous year, registering 22% growth over previous year.

Nutraceuticals

The Nutraceuticals Division's standalone revenue was at ₹ 71 Crore in 2016-17 as compared to ₹ 77 Crore of previous year representing 3% of the Company's revenue. About 84% of this represents exports. US Nutraceuticals LLC registered sales of ₹ 163 Crore which represents a degrowth of 6% over the previous year. Alimtec SA registered sales of ₹ 11 Crore as compared to ₹ 4 Crore in the previous year. On a consolidated basis the Nutraceutical Business registered revenue of ₹ 228 Crore as compared to ₹ 240 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.

Awards & Recognitions

During the year, the Company was selected in 2016 as the best performing Company and winner in the sugar sector by Dun & Bradstreet, for the second year in running. Dun & Bradstreet has endeavoured to provide the top Indian Companies a global platform through its publication of India's top 500 Companies to recognise exemplary performance in the Corporate World. Further, the Company received a special recognition at the National level in May 2017 for its "Commitment to Engagement" as part of the Aon Best Employers India 2017.

At the National level Energy Conservation Contest organized by the Confederation of Indian Industry, the Company's Nellikuppam factory was certified as an "Excellent Energy Efficient Unit" and Pudukottai factory was certified as an "Energy Efficient Unit". Both Nellikuppam and Pudukottai Units received this award for the second and third time respectively in the last four years. The Pudukottai Unit also received first prize for Jishu Hozen activities at the National Level TPM Circle Competition.

The Nellikuppam factory received an Award for "Best Overall Performance of the Sugar Mill" from a Sugar Manual Magazine and Haliyal Cogen Plant was awarded as the "Best Safe Power Boiler" in Karnataka State by the Government of Karnataka. Further, the Plants at Nellikuppam, Sivaganga, Sankili, Haliyal and Bagalkot won 10 Awards from South India Sugarcane and Sugar Technologies Association (SISSTA) under the heads of "Best Distillery", "Best Technical Efficiency" "Best Sugarcane Development", "Best Cogeneration" and "Best By-products" .

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, 2017, 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, 2017 and of the profit 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 and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors And Key Managerial Personnel

Mr. S.Suresh was appointed as Deputy Managing Director of the Company for a period of three years as approved by the members on August 5, 2016.

Mr. V.Ramesh was re-appointed as Managing Director of the Company for a period of one year with effect from January 30, 2017 as approved by the members by way of postal ballot on January 23, 2017.

Mr. Anand Narain Bhatia, independent Director, who was appointed on July 30, 2014 for a period of three years would be retiring on July 29, 2017.

The Board of Directors accepted the request of Mr. V.Ramesh, Managing Director seeking early retirement and accordingly Mr. V.Ramesh would be retiring from the position of Managing Director as well as Director of the Company on the close of the business hours of July 31, 2017.

Consequent to the early retirement of Mr. V. Ramesh as the Managing Director w.e.f July 31, 2017, the Board at their meeting held on May 18, 2017, on the recommendation of the Nomination & Remuneration committee (NRC) appointed Mr. S.Suresh, the Deputy Managing Director as the Managing Director of the Company for a Period of five years w.e.f August 1, 2017. His appointment will be subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Board wishes to place on record its appreciation for the valuable contribution made by Mr Anand Narain Bhatia and Mr V Ramesh during their tenure as Independent Director and Managing Director respectively.

As per the provisions of section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. V.Ravichandran, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment and the requisite details in this connection is contained in the notice convening the meeting and the Corporate Governance Report.

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 (Listing Regulations).

Mr. V.Ramesh, Managing Director, Mr. S.Suresh, Deputy 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

Nine 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 Companies Act, 2013 and Listing Regulations, 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 NRC 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 available on the Company's website at http://www.eidparry.com/investors/Policies-Codes.

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 ensuing 42nd Annual General Meeting.

The Board of Directors have recommended the appointment of M/s Price Waterhouse, Chartered Accountants, LLP (Firm Registration No. 012754N/N500016) as Statutory Auditors of the Company in place of M/s. Deloitte, Haskins & Sells, Chartered Accountants, for a term of five years from the conclusion of 42nd Annual General Meeting till the conclusion of 47th Annual General Meeting for the approval of the shareholders of the Company based on the recommendation of the Audit Committee. Written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the provisions of section 139(1) of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received

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. Narasimha Murthy & Co, Cost Accountants, as the Cost Auditors to audit the cost accounting records maintained by the Company for the financial year 2017-18 on a remuneration of ₹ 10,10,000/- plus applicable tax 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 of the earlier Cost Auditor M/s. Geeyes & Co for the financial year 2015-16 was filed with the Ministry of Corporate Affairs on September 1, 2016. The cost audit report of M/s. Geeyes & Co for the financial year 2016-17 would be filed with the Ministry of Corporate Affairs on or before September 30, 2017 as per the provisions of the Companies Act, 2013.

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 2016-17. The Report of the Secretarial Auditors is provided in **Annexure-B** 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 budgets 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. As per Regulation 21 of the Listing Regulations, 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 2016-17. However, the Company has been actively involved in various CSR activities and an amount of ₹ 88.04 Lakh was spent during the year. The Annual Report on CSR activities is given in **Annexure-C** to this Report.

During the year, the Company has bagged the National CSR award under the category of "Best Overall Excellence in CSR" in National CSR Leadership Congress & Awards 2016.

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 review 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/investors/Policies-Codes.

Employee Stock Option Scheme

The Company has introduced Employee Stock Options scheme,2016 during the year 2016-17 as approved by the shareholders. The details of the Options granted upto March 31, 2017 and other disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the Company's website at www. eidparry.com.

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 Statutory 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.

Transfer to the Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further according to the Rules, the shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirements of the IEPF rules, details of which are provided on our website, at http:// www.eidparry.com/investor/Unpaid-Unclaimed-Dividend.

During the year, the Company has transferred an amount of ₹ 1,07,39,159/- being the unclaimed dividend for the year 2008-09 (Interim and final) and 2009-10 (Interim) to the Investor Education and Protection Fund established by the Central Government.

Adoption of new Articles of Association

The Ministry of Corporate Affairs (MCA) notified most of the sections of the Companies Act, 2013 ("the Act") which replace the provisions of the Companies Act, 1956. The MCA also notified the rules pertaining to the further notified sections. In order to bring the Articles of Association (AOA) of the Company in line with the provisions of the Act, the Company recommended that the members adopt a comprehensive new set of the Articles of Association of the Company ('new articles') in substitution of the existing AOA. The resolution to adopt the new articles was passed by the requisite majority by the members of the Company through a Postal Ballot and the result was announced on January 23, 2017. The new articles are available on the website of the Company. (http://www.eidparry.com/investors/AOA-MOA)

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.

Business Responsibility Report (BRR)

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for top 500 listed entities based on market capitalisation. In compliance with the Listing Regulations, the BRR forms part of this Annual Report.

Dividend Distribution Policy

Pursuant to Regulation 43A of the Listing Regulations, the top 500 listed Companies shall formulate a Dividend Distribution Policy. Accordingly the policy was adopted by the board at its meeting held on February 07, 2017 to determine the distribution of dividend to its shareholders and / or retaining the profits earned by the company. The policy is available on the Company's website at www.eidparry.com/investors/Policies-Codes.

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- D** to this Report.

Loans, Guarantees And Investments

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 2016-17.

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

Credit Rating

During the year, rating agency CRISIL has reaffirmed its credit rating to the Company's Long term Bank facilities and Debt Programmes to 'CRISIL A+ / Stable' and the "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, 2017 are given in **Annexure - F** to this Report.

Extract of Annual Return

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

The Managing Director and the Deputy Managing Director of the Company do 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, farmers, suppliers, employees, government authorities, banks and other business associates.

On behalf of the Board

Place : Chennai
Date : May 18, 2017

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

₹ in Lakh

S.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-17	-	2,917	278,276	575,105	856,298	1,023,868	71,186	23,508	47,678	17,552	33,419	60.74
2	Parry Chemicals Limited	INR	31-Mar-17	-	1,000	593	3	1,596	111	52	18	34	-	-	60.74
3	CFL Mauritius Ltd	USD	31-Dec-16	67.93	10,281	8,797	12	19,090	-	(25)	-	(25)	-	18,818	60.74
4	Coromandel Brasila Ltda	BRL	31-Dec-16	20.89	471	(605)	153	19	134	(10)	-	(10)	-	-	60.74
5	Sabero Europe BV	EURO	31-Mar-17	69.12	19	(21)	2	-	-	-	-	-	-	-	60.74
6	Sabero Australia Pty Ltd	AUD	31-Mar-17	49.49	41	(44)	4	1	10	5	-	5	-	1	60.74
7	Sabero Organics America SA	BRL	31-Dec-16	20.89	888	(595)	131	424	170	(94)	1	(95)	-	-	60.73
8	Sabero Argentina SA	ARS	31-Dec-16	4.29	18	(17)	-	1	9	-	-	-	-	-	57.70
9	Parry Infrastructure Co. Pvt Ltd	INR	31-Mar-17	-	500	1,434	1,254	3,188	191	33	-	33	-	1,689	100.00
10	Parrys Investments Limited	INR	31-Mar-17	-	180	67	4	251	10	9	-	9	-	250	100.00
11	Parry America Inc	USD	31-Mar-17	64.88	38	1,508	2,029	3,575	5,745	623	165	458	-	-	100.00
12	Parrys Sugar Limited	INR	31-Mar-17	-	150	134	1	285	21	21	-	21	-	285	100.00
13	US Nutraceuticals LLC	USD	31-Mar-17	64.88	9,265	(2,323)	3,909	10,851	16,328	288	-	288	-	817	93.52
14	Parry Agrochem Exports Ltd	INR	31-Mar-17	-	5	23	1	29	2	2	-	2	-	28	100.00
15	Parry Sugars Refinery India Pvt Ltd	INR	31-Mar-17	-	27,073	(22,693)	179,468	183,848	187,843	1,416	-	1,416	-	3,044	100.00
16	Alimtec S A	CHP	31-Mar-17	0.10	5,176	(2,778)	942	3,340	1,099	(264)	-	(264)	-	-	100.00
17	Coromandel Agronegocious De Mexico S.A De C.V.	MXN	31-Dec-16	3.28	29	63	284	376	1,068	44	-	44	-	-	60.74
18	Liberty Pesticides and Fertilisers Ltd	INR	31-Mar-17	-	75	167	10	252	17	17	5	12	-	-	60.74
19	Dare Investments Ltd	INR	31-Mar-17	-	500	368	109	977	-	(1)	-	(1)	-	971	60.74

* (Non-current liabilities + Current liabilities)
# (Non-current assets + Current Assets)

PART B: JOINT VENTURE & ASSOCIATES

Name of the Entity	Coromandel SQM (India) Pvt. Ltd.	Yanmar Coromandel Agrisolutions Pvt. Ltd.	Sabero Organics Phillipines Asia Inc.	Labelle Botanics LLC
Relationship	Joint Venture	Joint Venture	Associate	Associate
Latest audited balance sheet	March 31, 2017	March 31, 2017	December 31, 2016	March 31, 2017
Number of shares held	5,000,000	13,004,000	320	NA
Amount of Investment (₹ in lakh)	500	1,300	*	817
% of shareholding	30.37	24.30	24.14	45.82
Networth attributable to the Company (₹ in lakh)	977	724	*	490
Profit/(loss) considered in consolidation (₹ in lakh)	182	(248)	*	97

*less than a lakh

Notes:
1. All the joint ventures/associates have been considered for consolidation.
2. During the year, Coromandel Getax Phosphates Pte Limited was consolidated upto September 08, 2016.
3. Sabero Organics Philippines Asia Inc. did not have any significant operations during the year 2016-17. There is significant influence due to percentage of voting share capital.

For and on behalf of Board of Directors

V.Ramesh
Managing Director

A.Vellayan
Chairman

Place : Chennai
Date : May 18, 2017

G.Jalaja
Company Secretary

V.Suri
Chief Financial Officer

ANNEXURE - B TO THE BOARD'S REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
E.I.D.- Parry (India) Limited,
CIN :L24211TN1975PLC006989,
"Dare House", Parrys Corner, Chennai – 600001

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") having its Registered Office at "DARE HOUSE", Parrys Corner, Chennai – 600 001. 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, 2017 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, 2017 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(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 Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 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 Employee Stock Option Plan, 2016 approved under the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Employee Stock Option Scheme, 2007 approved under the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) During the period under review, the Company has not issued any debentures and hence the compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 is not applicable;

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, 1966
- 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
- Industrial (Development & Regulation) Act, 1951
- 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, Customs Act, VAT Act, Central Sales Tax, Service Tax, etc., 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.

(ii) The Uniform Listing Agreement entered with BSE Limited and the National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 which are convened at shorter notice and agenda / notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meeting 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 were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting including the resolutions passed through Postal Ballot and the minutes of the meeting convened pursuant to order of the Hon'ble High Court of Judicature at Madras, the number of votes cast against the resolutions has been recorded.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion that 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 the approval of the Shareholders by way of Postal Ballot in respect of the following:

- Approval under Section 14 of the Act for amending the existing Articles of Association ('AOA') of the Company with the adoption of new set of AOA in alignment with the provisions of the Act.

- Approval under Section 62(1)(b) of the Act for the E.I.D.-Parry (India) Limited Employee Stock Option Plan 2016 ('ESOP 2016') and grant of Stock Options to employees of the Company and its subsidiaries under the ESOP 2016

- Approval for re-appointment of Mr. V.Ramesh as the Managing Director for a period of one year with effect from 30thJanuary, 2017.

b) Obtained the approval of the Board at their meeting held on 10th May, 2016 for the scheme of amalgamation of Parrys Sugar Industries Limited with the Company and convened a meeting of the equity shareholders of the Company pursuant to the order of the Hon'ble High Court of Judicature at Madras.

c) Obtained the approval of the Board of Directors at their meeting held on 21st February, 2017, for making investments ₹ 90 Lakh in the Equity Shares of Parrys Investments Limited, a wholly owned subsidiary at par.

d) Obtained the approval of the Board of Directors at their meeting held on February 21, 2017, for conversion of an existing investment of ₹ 141 Crore in the Redeemable Preference Shares in Parry Sugars Refinery India Private Limited (PSRIPL) into equity shares of PSRIPL at ₹ 13.50 per share and waiver of the entitlement for the dividend on the preference share capital up to the date of conversion into equity shares.

e) Obtained the approval of the Board of Directors at their meeting held on March 30, 2017 for acquiring 1.84090 % Class B membership Units in US Nutraceuticals LLC ("US Nutra") for a consideration of USD 331,000 (USD Three Hundred Thirty One Thousand only) and 4.63910 % Class B membership Units in US Nutraceuticals LLC from the existing members for a consideration of USD 835,400 (USD Eight Hundred Thirty Five Thousand Four Hundred only).

We further report that subsequent to the audit period and before signing of this report, the company has obtained order from The National Company Law Tribunal, Division Bench, Chennai sanctioning the Scheme of Amalgamation between Parrys Sugar Industries Limited with E.I.D.- Parry (India) Limited under Section 391 to 394 of the Companies Act, 1956 and corresponding Sections 232 to 234 of the Companies Act, 2013 on 21st April, 2017. As per the information and on verification of records, the company and the transferor company have filed necessary forms with the Registrar of companies along with the certified true copy of the order and the scheme become effective from 25th April, 2017 with the appointed date of 1st April, 2016. Consequently the transfer of whole of the undertaking etc of the transferor company viz Parrys Sugar Industries Limited have been given effect in the financial statements of the company for the year ended 31st March, 2017.

For R.Sridharan & Associates
Company Secretaries

Chennai
18 May, 2017

CS R.Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

ANNEXURE - C TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

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) believes 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/ (loss) of the company for last three financial years (excluding dividend received from subsidiary Company): ₹ (9840)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: ₹ 88.04 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 1. Local area or other 2. Specify the State and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or Programmes Sub-heads: 1. Direct Expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Support for Education	Education	Tamil Nadu – Nellikuppam, Cuddalore District	2.00	1.56	1.56	Direct
2.	Infrastructure Development	Social Infrastructure	Tamil Nadu – Nellikuppam, Cuddalore District	3.00	7.29	7.29	Direct
3.	Support for Education	Education	Tamil Nadu – Pugalur Cuddalore District	4.60	0.20	0.20	Direct
4.	Infrastructure Development	Social Infrastructure	Tamil Nadu – Pudukottai, Trichy District	6.40	6.50	6.50	Direct
5.	Medical Camp for local villages	Health Care	Tamil Nadu – Pudukottai, Trichy District	-	0.17	0.17	Direct
6.	Infrastructure Development	Social Infrastructure	Tamil Nadu – Pettaivaithalai, Trichy District	2.00	0.12	0.12	Direct
7.	Infrastructure Development	Social Infrastructure	Tamil Nadu – Sivaganga District	11.00	-	-	Direct

Sl. No.	CSR project or Activity identified	Sector in which the Project is covered	Projects or programmes 1. Local area or other 2. Specify the State and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or Programmes Sub-heads: 1. Direct Expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
8.	Support to Local Balawadi School	Education	Karnataka – Haliyal, Uttar Kannada District	3.95	3.20	3.20	Direct
9.	Mobile Health Van Facility	Health Care	Karnataka – Haliyal, Uttar Kannada District	35.00	29.00	29.00	Implementing Agency AMM Foundation
10.	Infrastructure Development	Social Infrastructure	Karnataka – Haliyal, Uttar Kannada District	-	9.51	9.51	Direct
11.	Infrastructure Development	Social Infrastructure	Karnataka – Ramdurg District	2.00	-	-	Direct
12.	Medical Camp for Villages	Health Care	Karnataka – Bagalkot District	0.50	0.10	0.10	Direct
13.	Promotion of Sports	Education	Karnataka – Bagalkot District	1.00	1.00	1.00	Direct
14.	Mobile Health Van Facility	Health Care	Andhra Pradesh – Sankili, Srikakulam District	25.00	18.69	18.69	Implementing Agency, Helpage India
15.	Support for Education	Education	Andhra Pradesh – Sankili, Srikakulam District	10.00	10.59	10.59	Direct
16.	Infrastructure Development	Social Infrastructure	Andhra Pradesh –Kakinada	13.00	-	-	Direct
17.	Support for medical and water facility	Health Care and Social Infrastructure	Tamil Nadu - Oonaiyur Pudukottai District	1.60	-	-	Direct
18.	Flood Relief	Social Infrastructure	Tamil Nadu – Nellikuppam, Cuddalore District	-	0.11	0.11	-
	Total			**121.05**	**88.04**	**88.04**	

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	**V. Ramesh**	**V.Manickam**
May 18, 2017	**Managing Director**	**Chairman, CSR Committee**

ANNEXURE - D TO THE BOARD'S REPORT

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

A. CONSERVATION OF ENERGY

Energy conservation Initiatives:

The Company's focus on energy and resource conservation has made its 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.

Thermal Energy Conservation:

- Direct Contact Heaters and Wide Gap Plate heat exchangers are extensively deployed for reduction in steam% cane.
- The technology of Bagasse dryer system using flue gas for reducing the Bagasse moisture (which in-turn helps in improving the steam fuel ratio of the boiler by 10%) has been perfected with 100% throughput.
- The turbines at Nellikuppam and Haliyal were overhauled with specific focus on improving the Specific steam consumption.
- A saturated steam turbine of 720 KW was commissioned .

Electrical Energy Conservation:

- AC variable frequency drives were extensively deployed across all sections to cut down the energy conservation.

B. TECHNOLOGY ABSORPTION

(1) The efforts made towards technology absorption and benefits derived:

Resource conservation is taken on top priority and the Ramdurg unit demonstrated recycle of effluent after treatment and achieved Zero water drawl from river/borewell for operation of the plant. A combination of conventional treatment followed by Ozonation technology enabled the plant to achieve this breakthrough.

For sugar condensate treatment and recycle of treated condensate as feed to high pressure boilers, pilot plant trials have been taken successfully using MBR (Moving Bed Reactor) technology and this will be deployed at Nellikuppam during FY 2017-18.

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

The Company has initiated work with a Bio Technology firm at USA for the development of high efficiency yeast culture for the production of Ethanol .

The objective is to achieve higher fermentation efficiency and reduction in effluent load at distilleries.

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

	2016 – 17	2015 – 16
Foreign exchange earned	14,552	25,154
Foreign exchange outgo :		
(i) Towards expenditure	754	785
(ii) Towards dividend	9	3

ANNEXURE - E TO THE BOARDS REPORT

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

DETAILS OF LOAN GIVEN

₹ in Lakh

Name of the entity	Alimtec S.A
Loans outstanding as on 1st April, 2016	265
Loan given during the year	-
Loans repaid including foreign exchange difference during the year	(135)
Converted into Equity Shares during the year	-
Converted into Preference Shares	-
Loans outstanding as on 31st March, 2017	130
Purpose for the loan given	Expansion & working capital requirement

DETAILS OF GUARANTEES PROVIDED

Name of the entity	Parry Sugars Refinery India Private Limited	
Particulars	**Amount (₹ In Lakh)**	**Purpose**
	Long Term guarantee	
Guarantee given to Debenture Trustee - IDBI Trusteeship Services Limited	30,000	Issue of Debentures for repaying the high cost loans availed by Parry Sugars Refinery India Private Limited
Guarantee given to Debenture Trustee - IDBI Trusteeship Services Limited	6,000	Issue of Debentures for repaying the high cost loans availed by Parry Sugars Refinery India Private Limited
	36,000	
Name of the entity	**Alimtec S.A**	
Particulars	**Amount (₹ In Lakh)**	**Purpose**
	Long Term guarantee	
Standby Letter of Credit (USD 1.4 Million) to BANCO DE CHILE	908	Capital expenditure and working capital requirement.

DETAILS OF INVESTMENTS

The details of investments made by the Company have been given in Note no. 5 & 6 of the Standalone Annual Accounts

ANNEXURE - F 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	Designation	Ratio
Mr. A. Vellayan	Chairman	37.93
Mr. V. Ravichandran	Vice-Chairman	4.28
Mr. V Ramesh	Managing Director	55.08
Mr. S. Suresh*	Deputy Managing Director	22.21
Mr. Anand Narain Bhatia	Director	4.49
Mr. V. Manickam	Director	3.91
Mr. M. B. N. Rao	Director	4.32
Dr. Rca Godbole	Director	4.36

*for part of the year

The median remuneration of employees of the Company during the Financial year 2016-17 was ₹ 2,69,589

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

NAME	Designation	% increase in remuneration
Mr. A.Vellayan	Chairman	NA
Mr. V.Ravichandran	Vice Chairman	NA
Mr. V.Ramesh	Managing Director	3.25
Mr. S. Suresh*	Deputy Managing Director	NA
Mr. Anand Narain Bhatia	Director	NA
Mr. V. Manickam	Director	NA
Mr. M.B.N.Rao	Director	NA
Dr. Rca Godbole	Director	NA
Mr. V. Suri	Chief Financial Officer	0.34
Ms. G.Jalaja	Company Secretary	7.92

* Mr. S. Suresh was appointed as Deputy Managing Director effective from July 1, 2016

(a) The remuneration to the Non-Executive Directors includes sitting fees paid for attending the Board/Committee meetings and provision for commission made in the financial year 2016-17 There was no increase in Sitting fee per meeting during the year. The actual sitting fee is based on the number of meetings attended by the Director.

(b) No commission was paid in the year 2015-16 due to inadequate profits and hence the remuneration for the year is not comparable with the year 2015-16.

(3) The percentage increase in the median remuneration of employees in the financial year: 16.89 %

(4) The number of permanent employees on the rolls of Company: 2740

(5) The increase in the average salary of the employees is 13.75. % as compared to increase in the managerial remuneration which is 25.02%.

(6) The Company affirms that the 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.

Name/(Age)	Designation of the Employee/ Duties	Remuneration (₹)	Qualification/ Experience (Years)	Date of Commencement of Employment	Previous Employment
Mr. Baburaj L K (51)	Business Head-Bio Products	41,65,214	M.Sc Agriculture (26)	February 21, 2005	Dow Agro Sciences
Ms. Jalaja G (59)	Company Secretary	71,37,427	B.Com, ACA, FCS (33)	August 5, 1983	Aicam Engg Private Limited
Mr. Kannan T(53)	Vice President Operations - Karnataka	42,43,808	B.Sc Chemistry, M.Sc Chemistry, Sugar Technology (29)	August 20, 2010	Sri Chamundeshwari Sugars
Mr. Manoj Kumar Jaiswal (53)	Executive Vice President - Management Development Centre	96,18,860	M.Sc., MBA (27)	August 19, 2008	Infosys Technologies Limited
Mr. Raghuram R (48)#	Associate Vice President - Commercial	42,72,967	B.E Mechanical Engineering, M.B.A Production/Industrial (24)	July 09, 2010	Rajshree Sugars & Chemicals Ltd
Mr. Rajasekar T (58)	Vice President and Head - Manufacturing	80,42,497	B.Sc Maths, B.Tech (Hons) in Electronics Engineering (33)	November 17, 2011	Asian Paints Limited
Mr. Ramesh V (59)	Managing Director	1,48,48,588	B.Com., Grad CWA, PGDM (IIM) (36)	January 30, 2014	Carborundum Universal Limited
Mr. Sathyavrdhan S K (49)	Senior Vice President - HR	57,57,524	B.Com, M.Com, PGDM (26)	November 1, 2000	Owens Brockway Ind Ltd
Mr. Suresh S (51)#	Deputy Managing Director	59,87,103	B.E Industrial Engineering, PGDIE Industrial Engineering, PGDM Financial Management (29)	July 1, 2016	Parry Sugars Refinery India Private Ltd (Whole Time Director)
Mr. Suri V (57)	Sr Vice President and Chief Financial Officer	70,07,515	B.Com., C.A, CWA (31)	October 19, 2013	Coromandel International Limited
Mr Venkata Rao J (51)	Senior Associate Vice President- Works	46,79,604	Diploma in Mechanical Engineering, B.Tech (17)	April 22, 2012	Hemarus Ind Ltd

Employed for part of the year.

Notes:

1. The nature of employment of all employees above is whole time in nature and terminable with 3 months notice on either side.
2. 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.
3. Remuneration as shown above does not include amount attributable to compensated absences as actuarial valuation is done for the Company as a whole only.
4. The deemed benefit on exercise of options under Company's ESOP Scheme has not been considered as there is no Cost to the Company.
5. The above mentioned employees are not relatives (in terms of the Companies Act, 2013) of any Director of the Company.
6. No employee mentioned above is holding shares in the Company except Ms.G.Jalaja, Company Secretary who is holding 21,916 equity shares of ₹ 1/- each

ANNEXURE -G TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
[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', Parrys Corner, Chennai - 600 001. Tel : +91 44 2530 6789 Fax.:+91 44 25341609 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, Gachibowli, Financial District Hyderabad – 500 032 Tel : 040 6716 2222 Fax : 040 2342 0814 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	72.20
2	Alcohol	1101	12.90

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	60.74	2 (87)
2	Liberty Pesticides & FertilizersLimited, Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500003	U24124RJ1978PLC001807	Subsidiary	60.74	2 (87)
3	Parry Chemicals Limited, Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500003	U74999MH1995PLC088809	Subsidiary	60.74	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, Ebene – 72201 Republic of Mauritius	081272C1/GBL	Subsidiary	60.74	2 (87)
5	Sabero Europe BV Markerwaardweg 8, 1606 AS, Venhuizen,Postbus 23, 1606 zg,Venhuizen	–	Subsidiary	60.74	2 (87)
6	Sabero Australia Pty Ltd Level 6, 110-116 Sussex Street, Sydney, NSW – 2000	–	Subsidiary	60.74	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	60.73	2 (87)
8	Sabero Argentina SA Marcelo T, DeAlevar 1430, Argentina	–	Subsidiary	57.70	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, Didtrito Federal-11560	–	Subsidiary	60.74	2 (87)
10	Coromandel Brasil Limitada Rua Jorge Caixe, 132, Sala 01, Jd Nomura Cotia, Sao Paulo, Brazil	10.599.435/0001-58	Subsidiary	60.74	2 (87)
11	Coromandel SQM (India) Private Limited Coromandel House, 1-2-10, Sardar Patel Road Secunderabad – 500 003	U24100TG2009PTC065404	Joint Venture	30.37	2 (6)
12	Dare Investments Limited Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad 500 003	U65110TG2012PLC080296	Subsidiary	60.74	2 (87)
13	Yanmar Coromandel Agrisolutions Private Limited Coromandel House, 1-2-10, Sardar Patel Road Secunderabad 500 003	U29253TG2014PTC094854	Joint Venture	24.30	2 (6)
14	Sabero Organics Philippines Asia Inc. 2005B 20th Floor West Tower, Philippine Stock Exchange, Exchange Road, Ortigas Center, Pasig City 1605	–	Associate	24.30	2 (6)
15	Parry Sugars Refinery India Private Limited 'Dare House', Parrys Corner, Chennai - 600 001.	U15421TN2006PTC058579	Subsidiary	100.00	2 (87)
16	Alimtec S.A. Almirante Latorre 617, Santiago De Chile	–	Subsidiary	100.00	2 (87)

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
17	Parry America Inc., 1521 N Cooper St. Ste 350 Arlington TX-76011	–	Subsidiary	100.00	2 (87)
18	US Nutraceuticals LLC., (Valensa International) 2751 Nutra Lane, Eustis, FL 32726	–	Subsidiary	93.52	2 (87)
19	Parry Infrastructure Company Private Limited 'Dare House', Parrys Corner, Chennai - 600 001.	U45203TN2006PTC058518	Subsidiary	100.00	2 (87)
20	Parry Agrochem Exports Limited 'Dare House', Parrys Corner, Chennai - 600 001.	U24131TN1996PLC035030	Subsidiary	100.00	2 (87)
21	Parrys Sugar Limited 'Dare House', Parrys Corner, Chennai - 600 001.	U15421TN2005PLC058106	Subsidiary	100.00	2 (87)
22	Parrys Investments Limited 'Dare House', Parrys Corner, Chennai - 600 001.	U65993TN1983PLC009910	Subsidiary	100.00	2 (87)
23	LaBella Botanics LLC 3884, NW, 110th Dr, Jasper, FL-32052.	–	Associate	45.82	2 (87)

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

i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual/ HUF	4833510	0	4833510	2.75	4634010	0	4634010	2.63	(0.12)
B) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	72089444	0	72089444	41.00	72089444	0	72089444	40.99	(0.01)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A1)	**76922954**	**0**	**76922954**	**43.75**	**76723454**	**0**	**76723454**	**43.62**	**(0.13)**
AA. Promoter Group	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	2201886	-	2201886	1.25	2201886	-	2201886	1.25	0.00
B) Central Govt	-	-	-	-	-	-	-	-	-
C) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	356780		356780	0.20	452210	-	452210	0.26	0.06
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other - Trust	95430		95430	0.05	-	-	-	-	(0.05)
Sub-total (AA)	**2654096**	**-**	**2654096**	**1.51**	**2654096**	**-**	**2654096**	**1.51**	**0.01**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	**-**	**-**	**-**	**-**	**199500**	**-**	**199500**	**0.11**	**0.11**
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A2)	**-**	**-**	**-**	**-**	**199500**	**-**	**199500**	**0.11**	**0.11**
Total Promoters & Promoter Group (A)=(A1)+(AA)+(A2)	**79577050**	**-**	**79577050**	**45.26**	**79577050**	**-**	**79577050**	**45.25**	**(0.01)**
B. Public Shareholding	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds /UTI	5225364	0	5225364	2.97	4648645	0	4648645	2.64	(0.33)
b) Banks/ Financial Institutions	265150	32008	297158	0.17	208879	32008	240887	0.14	(0.03)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	10167580	0	10167580	5.78	7618297	0	7618297	4.33	(1.45)
g) Foreign Institutional Investors	16046047	0	16046047	9.13	17404773	0	17404773	9.90	0.77
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total B(1) :	**31704141**	**32008**	**31736149**	**18.05**	**29880594**	**32008**	**29912602**	**17.01**	**(1.04)**
2. NON-INSTITUTIONS	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i)Indian	11794504	70101	11864605	6.75	15193480	70101	15263581	8.68	1.93
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto ₹ 2 Lakh	25449042	2941883	28390925	16.15	25463312	2614178	28077490	15.96	(0.19)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	21397962	401620	21799582	12.40	20375810	0	20375810	11.59	(0.81)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d) NBFCs Registered with RBI	18050		18050	0.01	17671	0	17671	0.01	0.00
e) Others (specify)									
i) Trusts	175490	0	175490	0.10	121040	0	121040	0.07	(0.03)
ii) Overseas Corporate Bodies	0	5040	5040	0.00	0	5040	5040	0.00	0.00
iii) Non Resident Indians	1211713	206932	1418645	0.81	1767284	206932	1974216	1.12	0.31
iv) Foreign Nationals	14640	216680	231320	0.13	0	216680	216680	0.12	(0.01)
v) Clearing Members	526098	0	526098	0.30	257788	0	257788	0.15	(0.15)
Sub-Total B(2) :	**60587499**	**3842256**	**64429755**	**36.65**	**63196385**	**3112931**	**66309316**	**37.70**	**1.05**
Total Public Shareholding (B) = (B)(1)+(B(2)	**92291640**	**3874264**	**96165904**	**54.70**	**93076979**	**3144939**	**96221918**	**54.71**	**0.01**
Total (A)+(B)	**171868690**	**3874264**	**175742954**	**99.96**	**172654029**	**31,44,939**	**175798968**	**99.96**	**0.00**
c) Shares held by Custodians for GDRs and ADRs	70400	1530	71930	0.04	70400	1530	71930	0.04	0.00
GRAND TOTAL (A+B+C) :	**171939090**	**3875794**	**175814884**	**100.00**	**172724429**	**3146469**	**175870898**	**100.00**	**0.00**

Note :

The % change in shareholding is on account of increase in paid up equity share capital arising from allotment of shares to employees under the Company's ESOP Scheme, 2007.

(ii) Shareholding of Promoters

Sl. 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 share capital	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total share capital	
1	Murugappa Holdings Limited	58735204	33.41	-	58735204	33.40	-	-
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	-	-
5	Arun Alagappan	408820	0.23	0.01	408820	0.23	0.01	-
6	Arun Venkatachalam	348540	0.20	-	348540	0.20	-	-
7	A.Vellayan	344540	0.20	0.01	344540	0.01	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	-

Sl. 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 share capital	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total share capital	
10	M.A.M.Arunachalam	316000	0.18	0.11	316000	0.18	0.01	-
11	M.V.Subbiah	334670	0.19	0.02	334670	0.19	-	-
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	-	-
21	M.M.Murugappan	20000	0.01	-	20000	0.01	-	-
23	M.A.Alagappan	13640	0.01	-	13640	0.01	-	-
24	M.A.Alagappan	210000	0.12	0.01	210000	0.12	0.01	-
25	M.V.Murugappan	6200	0.00	-	6200	0.00	-	-
26	M.V.Subbiah	6000	0.00	-	6000	0.00	-	-
27	Carborundum Universal Limited	1000	0.00	-	1000	0.00	-	-
	Total	**76922954**	**43.75**	**0.18**	**76922954**	**43.74**	**0.05**	**-**

Note : The above table does not include the holdings of promoter group aggregating to 2654096 shares (1.51%) as at March 31, 2017.

(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 / Promoters Group and Holders of GDRs and ADRs) * :

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	LIFE INSURANCE CORPORATION OF INDIA	6550665	3.73	01/04/2016			6550665	3.73
				08/04/2016	(259191)	Transfer	6291474	3.58
				03/06/2016	(391979)	Transfer	5899495	3.35
				10/06/2016	(273178)	Transfer	5626317	3.20
				17/06/2016	(469366)	Transfer	5156951	2.93
				24/06/2016	(229574)	Transfer	4927377	2.80
				31/03/2017			4927377	2.80

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
2	GOVERNMENT PENSION FUND GLOBAL	5298977	3.01	01/04/2016			5298977	3.01
				08/04/2016	93641	Transfer	5392618	3.07
				15/04/2016	40957	Transfer	5433575	3.09
				29/04/2016	300000	Transfer	5733575	3.26
				06/05/2016	201191	Transfer	5934766	3.38
				13/05/2016	294608	Transfer	6229374	3.54
				20/05/2016	200000	Transfer	6429374	3.66
				03/06/2016	161900	Transfer	6591274	3.75
				08/07/2016	(180336)	Transfer	6410938	3.65
				07/10/2016	126857	Transfer	6537795	3.72
				18/11/2016	(15000)	Transfer	6522795	3.71
				13/01/2017	(30000)	Transfer	6492795	3.69
				31/03/2017			6492795	3.69
3	HITESH SATISHCHANDRA DOSHI	3810845	2.17	01/04/2016			3810845	2.17
				22/04/2016	(23000)	Transfer	3787845	2.15
				20/05/2016	(200000)	Transfer	3587845	2.04
				27/05/2016	(3803)	Transfer	3584042	2.04
				03/06/2016	(486033)	Transfer	3098009	1.76
				30/06/2016	(319525)	Transfer	2778484	1.58
				08/07/2016	(76750)	Transfer	2701734	1.54
				29/07/2016	(49654)	Transfer	2652080	1.51
				12/08/2016	(33001)	Transfer	2619079	1.49
				11/11/2016	(305000)	Transfer	2314079	1.32
				25/11/2016	(6334)	Transfer	2307745	1.31
				20/01/2017	50000	Transfer	2357745	1.34
				20/01/2017	(50000)	Transfer	2307745	1.31
				10/02/2017	150000	Transfer	2457745	1.40
				10/02/2017	(165000)	Transfer	2292745	1.30
				24/02/2017	(30000)	Transfer	2262745	1.29
				31/03/2017	(17089)	Transfer	2245656	1.28
				31/03/2017			2245656	1.28
4	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	3500000	1.99	01/04/2016			3500000	1.99
				31/03/2017			3500000	1.99

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
5	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP	2997887	1.71	01/04/2016			2997887	1.71
				08/04/2016	10000	Transfer	3007887	1.71
				19/08/2016	(40000)	Transfer	2967887	1.69
				26/08/2016	(40000)	Transfer	2927887	1.66
				16/09/2016	(30283)	Transfer	2897604	1.65
				31/03/2017			2897604	1.65
6	GOVINDLAL M PARIKH	2846225	1.62	01/04/2016			2846225	1.62
				13/05/2016	105000	Transfer	2951225	1.68
				24/06/2016	33110	Transfer	2984335	1.70
				22/07/2016	11660	Transfer	2995995	1.70
				29/07/2016	31776	Transfer	3027771	1.72
				26/08/2016	52019	Transfer	3079790	1.75
				02/09/2016	59904	Transfer	3139694	1.79
				09/09/2016	252678	Transfer	3392372	1.93
				30/09/2016	120823	Transfer	3513195	2.00
				07/10/2016	49002	Transfer	3562197	2.03
				04/11/2016	100000	Transfer	3662197	2.08
				18/11/2016	5668	Transfer	3667865	2.09
				25/11/2016	34682	Transfer	3702547	2.11
				02/12/2016	23399	Transfer	3725946	2.12
				31/03/2017			3725946	2.12
7	GENERAL INSURANCE CORPORATION OF INDIA	2350500	1.34	01/04/2016			2350500	1.34
				16/12/2016	(53453)	Transfer	2297047	1.31
				23/12/2016	(65127)	Transfer	2231920	1.27
				30/12/2016	(31420)	Transfer	2200500	1.25
				13/01/2017	(100000)	Transfer	2100500	1.19
				20/01/2017	(36115)	Transfer	2064385	1.17
				27/01/2017	(63885)	Transfer	2000500	1.14
				17/02/2017	(35000)	Transfer	1965500	1.12
				24/02/2017	(65000)	Transfer	1900500	1.08
				31/03/2017			1900500	1.08
8	NEMISH S SHAH	2079531	1.18	01/04/2016			2079531	1.18
				31/03/2017			2079531	1.18
9	GHI LTP LTD	1859896	1.06	01/04/2016			1859896	1.06
				31/03/2017			1859896	1.06

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
10	KETAN S SHAH	1056750	0.60	01/04/2016			1056750	0.60
				24/06/2016	1056750	Transfer	2113500	1.20
				24/06/2016	(1056750)	Transfer	1056750	0.60
				25/11/2016	671000	Transfer	1727750	0.98
				16/12/2016	20000	Transfer	1747750	0.99
				31/03/2017			1747750	0.99

* Based on Permanent Account Number (PAN)

(v) Shareholding of Directors and Key Managerial Personnel:

(₹ In Lakh)

For each of the Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Director								
A.Vellayan	344540	0.20	–	–			344540	0.20
Key Managerial Personal								
G.Jalaja	10502	0.01	August 24, 2016	Allotment of shares under ESOP	11414	0.01	21916	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 deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,085	234	0	1,319
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	53	0	0	53
Total (i+ii+iii)	**1,138**	**234**	**0**	**1,372**
Change in Indebtedness during the financial year				
• Addition	312	69	0	381
• Deletion	629	135	0	764
Net Change	**(317)**	**(66)**	**0**	**(383)**
Indebtedness at the end of the financial year				
i) Principal Amount	775	168	0	943
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	46	0	0	46
Total (i+ii+iii)	**821**	**168**	**0**	**989**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakh)

Sl. No.	Particulars of Remuneration	Mr. V.Ramesh, Managing Director	Mr. S.Suresh, Deputy Managing Director @
1.	Gross salary : Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (a) Value of perquisites under section 17(2) Income-tax Act,1961	129.32 0.29	52.20 0.22
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - Others	-	-
5.	Others-Retirals	18.88	7.45
	Total	**148.49**	**59.87**
	Ceiling as per the Companies Act @ 5% of the Net Profit	1,398.20	

@ Appointed with effect from July 1, 2016.

B. Remuneration to other directors

(₹ In Lakh)

Sl. No.	Particulars of Remuneration	Fee for attending Board / Committee Meetings	Commission	Others	Total Amount
1.	**Independent Directors**				
	Mr. Anand Narain Bhatia	4.60	7.50	-	12.10
	Mr. V.Manickam	3.05	7.50	-	10.55
	Mr. M.B.N.Rao	4.15	7.50	-	11.65
	Dr. Rca Godbole	4.25	7.50	-	11.75
	Total (1)	**16.05**	**30.00**	**-**	**46.05**
2.	**Other Non-Executive Directors**				
	Mr. A.Vellayan	2.25	100.00	-	102.25
	Mr. V.Ravichandran	4.05	7.50	-	11.55
	Total (2)	**6.30**	**107.50**	**-**	**113.80**
	Total Managerial Remuneration	**22.35**	**137.50**	**-**	**159.85**
	Ceiling as per the Companies Act @ 1% of the Net Profit	279.64			

C. Remuneration to Key Managerial Personnel other than Managing Director and Deputy Managing Director

Sl. No.	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total
1.	Gross salary : Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites under section 17(2) Income-tax Act,1961	62.76 0.22	61.20 0.42	123.96 0.64
2.	Stock Option*	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others	-	-	-
5.	Others-Retirals	8.39	8.45	16.84
	Total	**71.37**	**70.07**	**141.44**

*The deemed benefit on exercise of options under Company's ESOP scheme has not been considered as there is no cost to the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2016-17

GLOBAL OUTLOOK

Global economic activity gained momentum in the fourth quarter of calender 2016 and early 2017, riding the crest of a cyclical recovery in investment, manufacturing and trade. Global growth, which cruised at 3.1 percent in 2016 (World Economic Outlook- October 2016), is projected to increase to 3.5 percent in 2017 and 3.6 percent in 2018. (International Monetary Fund - Global Prospects and Policies- April 2017).

Advanced economies, especially in Europe, exceeded expectations, demonstrating a resilience for cyclical recovery through policy actions to accelerate the cleanup of balance sheets and reset output gaps. The US economy showed buoyancy with the policy stance and the anticipated fiscal stimulus of the new Administration, ramping up inventories to meet demand surge. Growth also remained strong in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favour of leaving the European Union (Brexit) (IMF- Global Prospects and Policies- April 2017)

Emerging markets and developing countries fared less than expected, with a rebalancing slowdown in China and a currency exchange initiative in India, mandating a recalibration of projected growth margins on the downside. Growth in China is pegged at 6.6 percent for 2017, slowing to 6.2 percent in 2018, while elsewhere in emerging and developing Asia, growth is projected to remain robust.

After a long hiatus, global trade revved up with the stabilization of macro economic conditions, while strengthening of commodity prices lead to a gradual repair of stressed balance sheets with imports and investment registering an upward trend. Agricultural commodities, particularly food prices, increased by 4.9 percent with balancing out of excess supply, especially of grains and vegetable oils. The IMF's Primary Commodities Price Index registered an increase of 15 percent between August 2016 and February 2017 while Oil prices showed an upward rise of 20 percent for the same period. This was partly due to the agreement by the Organization of the Petroleum Exporting Countries (OPEC) and other producers to reduce oil production and expectations of a future robust global demand.

An increase in headline inflation rates is projected in both advanced and emerging market and developing economies with the uptick in commodity, fuel and energy prices. While for advanced economies inflation is forecast to be 2.0 percent in 2017, inflation in emerging markets and developing economies is projected to rise to 4.7 percent in 2017 from 4.4 percent last year.

Economic activity in advanced economies as a group is forecast to grow by 2.0 percent in 2017 and 2018, while growth in the group of emerging market and developing economies is forecast to rise to 4.5 percent and 4.8 percent, respectively, in 2017 and 2018. (*WEO Update* - January 2017). Modest medium term growth projections for advanced economies reflect the structural headwinds of aging demographics, low productivity and unresolved debt legacies (International Monetary Fund | April 2017).

World growth is forecast to increase marginally reaching 3.8 percent by 2022. This is mainly attributed to the surge in global activity in emerging markets and developing economies, where growth is projected to increase to 5 percent by the end of the forecast period. ('Policy Priorities'- Global Outlook for 2017–18).

However, protectionism, inward-looking policies, trade barriers, political discord and deepening geopolitical tensions, threaten global economic integration and are key challenges to continued global economic growth.

INDIAN ECONOMY

In India, the growth forecast for 2017 has been reduced by 0.4 percentage point to 7.2 percent, on the back of the negative consumption shock induced by cash scarcity and payment disruptions resulting from demonetisation and currency exchange initiative of the Government. Medium-term growth prospects are forecast to rise to about 8 percent spurred by key structural reforms,easing of business bottlenecks and robust fiscal and monetary policies.

Rationalisation of trade taxes and the anticipated implementation of GST in FY 2017-18 is expected to usher a monumental change in the country, simplifying structures and business transactions and driving long term economic growth.

The Government's focus on structural reforms in the areas of agriculture, energy, infrastructure,telecommunications and the financial sector are seen as strong growth drivers catapulting India among the fastest growing economies in the near future.

GLOBAL TRENDS IN SUGAR

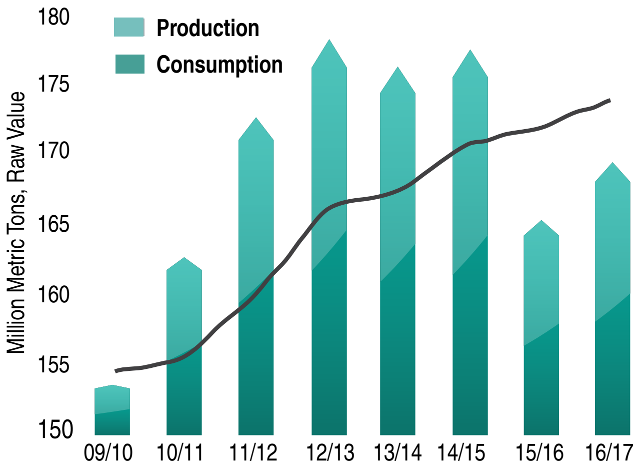
Global sugar stockpiles which had swelled to a 30% increase after five consecutive years of surplus up to 2014-15 were offset with two consecutive years of deficit in 2015-16 and the anticipated shortfall in 2016-17, According to estimates of the International Sugar Organisation (ISO) global stocks are expected to be at "critically low levels" following a 11.1 million MT drop in world inventories.

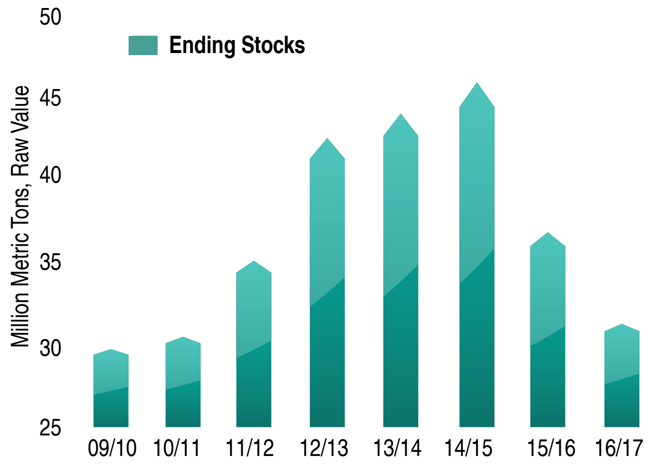
Global sugar production in 2016-17 estimated at 171 million MT, is expected to fall short of demand by 6 million MT, for the second consecutive year, due to a significant decline in production in India, the second largest producer after Brazil. However this shortfall is expected to be offset with improved production prospects for Brazil, China, Russia and US for 2016-17.

International sugar prices have been largely determined by expectations on global supplies. Unfavourable weather patterns disrupting sugar production across major suppliers and the resultant deficit in 2015-16, led to a rebound in international sugar prices during January 2016 after a period of over seven years. After a marginal decline in February, sugar prices continued on an upward trend, with a significant rise during May 2016 to $480/MT, followed by another sharp rise to $530/MT during June 2016 and $540/MT during July 2016. Again after a marginal dip in prices during August 2016, the price surge continued throughout September and October 2016, before peaking at $595/MT (four-year high). Thereafter, prices faced significant pressure over November and December 2016, falling to $505/MT mainly owing to expectations on the global deficit for 2016-17 not being as significant as anticipated earlier due to improved production prospects in most regions, notably, Russia, China, US and Brazil. (ICRA Rating)

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. The world demand-supply ratio for sugar is expected to balance out in 2017-18, with consumption and production largely keeping pace. However low global stockpiles at the end of 2016-17 would limit the downward impact on sugar prices.

GLOBAL SUGAR CONSUMPTION TO AGAIN OUTPACE PRODUCTION, DRAW INVENTORIES LOWER IN 2016/17





INDIAN SUGAR INDUSTRY

India is the largest consumer and the second largest producer of sugar in the world. The country's sugar output is estimated to fall for the second consecutive year with domestic sugar production declining by nearly 19% to 20.3 million MT during SY2017 compared to SY2016. This would put the nation's production below consumption levels of around 24 million tonnes for the first time in seven years.

Severe drought conditions has been the major contributor towards substantially lower sugar production, including yield, in Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh and Telangana. Gujarat was also affected, though to a lesser degree.U.P however catapulted to the first position with a record sugar production of 8.8 million tonnes during the year.

Sugar output in Tamil Nadu, India's fourth biggest sugar producing state, was severely impacted by the worst drought in more than a century, with production estimated at 0.7 million MT for the 2017-18 season, down from around 1.1 million MT in the 2016-17 season. In Karnataka, yield plummeted by 40-50% in some badly affected regions. Lower cane availability in these states has resulted in earlier closure of sugar mills and lower sugar production compared to the previous year.

To meet the shortfall in sugar production, the Central Government allowed the import of 5 Lakh tonnes of duty free, raw sugar till June 30 2017. In view of the severe drought conditions, the Government allocated 60 per cent of the quota comprising 3 Lakh tonnes to the Mills in South India, while Mills in the West and East were allocated 30 and 10 percent of the quota respectively. The Exim Facilitation Committee (EFC) under the Director General of Foreign Trade (DGFT) had firmed up the allocation of sugar import quota based on a formula under which the zonal allocated quantity was divided by total monthly capacity of all the applicant mills/units within the zone and then multiplied by the refining capacity of the applicant unit.

In addition, the Cabinet Committee on Economic Affairs (CCEA), approved the Food Ministry's proposal to extend the stock holding limit for trade on sugar by six months, till October 2017 to ensure sugar mills liquidate their inventories and to keep domestic sugar prices in check ahead of the festival season when demand increases.

Currently, there is a stock limit of 500 tonnes and a turnover limit of 30 days for sugar traders in the country other than those in West Bengal where the stock limit for traders is 1,000 tonnes. However, due to the tight stock position in the domestic market, this has not resulted in any negative impact on the sugar prices.

Sales by sugar mills from October to end January 2017, was lower by 0.75 million MT due to demonetization, decrease in sugar purchase by bulk consumers and price elasticity. The sugar sales this season was estimated between 23.8 and 24 million MT as compared to 24.8 million MT in the previous year.

The opening balance of 7.75 million MT as of Oct. 16 (which has been reported by all sugar mills to the Government) with an estimated sugar production of 20.3 million MT in the current season, permitted imports of 0.5 million MT of raws and anticipated consumption of 24 million MT, the closing balance in the current season would be 4.55 million MT. This balance is expected to meet the domestic requirement till almost end of November 2017. (ICRA)

Sugar output in Maharashtra in 2017-18 is estimated to rise to 7 million tonnes, with a nearly 70 percent increase, as ample rainfall has served as an impetus to farmers to plant more cane. This excess cane production is expected to balance the country's overall sugar production to near consumption levels.

However domestic sugar prices are likely to remain at around current levels in the near term, given the tight stock position in the domestic and global markets.

While good sugar prices are likely to support the profitability of the UP-based sugar mills, the western and southern mills would continue to be impacted by low cane crushing volumes during SY2017 (ICRA Report).

Sugarcane Price

Sugarcane Prices in India are regulated by the Central and State Governments. The Fair and Remunerative Price fixed by the Central Government for sugarcane and the recovery premium for the period from 2014-2017 is as follows:

Sugar year	2013-14	2014-15	2015-16	2016-17
Base Price linked to recovery of 9.5%	210 / quintal	220 / quintal	230 / quintal	230 / quintal
Premium for every 0.1 percentage point increase above recovery of 9.5%	2.21/ quintal	2.32/ quintal	2.42/ quintal	2.42/ quintal

However some State Governments follow their own pricing formulas based on their policies, making sugar a highly controlled commodity. The Tamil Nadu Government set a State Advised Price of ₹ 2,850 a tonne for sugarcane for 2016-17, unchanged from the previous year. This includes a statutory Fair and Remunerative Price (FRP) of ₹ 2,300 a tonne set by the Centre and an added ₹ 550 a tonne, including ₹ 100 for transportation cost.

While during the previous Sugar Season, the industry had agreed to pay the statutory price plus the transport cost totaling to about ₹ 2,440, this year the mills have decided to pay FRP, transport cost and an incentive of ₹ 125 taking the total to about ₹ 2,570/MT

The only remedy to make Tamil Nadu Mills economically viable would be is for the State Government to adopt a revenue sharing formula as followed by the States of Maharashtra and Karnataka. This would help balance the interest of both the farmers and mills.

In Tamil Nadu, the sugar recovery percentage is lower at about 9 per cent due to the drought in recent years compared to 10-11 percent in Karnataka and Maharashtra, with capacity utilisation at just 40-45 per cent in the state's mills. For most mills stagnant production for the past three years has led to lower capacity utilisation and increase in the cost of production.

Ethanol

Globally ethanol is gaining importance 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 are expected to lend traction to future growth. China and India, within Asia-Pacific, represent lucrative markets to mine.

India's ethanol program is based on producing ethanol standards 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.

Ethanol is a critical component of the forward integration strategies of the Sugar Mills. An important revenue earner, ethanol is factored in as a buffer against the cyclicality of the sugar business, which is dependant on changing weather conditions and Government regulations.

Unlike other States, the Tamil Nadu State Government is yet to implement the Centre's Ethanol-Blended Fuel Programme (EBP), which mandates 5 per cent of ethanol to be blended with petrol. Molasses, a by-product of sugar and the raw material for alcohol, is almost exclusively used for the production of potable alcohol.

In October 2016, the Government revised the price of ethanol at which producers, mainly sugar mills supply to the OMCs for blending with petrol from the previous levels of ₹ 42.02/ltr (base price) to ₹ 39/ltr. The rationale behind the price revision was based on the recent uptrend in the sugar prices over the past one year and the improved cash flows of the sugar mills which has reduced their dependence on ancillary revenue streams. These two decisions by the Government are envisaged to dampen the growth of the EBP programme.

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, in addition to a standalone distillery in Sivaganga.

2016-17 was a milestone year for the sugar business in terms of growth and profitability. The Company capitalized on the opportunities of a favourable market environment, balancing the challenges of severe drought conditions in its command areas in Tamil Nadu, Andhra Pradesh and Karnataka, with internal efficiencies, focused crop management measures and farmer support.

The milling operations at Tamilnadu and Karnataka were impacted due to a low cane supply and recovery due to severe drought for two consecutive years. Due to reduced availability of cane, capacity utilisation at Plants was below normal.

The total cane crushed in Tamilnadu's plants marginally increased to 24.61 LMT in 2016-17 as against 23.46 LMT crushed in the previous year. The overall recovery in Tamil Nadu went down from 9.14% in 2015-16. to 8.89% in 2016-17. Crushing in the Andhra Pradesh plant was lower at 4.76 LMT compared to 6.00 LMT in the previous year.

The total cane crushed in Karnataka's plants recorded a 43% decrease in the total cane crushed at 15.07 LMT in 2016-17 as against 26.43 LMT the previous year. This was due to lower operating days in 2016-17, consequent to severe drought and reduced cane supply as a result of cane diversions by farmers fearing perishal of cane.

The sugar division crushed 44.4 LMT in 2016-17 (55.9 LMT last year). Overall recovery of all the units was 9.61% down from 10.30% last year.

Overall better sugar prices during the year 2016-17 contributed to a strong bottom line growth.

OPERATIONAL PERFORMANCE (STANDALONE)

Particulars	2016-17	2015-16
Cane Crushed (Lakh MT)	44.44	55.90
Recovery (%)	9.61%	10.30%
Sugar Produced (LMT)	4.33	5.87
Power Generated (Lakh Units)	5,540	6.521
Alcohol Produced (Lakh Litres)	708	657
Sugar Sold (LMT)	4.78	7.44

Note: The above data includes performance of Parrys Sugar Industries Limited (PSIL) which was merged with E.I.D.- Parry India Limited w.e.f April 25, 2017 with appointed date of April 1, 2016.

FINANCIAL PERFORMANCE: (STANDALONE)

In ₹ Crore

Particulars	Sugar		Cogen		Distillery		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue	1,801	2,030	200	257	318	287	2,319	2,574
EBITDA**	207	(111)	64	106	93	63	364	58

** Earnings before interest, tax, depreciation and amortization

Distillery

The Company's alcohol production from molasses, a by-product of sugar, touched 708 Lakh litres in 2016-17 as against 657 Lakh litres in 2015-16, an increase of 8% over the previous year.

Purchase of molasses in addition to running of the distilleries for extended period, particularly in Tamilnadu distilleries contributed to a higher production of alcohol by the distilleries than the previous year.

The Company sold 174 Lakh litres of Ethanol in 2016-17, which is higher by 44 Lakh litres compared to FY 2015-16.

Oil Manufacturing companies (OMCs) floated tender in October 2016 for procuring Ethanol on pan India basis in continuation to last tender on October 2015. Both Haliyal and Sankili participated in the tender. Haliyal received LOI for supplying 25 Lakh litres (applied quantity: 25 Lakh litres) and Sankili received LOI for supplying 65 Lakh litres (applied quantity: 65 Lakh litres).

Power

The business signed Power Purchase Agreements (PPA) with TANGEDCO to supply power from its cogen plants at Nellikuppam, Pugalur and Pudukottai, valid for one year from 1.12.2016. Pettavaithalai plant is already under PPA. Post execution of PPA, Nellikuppam plant started exporting power to TANGEDCO and Pudukottai commenced in January 2017. The applicable tariff per unit of power supply from Nellikuppam, Pugalur and Pudukottai is less than ₹.4/- and this rate is valid upto 30.11.17. Thereafter, the rates may vary.

Tamilnadu units: Exported 1855 Lakh units of power during the year as against 2120 Lakh units the previous year. The shortfall was mainly on account of Pudukottai and Pugalur units which did not generate power from fossil fuel.

Karnataka units: The cumulative power generated from the Bagalkot, Haliyal and Ramdurg Plants stood at 2121 Lakh units as against 2833 Lakh units in the previous year. The drop is mainly on account of lower cane crushing during the year.

All three units in Karnataka are now exporting power under PPA. Recently both Haliyal and Bagalkot units have signed PPA with ESCOMs for a period of 5 years, with a provisional tariff. The final tariff will be known once Karnataka Electricity Regulation Commission announces final tariff in early 2017-18.

Andhra Pradesh: Sankili unit exported 183 Lakh units as against 190 Lakh units last year, the drop mainly due to lower cane crushing during the year.

MANUFACTURING

The Company pursued the execution excellence model to optimise efficiencies, reduce cost, eliminate wastage and enrich and energise the entire working process

- Deployed TPM (Total Productive Maintenance) at Pugalur. The plants at Nellikuppam, Pudukottai, Sankili and Bagalkot are already under TPM with a focus on zero defects, zero accidents and zero breakdowns.
- Achieved a benchmark in sustainable water utilisation with the Water Management Systems at Sugar factories calibrated to ensure ‘’zero fresh water withdrawal and consumption from river, bore well, canal, etc.
- Maintained near zero levels in emission and effluent generation with stringent online monitoring systems which are hooked up to the SPCB/ CPCB monitoring systems.
- Promoted the ‘Waste to Wealth initiative’ with the waste from the distillery effluent converted into potash rich fertilizer, K-ash and K-boost.
- Continued the process of sustainable practices in Sugar Production, with the ‘Bonsucro Certification” for Pugalur, Nellikuppam and Haliyal.
- Worked on continuous improvements in daily crush rate, better steam and power consumption and other critical operating parameters
- Plant specific safety project charters were rolled out with periodic review of progress
- OHSAS18001 safety management system was leveraged for continuous improvement in safe working conditions and safe work practices with zero accidents

MARKETING AND SALES

Overall, E.I.D Parry sold over 4.78 LMT of sugar during the year across Tamil Nadu, Puducherry, Karnataka and Andhra Pradesh regions as against 7.44 LMT in the year 2015-16. The sharp drop reflects mainly the drop in cane crushing and recovery. While the benefit of higher opening stock helped in FY 2015-16, this ceases to continue in FY 2016-17 due to lower crushing levels.

Institutional Sales

E.I.D Parry is a preferred sugar supplier to major institutional customers due to its strong product customisation expertise, stringent quality systems and global certification standards. The institutional segment accounts for a significant part of E.I.D Parry’s total annual sales with the roster of institutional customers comprising major pharmaceutical, soft drinks, beverage, food, confectionery, dairy, biscuit, ice cream manufacturers showing a steady increase. The focus during the year was on product differentiation and value addition for better price realization from the institutional segment.

During the year, the Company sold over 2.09 LMT of sugar directly to institutions, accounting for 44 % of total sales.

The strategic locations of the Company’s mills provide a competitive edge in servicing national customers who seek large volumes. While the Haliyal and Nellikuppam Plants are well positioned to cater both the retail and institutional market in Western and Southern India, the plant at Sankili caters to the food processing plants located at Andhra Pradesh, Orissa, Jharkand and Chattisgarh.

During the year, the Company commenced the sale of Bonsucro certified sugar, produced from sustainable sugarcane, to a large multinational. With importance on sustainable cultivation practices gaining ground globally, food and beverage manufacturers are taking the lead. E.I.D Parry’s Bonsucro certified sugar will prove a competitive advantage for the company in the long term .

Retail Sales

In the retail space, the Company focused on its strategy to enlarge market presence. Parrys Sugar continued to hold its own, growing in volume sales, 'Amrit' the Company's offering of 100% Original Cane Sugar, with 10 times more nutrients than normal sugar and 'Vita'- Vitamin A fortified sugar expanded market presence, addressing the consumer need for healthy sugar.

The Company has expanded production facilities for Retail sugar, as part of its strategy for greater market penetration and growth.

QUALITY

Focused quality enhancement initiatives were rolled out to enable the Company to benchmark with the best-in-class and to meet the challenges of a globally competitive market.

- All Plants are certified for ISO 9001 Quality Management System while Haliyal and Nellikuppam Units have adopted the FSSC 22000, Food Safety System.
- The Nellikuppam Refinery has been upgraded to meet the stringent standards of production for major pharmaceutical manufacturers, who source their sugar from the Plant

ENERGY

The Company's focus on energy and resource conservation has made its 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 Initiatives:

- Direct Contact Heaters and Wide Gap Plate heat exchangers are extensively deployed for reduction in steam% cane.
- The technology of Bagasse dryer system using flue gas for reducing the Bagasse moisture (which inturn helps in improving the steam fuel ratio of the boiler by 10%) has been perfected with 100% throughput.
- The turbines at Nellikuppam and Haliyal were overhauled with specific focus on improving the steam consumption while a saturated steam turbine of 720 KW was commissioned at Haliyal distillery.
- 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 across the sugar factories.

RESEARCH & DEVELOPMENT

In pursuant of its vision to enrich and energise lives with value added products from agriculture, E.I.D Parry has continuously developed innovative and cutting edge 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, Parry has pioneered many scientific practices in the sugar industry:

- Introduced scientific and sustainable cultivation practices such as pro-tray and single bud seedling, inter-cropping, wider row spacing, ratoon management, bio-manuring and soil management.
- Introduced new proprietary varieties of Parry to increase the yield and recovery in all mills of Tamil Nadu.
- Promoted Farmer Support Programmes for capability building of farmers in sustainable sugarcane production.
- Advocated the use of bio-control agents and bio-pesticides for promoting sustainable farming practices
- Collaborated with international agencies to reduce water and carbon footprints in sugarcane cultivation
- Increased productivity of land and labour by cooperative farming and mechanization of farm operations
- Scaled up production of high sugar varieties in Karnataka and Andhra Pradesh mills
- Developed clean seed cane plots using 3 tier nursery systems to eliminate disease in cane and increase growth

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, Haliyal Plant also received its Bonsucro certification.

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.

Bio- pesticides Division

Industry Overview

The increase in the global awareness about human health and environment is driving the demand for safe and sustainable agri-inputs that provide effective and eco-friendly crop protection solutions.

Bio-pesticides provide growers the right tools for delivering highly effective solutions in controlling pests without affecting the environment due to its limited toxic effects. As the cumulative proposition offered by bio-pesticides viz., resistance management benefits, residue management benefits, enhanced yield and crop quality, labor management benefits, enhanced control when used alongside traditional chemicals, etc., has become better understood – farmers in conventional programs are becoming more receptive to bio-pesticides.

The global bio-pesticides market is estimated to be valued at USD 3.36 Billion in 2016 and projected to reach USD 8.82 Billion by 2022, at a CAGR of 17.4% from 2016. With the growing increase in demand for organic food and security for the growing population, control of pests which have gained resistance to chemical pesticides, limited agricultural land availability besides steady increase in crop loss due to pests and diseases, the use of bio-pesticides is expected to grow multifold. Fruits & vegetables being the major group of crops that would encourage bio-pesticide usage, thanks to the increasing awareness to their nutritional benefits and the rise in need for enhancement of quality and yield.

North America dominates the bio-pesticides market followed by Europe, where stringent regulations for pesticides and increasing demand from organic products facilitate its growth. Developing countries such as China, India, Brazil, and Argentina are showing steady increase in the demand for the bio-pesticides products.

Operating Results

The division registered revenue of ₹ 122 Crore in 2016-17 accounting for 5% of the Company's revenue. The sale of Aza Products registered a growth of 15% over 2015-16. Export sale of Neemazal technical registered a growth of 17% over 2015-16. USA accounted for 63% of Export sales, while Europe and Others accounted for 33% and 4% respectively.

In the domestic market, amidst severe drought situation in South India, sales of Aza products grew by 10%, the non Aza product segment registered a growth of 31% over 2015-16.

During the year, the neem seeds price has significantly increased from previous year levels due to season failure across the southern India combined with increased competition. Neem Seed is the primary raw material for producing Azadirachtin based bio-pesticides. Around 70% of the bio-products turnover represents Aza products. Hence, this unprecedented price increase has impacted the profitability severely resulting in 45% drop in operating profits in spite of 22% growth in revenue over previous year. The adverse impact of input cost increase has been partly offset by selling price revisions, operating efficiency improvements and other cost reduction measures initiated by the business. To mitigate the risks relating to the seeds availability, the business is working on measures with short term and long term horizon which in turn would bring stability in the operations of the business.

Parry America:

Parry America Inc, a wholly owned subsidiary of the company, headquartered in Arlington, Texas, USA is a trusted manufacturer of Azadirachtin based bio-pesticides which is marketed in North and South America besides Australia and Japan. Parry America had forged marketing tie ups with some of the leading overseas Agro chemical companies for selling their Azadirachtin formulations by providing techno commercial support besides working with leading Research institutes for developing innovative, IP protected organic alternatives for chemical control.

Financial Performance

Revenue for the year was ₹ 122 Crore as compared to ₹ 100 Crore of previous year. PBIT for the year was ₹ 14.70 Crore against ₹ 26.73 Crore in 2015-16.

Standalone Financial Performance:

In ₹ Crore

Details	2016-17	2015-16
Revenue	122	100
EBITDA*	16	28

*Earnings before interest, tax, depreciation and amortization.

Outlook

The growth of the bio-pesticides market is driven by the gaps in the crop protection arena where certain specific pest problems remain unaddressed in spite of the available synthetic crop protection solutions, followed by the growing demand for organic food in both developed and developing nations. However, the single most important factor in the growth of the bio-pesticide market is the advancements in bio-pesticide technology. Extensive and systematic research has resulted in enhancements to formulation techniques, the ability to manufacture bio-pesticides through mass production, increased storage and shelf life capabilities, and improved application methods.

Stringent government regulations that are getting enacted in different countries across the world, have also resulted in 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. bio-pesticides are emerging as the essential tool for the creating a de facto global standard for maximum residue limits especially among horticulture produces.

In the rapidly growing bio-pesticide industry, Microbials products are dominating with a market share of > 60%. Most of the companies had started investing their R&D in this segment for development of new products to cater to major problems being faced by growers.

Parry's bio-Products division, with its primary focus on "crop protection" using "Azadirachtins – a botanical bio-pesticide" is exploring the vistas beyond crop protection. Biocides for veterinary and household pest care is one big opportunity for Azadirachtin usage thanks to the growing demand for safe and organic solutions for human and animal wellness. For addressing the area of "crop growth and production" Parry has been nurturing the plant extract based Bio stimulants viz., Abda and its variants which was a finding of the in-house R&D. Efforts are on to take this patentable solution to overseas market. Besides Parry is importing and marketing a high concentrated 'humic granule' and 'fulvic liquid' for soil and plant health, besides manufacturing and marketing of high quality by-products viz., neem cake and neem oils.

As a critical part of the future ready strategy for growth, besides working in the 'Botanicals segment' with Azadirachtin based formulations that represent 15% of the global bio-pesticides, work is in progress to foray into the 'Microbial segment' that represents 60% of the pie. Parry has undertaken a detailed study across the globe, on major crop pest problems and identified the critical ones for which it would work to identify patentable microbial solutions. In order to optimize the costs and ensure R&D success, Parry has adopted "Contract Research" wherein the R&D work shall be entrusted to reputed laboratories and payments shall be linked to the deliverables, which would enable Parry to launch products within the stipulated time frame. Major factors such as toxicity, safety to users and consumers, eco friendliness, sustained and assured protection, low/no pre harvest interval etc., are the objectives that Parry's bio-products division envisages to achieve through its vision of being a Global bio-products Business offering Organic solutions for Sustainable Crop Protection and Growth

Nutraceuticals Division

Industry Overview

The global Nutraceutical market is currently valued at around $185 billion and is expected to reach around $302 billion by 2022 at a CAGR of ~7%. The global nutraceutical market is broadly classified into Dietary supplements, functional foods, beverages and personal care. Our business is more focused in the supplement market with limited presence in other categories like food, beverage and personal care. We have a significant presence in Micro Algae and Carotenoids segment with products like Spirulina, Chlorella, Astaxanthin, Betacarotene, Lycopene, Lutein and Zeaxanthin.

According to 'India Nutraceuticals Market Forecast & Opportunities, 2017', the Nutraceuticals market in India is expected to grow 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. However, In India, the growth forecast for the current (2016–17) and next fiscal year were trimmed by one percentage point and 0.4 percentage point, respectively, primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative.

Operating Results

The Nutraceuticals Division's revenue was ₹ 71 Crore for the year ended 31st March, 2017 representing 3 % of the Company's revenue. About 84% of this represents exports. Sales of premium Organic Spirulina increased 22% primarily due to improved share in European market where premium quality continues to be valued. The business has achieved 73% and 63% increase Spirulina sales in Europe and Indian market over previous year. However, the business had seen setbacks due to price competition in a few markets like North America and Australia with a de-growth of Spirulina volume by 12% and 53% respectively. Sales of Traded products have dropped by 20% over previous year.

The Chlorella market is a very attractive segment for the business to focus. It lends itself to being able to be cultivated in a similar environment and also being sold through our existing customer base, both of which make it a logical addition to our portfolio. In 2016-17, we initiated commercial production of Chlorella and achieved reasonable success in stabilizing the cultivation and harvesting processes with a production of 20 MT. Investments are being made to stabilize the production process and scale up the volumes in the next financial year.

The production facility located at Oonaiyur Village in Pudukottai District, Tamilnadu which produces Organic Spirulina and Chlorella have received the U.S. Food and Drug Administration (US-FDA) approval for organic microalgae cultivation and processing. It is a testament to the Company's on-going commitment to maintaining superior quality systems. The Company is a preferred supplier of micro-algal health supplements for several leading nutraceutical brands in over 35 countries. This approval will further enhance its reputation as a leader in micro-algal technology.

Astaxanthin Biomass production in our wholly owned subsidiary company, Alimtec SA, Chile has grown by 64% to 268 Kgs in 2016-17. Alimtec was acquired in 2014 and with continued focus and investments on capacity expansion, the acquisition is shaping well and moving in the right direction in line with expectations. Further, the business has invested in a window dryer during the year to improve the production quality. This investment is expected to yield desired results in Alimtec's performance during next financial year. As Alimtec's production would be meeting the substantial portion of our US based subsidiary, US Nutraceuticals LLC's raw material requirement, the Astaxanthin production would be suspended at our Oonaiyur facility located in India.

US Nutraceuticals LLC, our USA based subsidiary which specializes in development of condition-specific nutraceuticals, backed by clinical science and intellectual property protection has achieved a sales of USD 23.8 Mn during the current year against USD 25.8 Mn of previous year. Sales of formulation products has shown a de-growth of 24% over previous year. The company has been investing in clinical trials for developing new formulations. It is expected these investments would improve the Company's performance in the next financial year.

Parry's Spirulina is Certified Organic as per Naturland (Germany) and ECOCERT (France). 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. During the current year, Parry's Spirulina received R.A.W and C.L.E.A.N certification from Integrated systems, USA. Parry's Spirulina's GRAS (Generally Recognised As Safe) status from USFDA affirms 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. Further, Organic Chlorella powder and tablet has been added in the scope for Organic Certificate / Kosher and Halal.

Financial Performance

Revenue for the year was ₹ 71 Crore as compared to ₹ 77 Crore of previous year. PBIT for the year was ₹ 11 Crore against ₹ 10 Crore in 2015-16.

Standalone Financial Performance:

In ₹ Crore

Details	2016-17	2015-16
Revenue	71	77
EBITDA*	15	13

*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. 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 and value added products like Flavored Spirulina Granules, Phycocyanin, Fortified Spirulina, Fortified Spirulina with Vitamin C and Chlorella. Further, the business would focus on regaining lost volumes in North America through comprehensive key account management. Europe has grown and the indications are that more growth is possible as the market accepts our premium positioned product. Our R&D efforts would be focused on 3 broad areas – Green foods, Protein and Algal Omega 3. Further, the business shall make investments to conserve and reuse rain water wherein the business shall address ways and means of harvesting, recharging, storage and reuse of the rain water.

STANDALONE FINANCIALS

Results of Operations

Revenue

In ₹ Crore

BUSINESS SEGMENTS	2016-17	2015-16
Sugar	1,801	2,030
Cogen	200	257
Distillery	318	287
Sugar Total	**2,319**	**2,574**
Biopesticides	122	100
Nutraceuticals	71	77
Others	4	4
	2,516	**2,755**
Less: Inter segment revenue	39	66
Total	**2,477**	**2,689**

Other Income

Other income for the year was ₹ 154 Crore as against ₹ 97 Crore in the previous year which includes dividend income of ₹ 77 Crore against ₹ 45 Crore in FY 2015-16. Interest income earned during the year was ₹ 5 Crore as against ₹ 7 Crore in FY 2015-16.

EBIDTA

The Earnings before Interest, Depreciation, Tax and Amortization for the year was ₹ 509 Crore representing 19% of total revenues and showed an increase of 222% over previous year's ₹ 158 Crore.

EBIT

EBIT for the year was ₹ 397 Crore as against ₹ 46 Crore of FY 2015 -16.

Finance Charges

The Company incurred finance charges of ₹ 140 Crore for the year FY 2016-17 as compared to ₹ 167 Crore for the year FY 2015-16.

Depreciation

Depreciation was ₹ 112 Crore for the year FY 2016-17, as compared to ₹ 112 Crore for the year FY 2015-16.

PBT

Profit Before Tax for the year stood at ₹ 257 Crore as against loss of ₹ 122 Crore of previous year.

PAT

Profit After Tax for the year stood at ₹ 284 Crore as against Loss After Tax of ₹ 92 Crore of previous year.

I) Financial Overview

Networth

The Networth as on March 31, 2017 was ₹ 1477 Crore as against ₹1283 Crore in March 31, 2016 contributed by profit made during the year and adjustment arising on amalgamation of Parrys Sugar Industries Ltd.

Capital Redemption reserve remained unchanged during the year while Debenture Redemption Reserve decreased vide net transfer to Profit and Loss Account for ₹ 33 Crore.

Borrowing

The total loan funds of the Company decreased by 28% from ₹ 1319 Crore in 2015-16 to ₹ 943 Crore in 2016-17.

The Long Term Debt is 0.52 times of equity against 0.87 times of equity in the previous year.

Working capital borrowing utilized was ₹ 182 Crore on March 31, 2017 as against ₹ 202 Crore in previous year end.

Fixed Assets

The Company incurred ₹ 65 Crore (₹ 49 Crore during the previous year) of Capital expenditure during the year.

Investments

The total investment of the Company as at March 31, 2017 was ₹ 786 Crore against ₹ 774 Crore in 2015-16. The following investments were made during the year:

Equity shares of Parrys Investments Limited of ₹ 90 Lakh and Mutual Fund investment of ₹ 37 Crore.

Rating

During the year, rating agency CRISIL has reaffirmed Long Term Debt Rating CRISIL 'A+' (Stable) and reaffirmed CRISIL A1+ rating for its short term borrowings.

Book Value and Earnings per Share

Book Value of the Company increased from ₹ 73 share to ₹ 84 per share. Earnings per share increased to ₹ 16.03 per share for the year ended March 31, 2017, from ₹(5.21) for the year ended March 31, 2016

Ratios

Particulars	2016-17	2015-16
Key Profitability Ratios		
EBIDTA / Sales %	20.69%	5.95%
PAT / Sales %	11.54%	(3.48%)
PAT / Networth % (ROE)	19.20%	(7.18%)
Key Capital Structure Ratios		
Net Debt / Equity Ratio	0.39	0.50
Long Term Debt /Equity Ratio	0.52	0.87
Outside Liabilities / Networth	1.33	1.94
Net Fixed Assets / Networth	1.00	1.22
Debt Service Coverage Ratio	1.19	0.49
Liquidity Ratios		
Current Ratio	0.82	0.77
Inventory Turnover (days)	115	142
Receivables (day gross sales)	35	33
Earnings and Dividend Ratios		
Dividend %	400%	Nil
Dividend Payout %	25%	Nil
Earnings Per share (₹)	16.03	(5.21)
Book Value Per share (₹)	84	73
P / E Multiple	17.69	(41.87)

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 cyclicality 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 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 diverse 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 has had a negative impact. However, the Karnataka and Andhra Pradesh Governments have partially decontrolled the industry and going forward if the Tamil Nadu Government accepts proposal to link sugarcane prices to sugar prices, 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

E.I.D Parry's HR 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.

In a challenging and competitive environment, the company believes that people are the key assets to the growth of an organisation. To provide a dynamic work environment and enhance its employee engagement to the best-in-class standards, a Company-wide survey was rolled out based on the Aon Hewitt Model. Driven by the senior leadership, corrective measures were undertaken based on the survey findings.

Training and leadership building programmes were part of the ongoing initiatives for empowerment and people development closely aligned to the needs of the key businesses and the organisation's purpose of "Enriching and energising lives" through a sustainable eco system.

AWARDS & RECOGNITIONS

During the year, the Company was selected in 2016 as the best performing Company and winner in the sugar sector by Dun & Bradstreet, for the second year in running. Dun & Bradstreet has endeavoured to provide the top Indian Companies a global platform through its publication of India's top 500 Companies to recognise exemplary performance in the Corporate World. Further, the Company received a special recognition at the National level in May 2017 for its "Commitment to Engagement" as part of the Aon Best Employers India 2017.

At the National level Energy Conservation Contest organized by the Confederation of Indian Industry, the Company's Nellikuppam factory was certified as an "Excellent Energy Efficient Unit" and Pudukottai factory was certified as an "Energy Efficient Unit". Both Nellikuppam and Pudukottai Units received this award for the second and third time respectively in the last four years. The Pudukottai Unit also received first prize for Jishu Hozen activities at the National Level TPM Circle Competition.

The Nellikuppam factory received an Award for "Best Overall Performance of the Sugar Mill" from a Sugar Manual Magazine and Haliyal Cogen Plant was awarded as the "Best Safe Power Boiler" in Karnataka State by the Government of Karnataka. Further, the Plants at Nellikuppam, Sivaganga, Sankili, Haliyal and Bagalkot won 10 Awards from South India Sugarcane and Sugar Technologies Association (SISSTA) under the heads of "Best Distillery", "Best Technical Efficiency" "Best Sugarcane Development", "Best Cogeneration" and "Best By-products".

CORPORATE SOCIAL RESPONSIBILITY (CSR)

EID Parry's CSR initiatives primarily focus on improving the quality of life of the communities where it operates, through socio welfare initiatives.

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

Healthcare

The Company pursues a well managed Health Care programme across its units, providing medical amenities for people living in neighbouring villages. 'Hospital on Wheels', a well equipped mobile unit with diagnostic and medical intervention amenities makes emergency care possible for people living in remote areas. In addition, mobile medical units cater to the needs of the elderly in the cane growing villages around the Plants.

In addition to the comprehensive health and medical care programmes for employees, 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

As an important part of its CSR programmes, EID Parry promotes education in the neighbouring villages near its units. Besides contributing to infrastructure building and facility upgradation at schools, the Company provides educational assistance to cane growers children and participates in their developmental needs. Baby care centres, mid-day meals for Balawadi school children of labourers, training programmes for employees' children are few of the ongoing initiatives.

Community Welfare

E.I.D Parry has always played a key role in extending relief support to villagers during natural calamities and helping the Government in its disaster management initiatives.

Drought relief measures were extended to farmers in Tamil Nadu, Karnataka and Andhra Pradesh, to mitigate crop loss. Community development works were also undertaken in the villages in and around the units.

As part of its community welfare programmes the Company undertook the desilting of Ponds and Canals, to augment the water supply to villages and schools.

Tree Planting across schools and neighbourhoods were conducted as part of the Green Environment initiatives.

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.

On behalf of the Board

Chennai
May 18, 2017

A. Vellayan
Chairman

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1. 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.

2. BOARD OF DIRECTORS

2.1 Composition and Appointment

The Board of Directors of the Company ("Board") consists of an optimum combination of Executive, Non Executive and Independent Directors with expertise in the fields of business strategy, finance, marketing and business management. Half of the Board members are Independent Directors. All the four independent Directors satisfy the criteria of independence specified in the Companies Act, 2013 ("Act"), Regulation 16 (1) (b) of the Listing Regulations and meet the criteria for appointment formulated by the Nomination & Remuneration Committee ("NRC") as approved by the Board.

NRC has formulated a policy on criteria for Board Nominations. It ensures diversity of qualification, experience, expertise and gender in the composition of the Board. The board members are appointed through a transparent process and are issued appointment letters. The format of terms and conditions of appointment of Independent Directors is displayed on the website of the Company http://www.eidparry.com/about us/independent directors. Each independent director is familiarized with the Company, business, industry, roles and responsibilities, the details of which are available on the website of the Company. http://www.eidparry.com/about us/independent directors.

Independent Directors were appointed for a specific term as recommended by NRC and their appointments were approved by the Board and the members at their respective meetings. Non independent Directors were appointed as per the provisions of the law.

The present strength of the Board is eight directors, consisting of one Non - Executive Chairman, part of the Promoter Group, a Non Executive Non Independent Vice Chairman, a Managing Director, a Deputy Managing Director and four Independent Directors including a woman director. The composition of the Board is in conformity with the Companies Act, 2013 (Act) and Listing Regulations.

The Composition of Board is as under:

S. No	Name of the Director	DIN	Category of Directorships		Position
1.	Mr. A.Vellayan	00148891	NE	NI	Chairman, Promoter
2.	Mr. V.Ravichandran	00110086	NE	NI	Vice Chairman
3.	Mr. V.Ramesh	01412093	E	NI	Managing Director
4.	Mr. S.Suresh	06999319	E	NI	Deputy Managing Director
5.	Mr. Anand Narain Bhatia	00148983	NE	I	Director
6.	Mr. V.Manickam	00179715	NE	I	Director
7.	Mr. M.B.N.Rao	00287260	NE	I	Director
8.	Dr. (Ms) Rca Godbole	07306268	NE	I	Director

Non Executive ("NE"), Executive ("E"), Non Independent ("NI") and Independent ("I")

Mr. S.Suresh was appointed as a Deputy Managing Director w.e.f July 1, 2016 for a term of 3 years.

2.2 Board Process

The Board meets at least once in each quarter to review the matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. In addition to these meetings, additional Board meetings are held to approve the Business Plan and Long Term Strategies of the Company. 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.

The maximum time gap between two meetings does not exceed 120 days. The Board meetings are generally scheduled in advance. Notice and detailed notes on agenda of each Board Meeting are given in writing to all directors in advance of the meetings in compliance with Secretarial Standard on Meeting of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India. Where it is not possible to enclose any document to the agenda, the same is tabled at the Meeting.

The Board periodically reviews 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 is also free to recommend inclusion of any matter for discussion in consultation with the Chairman. The Board has no restriction to access any information and employees of the Company

All the discussions and decisions taking place in every meeting of the Board are entered in the Minute Book. The draft minutes are circulated within the specified time to the Board and suggestions or comments for changes, if any, received are suitably incorporated in the minutes and the minutes are signed by the Chairman of the same meeting or by the Chairman of the succeeding meeting within the prescribed time period.

The process specified for the Board meeting above are followed for the meetings of all the Committees constituted by the Board, to the extent possible. The minutes of the meetings of the Committees of the Board are placed before the Board for noting. The minutes of the unlisted subsidiary Companies are placed before the Board on quarterly basis.

Pursuant to the provisions of the Act and the Listing Regulations, evaluation of the performance of the Board, Committees of the Board and individual directors for the year 2016-17 was carried out by the Board. The questionnaires were prepared in a structured manner taking into consideration the guidance note on Board Evaluation issued by SEBI. The performance of the Individual Directors was 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 all the independent directors was done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the NRC.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

2.3 Board meeting and attendance of directors

Nine meetings of the Board were held during the Year ended March 31, 2017 ("Year") i.e., May 10, 2016, May 28, 2016, June 18, 2016, August 5, 2016, November 7, 2016, November 8, 2016, February 7, 2017, February 21, 2017 and March 30, 2017 and the maximum gap between any two Board meetings did not exceed one hundred twenty days during the Year.

The attendance of Directors at Board Meeting ("BM"), last Annual General Meetings ("AGM") / and the number of directorship, membership and chairmanship held by each Director on the Board/ Committees of the Board of other Companies were as under:-

Sl. No	Name of the Director	Position	Attendance		No. of Directorships & Committee membership in Public Companies (excluding EID)			
			BMs	AGM held on August 5, 2016	Board*		Committee**	
					Director	Chairman	Member	Chairman
1	Mr. A. Vellayan	Chairman	9	Present	2	1	-	1
2	Mr. V. Ravichandran	Vice Chairman	9	Present	4	1	3	1
3	Mr. V. Ramesh	Managing Director	8	Present	3	-	1	-
4	Mr. S. Suresh	Deputy Managing Director	6	Present	1	-	-	-
5	Mr. Anand Narain Bhatia	Director	8#	Present	2		-	3
6	Mr. V. Manickam	Director	7	Present	6	-	3	-
7	Mr. M.B.N.Rao	Director	9#	Not Present	6	2	4	2
8	Dr. (Ms) Rca Godbole	Director	9#	Present	-	-	-	-

includes attendance through video conference.

* 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.

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 as required under Regulation 26 (1) of the Listing Regulations.

None of the Independent Directors on the Board is an Independent Director in more than seven listed Companies as required under Regulation 25 (1) of the Listing Regulations.

There were no pecuniary relationship / transactions between the Non-Executive Directors and the Company.

2.4 Details of shares held by non-executive directors as on March 31, 2017 are as follows:

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

None of the directors hold any convertible securities in the Company.

2.5 Meeting of Independent Directors

During the year, two meetings of the independent directors were held on May 9, 2016 and March 30, 2017 as required under Regulation 25 (3) of the Listing Regulations and Schedule IV of the Act to discuss the matters specified therein. All the Independent Directors attended the meetings.

3. COMMITTEES OF THE BOARD

The Board has constituted different committees as required under the Act and Listing Regulations Details of the Committees and their terms of reference are given below.

3.1 Audit Committee

The Audit Committee has been constituted as required under Section 177 of the Act and Regulation 18 of the Listing Regulations.

3.1.1 Brief Description of the Terms of the Reference

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

3.1.2. Composition of the Committee and attendance

The Audit Committee comprises of four independent directors. The committee met five times during the Year on May 9, 2016, August 4, 2016, November 7, 2016, February 6, 2017 and March 29, 2017 and the details of the composition of the Committee and attendance of the members are as follows:

Name of the Director	Position	No of meetings attended
Mr. M.B.N.Rao	Chairman	4#
Mr. Anand Narain Bhatia	Member	5
Mr. V.Manickam	Member	4
Dr. (Ms) Rca Godbole	Member	5

Includes attendance through Video Conference.

Mr. M.B.N.Rao, Chairman was unable to attend the AGM held on August 5, 2016 due to personal exigencies. He had nominated Mr. Anand Narain Bhatia, Member to respond to shareholders' questions.

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

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Deputy 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 had separate discussions with the statutory auditors as well as internal auditors without the presence of the management team.

3.2 Nomination & Remuneration Committee (NRC)

The NRC has been constituted as required under Section 178 of the Act and Regulation 19 of the Listing Regulations.

3.2.1 Brief description of the Terms of the Reference

- formulation of criteria for determining the qualifications, positive attributes and independence of a director
- recommending to the Board a policy, relating to the remuneration of 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.

3.2.2 Composition of the Committee and attendance

The NRC met five times during the Year on May 10, 2016, May 28, 2016, August 5, 2016, November 7, 2016 and February 6, 2017 and the details of the composition of the Committee and attendance of the members are as follows:

Name of the Director	Position	Category	No of meetings attended
Mr. M.B.N.Rao	Chairman	NE, I	5#
Mr. Anand Narain Bhatia	Member	NE, I	5
Mr. V.Ravichandran	Member	NE, NI	5
Dr. (Ms) Rca Godbole	Member	NE, I	5

Includes attendance through Video Conference.

Non Executive ("NE"), Non Independent ("NI") and Independent ("I")

3.3 Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted as required under Section 178 of the Act and Regulation 20 of the Listing Regulations.

3.3.1 Brief description of Terms of the Reference

- 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.
- Reviewing of investors complaints and take necessary steps for redressal thereof.
- To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Act and the rules made thereunder, Listing Regulations and the guidelines issued by SEBI or any other regulatory authority.
- Approval of share transfers, transmission and issue of duplicate certificate.

3.3.2 Composition of the Committee and attendance

The Stakeholders Relationship Committee met four times during the Year on May 9, 2016, August 4, 2016, November 7, 2016 and February 6, 2017 and the details of the composition of the Committee and attendance of the members are as follows:

Name of the Director	Position	Category	No of meetings attended
Mr. Anand Narain Bhatia	Chairman	NE, I	4
Mr. V.Ravichandran	Member	NE, NI	4
Mr. V.Ramesh	Member	E, NI	4

Non Executive ("NE"), Executive ("E"), Non Independent ("NI") and Independent ("I")

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

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

Opening Balance	Received during the year	Redressed during the year	Closing Balance
Nil	4	4	Nil

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

3.4 Risk Management Committee

The Risk Management Committee has been constituted as required under Regulation 21 of the Listing Regulations voluntarily by the Company.

3.4.1 Brief description of Terms of the reference

- Advise the Board on the prioritisation of Risk Management issues,
- Report the effectiveness of the Company's Risk Management Systems,
- Carry 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.

3.4.2 Composition of the Committee and attendance

A meeting of the Risk Management Committee was held on March 30,2017 during the Year. The details of the composition of the Committee and attendance of the members are as follows:

Name of the Director	Position	Category	No of meetings attended
Mr. M.B.N.Rao	Chairman	NE, I	1
Mr. V.Ravichandran	Member	NE, NI	1
Mr. V.Ramesh	Member	E, NI	1
Mr. S.Suresh	Member	E, NI	-

Non Executive ("NE"), Executive ("E"), Non Independent ("NI") and Independent ("I")

The Risk Management Committee was re-constituted with the above members with effect from February 7, 2017.

3.5 Corporate Social Responsibility Committee (CSR)

The Corporate Social Responsibility Committee has been constituted as required under Section 135 of the Act.

3.5.1 Brief Description of the Terms of the reference

- 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.
- 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
- To institute 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.

3.5.2 Composition of the Committee and attendance

The Corporate Social Responsibility Committee met twice during the Year on May 10,2016 and March 29, 2017 and the details of the composition of the Committee and attendance of the members are as follows:

Name of the Director	Position	Category	No of meetings attended
Mr. V.Manickam	Chairman	NE, I	2
Mr. V.Ravichandran	Member	NE, NI	2
Mr. V.Ramesh	Member	E, NI	2

Non Executive ("NE"), Executive ("E"), Non Independent ("NI") and Independent ("I")

4. REMUNERATION OF DIRECTORS

4.1 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 and Regulation 19 read with Part D of C Schedule II of the Listing Regulations 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.

4.2 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% 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 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.

4.3 Remuneration of Executive Directors

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 NRC within the overall limits specified under the Companies Act, 2013.

The elements of compensation of the Executive Directors include the following:

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

The NRC determines the annual variable pay compensation in the form of annual incentive and annual increment for the Executive Directors based on Company's and individual's performance as against the pre-agreed objectives for the year.

- The Executive Directors other than from promoters group are also eligible for ESOPs as per the scheme in force from time to time. Grants under the Scheme shall be approved by the NRC.
- In case of inadequacy of profit in any financial year, the remuneration payable to the Executive Directors shall be further subject to the relevant provisions of the Companies Act, 2013.
- Executive Directors are not paid sitting fees for any Board/ Committee meetings attended by them.

4.4 The sitting fees/commission paid to the non executive directors during the Year are given below.

₹ in Lakh unless otherwise stated

S. No	Name of the Director	Category	Position	Sitting fees for attending meetings	Commission #
1.	Mr. A.Vellayan	NE,NI	Chairman	2.25	100.00
2.	Mr. V.Ravichandran	NE,NI	Vice Chairman	4.05	7.50
3.	Mr. Anand Narain Bhatia	NE,I	Director	4.60	7.50
4.	Mr. V.Manickam	NE,I	Director	3.05	7.50
5.	Mr. M.B.N.Rao	NE,I	Director	4.15	7.50
6.	Dr. (Ms) Rca Godbole	NE,I	Director	4.25	7.50

Non Executive ("NE"), Non Independent ("NI") and Independent ("I")

Represents provision made in the Financial Year 2016-17 and will be paid after adoption of accounts. The compensation to the Non-Executive Directors takes the form of commission on profit. Though Shareholders have approved the payment of commission upto 1% of net profit of the Company for each year, the actual commission paid to the Directors is restricted to a fixed sum. This sum is reviewed periodically taking into consideration various factors such as performance of the Company and extend of responsibilities cast on directors under general law and other relevant factors. In keeping with evolving trends in industry, the practice of paying differential commission to directors based on time spent by them has also been adopted. Given the size and nature of its operations and also the rich experience that the Chairman possesses in the field of sugar industry, a considerable amount of time is spent by him in connection with the operation of the Company.

Sitting fee for Board and Audit Committee meetings is paid at ₹ 25,000 and for other Committees at ₹ 15,000

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

4.5 The Remuneration paid to the Executive Directors during the Year are given below.

₹ in Lakh unless otherwise stated

S. No	Name of the Director	Category	Position	Salary	Allowances	Perquisites	No of Stock Options granted#
1.	Mr. V.Ramesh	E,NI	Managing Director	91.46	37.85	0.29	2,79,200
2.	Mr. S.Suresh*	E,NI	Deputy Managing Director	25.69	26.51	0.22	87,580

Executive ("E") and Non Independent ("NI")

* w.e.f. July 1, 2016

The above remuneration does not include contribution to retiral benefits.

Stock Options were granted on February 6, 2017 at the Market Price.

Mr. V.Ramesh was appointed as the Managing Director of the Company for a period of three years w.e.f January 30, 2014. The Board of Directors of the Company ('the Board') at their meeting held on August 5, 2016 on the recommendation of the NRC had re-appointed him as the Managing Director of the Company for a further period of one year, which was approved by the Members by way of postal ballot process.

The Board at the meeting held on June 18, 2016, on the recommendation of the NRC, appointed Mr. S.Suresh as the Deputy Managing Director of the Company for a period of three years with effect from July 1, 2016 up to June 30, 2019. The appointment was approved by the shareholders at the 41st AGM held on August 5, 2016.

Notice period for the Executive Directors is three months on either side.

5. GENERAL BODY MEETINGS

5.1 The date, time and venue of last three Annual General Meetings (AGMs) and Extraordinary General Meetings ("EGMs") held are as follows.

Year ended 31st March	Day	Date	Time	Venue
Annual General Meeting				
2014	Wednesday	July 30,2014	4.00 p.m	Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai- 600 108
2015	Tuesday	August 4,2015	4.30 p.m	
2016	Friday	August 5,2016	4.30 p.m	The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600014
Court Convened Meeting				
-	Monday	December 5,2016	10.30 a.m	The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600014

5.2 Details of Special Resolutions passed during the last three AGMs are given below:

Date of AGM	Particulars
July 30,2014	• 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 financial years w.e.f April 1, 2014.
August 4,2015	• Issue of Non Convertible Debentures for an amount not exceeding ₹ 200 Crore during a period of one year
August 5,2016	• Issue of Non Convertible Debentures for an amount not exceeding ₹ 300 Crore during a period of one year • Appointment of Mr S.Suresh as Deputy Managing Director for a period of three years w.e.f July 1, 2016

5.3 Details of special resolutions through postal ballot during the year along with voting results are as below :

A) Approval for alteration of the existing Articles of Association of the Company by adoption of a new set of Articles of Association

The result of the Postal Ballot :

Particulars of Postal Ballot voting	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	No. of members voted	No. of votes cast by them	% of total number of valid votes cast	No. of members voted	No. of votes cast by them	% of total number of valid votes cast	No. of members voted	No. of votes cast by them
Physical	455	221313	0.243	12	1249	0.001	6	23133
E-voting	137	90885033	99.671	7	77238	0.085	0	0
	592	**91106346**	**99.914**	**19**	**78487**	**0.086**	**6**	**23133**

B) Approval for the E.I.D.- Parry (India) Limited Employee Stock Option Plan 2016 ("ESOP 2016") and grant of stock options to Employees of the Company under ESOP 2016

The result of the Postal Ballot :

Particulars of Postal Ballot voting	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	No. of members voted	No. of votes cast by them	% of total number of valid votes cast	No. of members voted	No. of votes cast by them	% of total number of valid votes cast	No. of members voted	No. of votes cast by them
Physical	436	207527	0.229	30	15019	0.017	6	23133
E-voting	100	86781858	95.711	43	3666113	4.043	0	0
	536	**86989385**	**95.940**	**73**	**3681132**	**4.060**	**6**	**23133**

C) Approval for grant of stock options to Employees of the subsidiaries of the Company under ESOP 2016

The result of the Postal Ballot :

Particulars of Postal Ballot voting	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	No. of members voted	No. of votes cast by them	% of total number of valid votes cast	No. of members voted	No. of votes cast by them	% of total number of valid votes cast	No. of members voted	No. of votes cast by them
Physical	395	207595	0.229	69	14521	0.016	6	23133
E-voting	101	86781998	95.712	42	3665973	4.043	0	0
	496	**86989593**	**95.941**	**111**	**3680494**	**4.059**	**6**	**23133**

D) Approval for re-appointment of Mr. V.Ramesh as the Managing Director for a period of one year with effect from January 30, 2017

The result of the Postal Ballot :

Particulars of Postal Ballot voting	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	No. of members voted	No. of votes cast by them	% of total number of valid votes cast	No. of members voted	No. of votes cast by them	% of total number of valid votes cast	No. of members voted	No. of votes cast by them
Physical	451	219164	0.242	15	3382	0.004	6	23133
E-voting	142	90447803	99.754	2	268	0.000	0	0
	593	**90666967**	**99.996**	**17**	**3650**	**0.004**	**6**	**23133**

M/s R.Sridharan & Associates, Company Secretaries were appointed as the scrutinizer for carrying the process of postal ballot in a fair and transparent manner.

As on date, no special resolutions are proposed to be conducted through postal ballot.

The notice of the postal ballot contains in detail the process of the meeting.

5.4 The Company had conducted a Court Convened Meeting of the Equity Shareholders of the Company on December 5, 2016 at The Music Academy, New No. 168, (Old No. 306), T.T.K. Road, Royapettah, Chennai – 600 014 at 10.30 a.m. for approval of the Scheme of Amalgamation of Parrys Sugar Industries Limited with the Company as required under Section 391 to 394 of the Companies Act 1956 and the provisions of the Companies Act 2013.

6. MEANS OF COMMUNICATION

The Communication with shareholders and Investors by the Company are through multiple channels of Communications such as publication in newspapers, disclosure to National Stock Exchange of India Limited and BSE Limited and display on the Company's website at www.eidparry.com.

During the year, the quarterly and yearly audited financial results of the Company were published in newspaper in Business Standard (English) and in Dinamani (Tamil) within 48 hours of conclusion of the Board Meetings at which respective financial results were approved and results also placed on the Company's website at www.eidparry.com.

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

7. GENERAL SHAREHOLDER INFORMATION

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

8. OTHER DISCLOSURES & AFFIRMATIONS

8.1 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/investors/Policies-Codes.

8.2 Details of non- compliance, penalties and strictures imposed.

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.

8.3 Whistle Blower Policy and Vigil Mechanism

The company has established a whistle blower mechanism to provide an avenue for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy for the directors / employees / customers by providing adequate safeguards against victimisation of directors / employees / customers who avail this mechanism and also for appointment of an ombudsman 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.

8.4 Compliance with mandatory requirements

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

8.5 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 and notes to accounts of this Annual Report.

8.6 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.

8.7 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.

9. 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 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 /investors/Policies-Codes.

10. PREVENTION OF INSIDER TRADING

The Company has formulated a Code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same has been published on the Company's website http://www.eidparry.com/investors/Policies-Codes. A Code of Conduct to regulate, monitor and report trading by insiders in securities of the Company has also been formulated.

11. 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.

12. 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.

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.

13. NON-MANDATORY REQUIREMENTS

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

13.1 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.

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

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

On behalf of the Board

Chennai
May 18, 2017

A.Vellayan
Chairman

TO THE MEMBERS OF E.I.D.-PARRY (INDIA) LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. MKA/EID/2016-17/EL-01 dated October 14, 2016.

2. We, Deloitte Haskins &Sells, Chartered Accountants, the Statutory Auditors of E.I.D.-Parry (India) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management.

   This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining 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.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

9. 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)

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

Place : Chennai
Date : May 18, 2017

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 March 31, 2017.

Chennai
May 18, 2017

V.Ramesh
Managing Director

GENERAL SHAREHOLDER INFORMATION

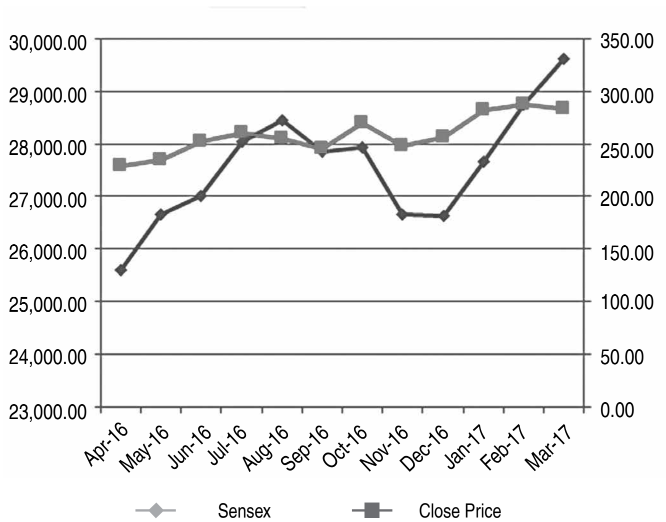
i. Annual General Meeting Day, Date and Time Venue	Friday, August 4, 2017 at 3.30 p.m. The Music Academy, New No.168 (Old No.306), T.T.K Road,Royapettah, Chennai - 600 014	
ii. Financial Year	April 1, 2016 to March 31, 2017	
iii. Date of Book closure	July 28, 2017 to August 4, 2017 (Both days inclusive)	
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.	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
	The Listing fees for the financial year 2016-17 has been paid to both the above Stock Exchanges.	
vi. Stock Code		
Name of the Stock Exchange/Depository	Code/ISIN	
National Stock Exchange of India Ltd. (NSE)	EID PARRY EQ	
Bombay Stock Exchange Ltd. (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

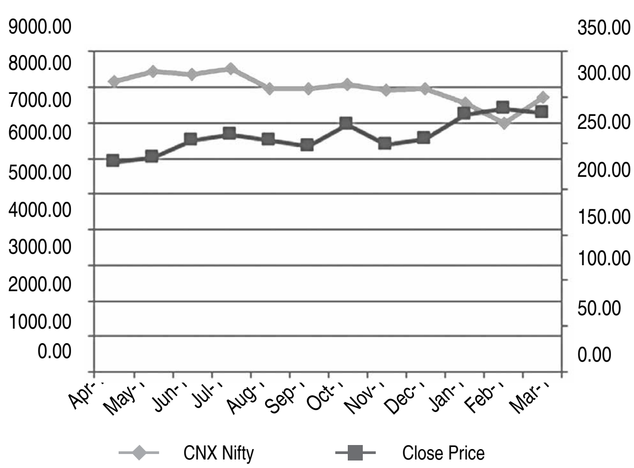
Period	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)			(BSE & NSE)
	High	Low	Volume	High	Low	Volume	Total volume
	₹	₹	(No. of shares)	₹	₹	(No. of shares)	(No. of shares)
Apr-16	242.00	210.10	17,62,006	241.90	210.00	63,37,898	80,99,904
May-16	254.85	218.00	22,48,003	254.70	218.20	76,67,849	99,15,852
Jun-16	258.80	218.00	34,85,910	258.50	217.55	87,75,884	1,22,61,794
Jul-16	268.00	230.20	18,92,244	268.00	230.45	5451442	73,43,686
Aug-16	270.00	241.00	13,56,732	270.80	240.50	46,86,980	60,43,712
Sep-16	259.65	235.00	13,06,078	259.95	234.00	4817482	61,23,560
Oct-16	277.95	244.80	14,53,210	278.35	244.10	55,16,816	69,70,026
Nov-16	274.90	221.95	13,78,338	274.90	220.00	51,98,917	65,77,255
Dec-16	272.00	238.15	5,20,489	272.90	238.10	31,14,014	36,34,503
Jan-17	300.40	253.35	16,84,975	300.05	253.30	62,41,188	79,26,163
Feb-17	309.70	280.00	17,24,656	309.75	279.00	52,19,448	69,44,104
Mar-17	292.00	274.15	15,18,701	291.90	274.45	46,88,620	62,07,321

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 Agent

Karvy Computershare Private Limited,
Unit: E.I.D.-Parry (India) Ltd.,
Plot No: Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli,
Hyderabad 500 032
Tel : 040 6716 2222
Fax : 040 2342 0814
E-Mail : einward.ris@karvy.com;
prem.kumar@karvy.com;
Contact Person: Mr. M.Prem Kumar, 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 the 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	Resolved during the year
Non receipt of share certificate, non receipt of dividend and transmission of shares	4	4

There were no complaints remaining pending at the beginning and end of the financial year 2016 – 17.

xii. Distribution of shareholding as on March 31, 2017

No. of equity shares held	No. of share holders	%	No. of shares	%
1- 5000	40660	96.90	12638836	7.19
5001-10000	599	1.43	4434928	2.52
10001-20000	318	0.76	4519395	2.57
20001-30000	98	0.23	2393231	1.36
30001-40000	45	0.11	1599821	0.91
40001-50000	42	0.10	1931319	1.1
50001-100000	59	0.14	4102490	2.33
100001 & Above	139	0.33	144250878	82.02
Total	**41960**	**100.00**	**175870898**	**100.00**

Shareholding Mode	No. of share holders	%	No. of shares	%
Physical	9643	22.98	3146469	1.79
Demat/Electronic	32317	77.02	172724429	98.21
Total	**41960**	**100.00**	**175870898**	**100.00**

Shareholding Pattern as on March 31, 2017

Category	No. of share holders	No. of shares	% to paid-up Capital
Promoters	61*	79577050	45.25
Indian Public/HUF/Clearing Members	40441	48711088	27.70
Mutual Funds	12	4648645	2.64
Banks/Financial Institutions/Insurance Co's	24	7859184	4.47
Foreign Institutional Investors/GDR's	80	17476703	9.94
Private Corporate Bodies	687	15263581	8.68
NBFC	3	17671	0.01
NRI/OCB/Foreign Nationals	641	2195936	1.25
Trusts	11	121040	0.07
Total	**41960**	**175870898**	**100.00**

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

xiii. Dematerilisation 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 98.21% of the Company's share capital are dematerialized as on March 31, 2017. The Company's shares are regularly traded on National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in electronic form.

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

As on March 31, 2017, 71,930 (0.04%) GDR are outstanding. Each GDR represents one underlying equity share.

xv. Plant Locations

Sugar

1 Sugar and Distillery Factory
138, Keel Arungunam Road,
Nellikuppam - 607 105.
Cuddalore District
Tamilnadu

2 Sugar Factory
Pugalur - 639 113
Karur District
Tamilnadu

3 Sugar Factory
Pettavaithalai - 639 112
Tiruchirapalli District
Tamilnadu

4 Sugar Factory
Kurumbur - 614 622
Aranthangi Taluk, Pudukottai District
Tamilnadu

5 Sugar Factory
Ariyur, Kandamangalam Post
Villianur Commune,
Puducherry - 605 102

6 Distillery Factory
Udaikulam Village, Koothandan Post,
Sivagangai Taluk,
Sivagangai District - 630 561
Tamilnadu

7 Sugar Factory & Distillery
Hullatti Village
Haliyal Mandal - 581 329
Uttara Kannada
Karnataka

8 Sugar Factory & Distillery
Sankili Village
Regidi Amadalavalasa Mandal Srikakulam
District - 532 440
Andhra Pradesh

9 Sugar Factory
NH-13, Nagarlal Post,
Nainegali – 587 207
Bagalkot Taluq & District
Karnataka

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

Bio-Products

11 Bio-Pesticides Factory
Neemazal Plant
Thyagavalli Village,
Via Alapakkam Rly. Station
Cuddalore Taluk - 608 803
Cuddalore District
Tamilnadu

Nutraceuticals

12 Nutraceuticals Factory
Kadiapatti, Nemathanpatti Road
Panangudi (P.O), Thirumayam Taluk
Oonaiyur - 622 505
Pudukottai District
Tamilnadu

13 Biosar - Nutraceuticals Factory
Plot No.J – 163,
MIDC Boisar-401506
Dist- Palghar, Maharashtra

14 Survey No-79/2,
Near Agrawal Godown,
Dangat Industrial Estate,
Shivane-Warje-NDA Road,
Shibvane, Pune -411023.
Maharashtra.

R & D Facility

15 Sugarcane R&D Centre
43, Annai Nagar
Pugalur – 639113
Karur Dt., Tamil Nadu

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

17 Research Farm
Edayanvalli
Melpattambakkam Post – 607104
Cuddalore Dt., Tamil Nadu

18 45/1, Shree Rama Layout
Behind Subramanya Temple
Cheemasandra
Virgo Nagar Post
Bengaluru – 560 049

19 Nutraceuticals R&D Centre
655, T.H. Road
Thiruvottiyur
Chennai – 600019

20 Bio-Products R & D Centre
Alapakkam R S
Thyagavalli – 608003
Cuddalore Dt., Tamil Nadu

xvi. 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

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid dividend remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, were required to be transferred to the Investor Education & Protection Fund (IEPF). Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), both of which were applicable with effect from September 7, 2016 also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, dividends remaining unclaimed for a period of 7 years will be transferred by the Company to the IEPF. Shareholders who have not encashed their dividend warrants (for earlier periods) may approach our Registrar and Transfer Agent M/s. Karvy Computershare Private Limited, Hyderabad for issue of cheques / demand drafts in lieu of dividend warrants quoting the Folio Number/ Client ID.

Pursuant to Section 124 (6) of the Companies Act, 2013, all shares in respect of which the dividend has not been paid or claimed for seven consecutive years, the company will transfer the shares to the IEPF in such manner as prescribed by the Ministry of Corporate Affairs. In this connection, the Company has also published an advertisement with regard to transfer of equity shares to IEPF in the newspapers viz., Business Standard and Makkal Kural. The Company has also sent communication to the concerned shareholders individually with regard to transfer of their shares along with the details of unclaimed dividend proceeds.

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
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
2016- 17	Interim	4.00	30.03.2024

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

1.79% 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 Clause 5A of the amended Equity Listing Agreement with the Stock Exchanges and Regulation 39(4) read with Schedule VI of Listing Regulations after sending three reminders to the shareholders to claim their respective shares, 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 Listing Regulations 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. 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	2493*	1346230
(ii)	Number of shareholders who approached the issuer for transfer of shares from the unclaimed suspense account during the year	15*	4830
(iii)	Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year	15	4830
(iv)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year	2478	1341400

* 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.

GREEN INITIATIVE

Shareholders holding shares in physical form are requested to register their e-mail ids stating Folio Nos with RTA by sending e-mail to einward.ris@karvy.com. Shareholders holding shares in electronic form are requested to register their e-mail ids with the respective depository participants to support the "Green Initiative" of the Company. This will enable the Company for sending all communication / reports instantaneously to the Shareholders.

BUSINESS RESPONSIBILITY REPORT

About this report

Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) prescribe that top 500 companies based on market capitalisation as per NSE / BSE as on March 31 of every financial year, are required to have "Business Responsibility Report" (BRR) as part of their Annual Report. Following is the First Business Responsibility Report of your Company as the Company is amongst the top 500 listed entities as per the market capitalisation at NSE/ BSE as on March 31, 2017. The report has been prepared as prescribed and in accordance with Regulation 34 of the Listing Regulations.

About E.I.D.- Parry (India) Limited

E.I.D.-Parry (India) Limited, a leading player in sugar with interests in promising areas of bio-pesticides and nutraceuticals, is one of the oldest companies in India and one of the top five sugar producers in the country. E.I.D. Parry has nine sugar plants spread across South India. The integrated sugar units have been designed to optimize process efficiencies, increase sugarcane recovery ratio and increase energy efficiency through reduced steam and power consumption. E.I.D. Parry continues to be one of the leading producers of international quality sugar, through its innovative process and farmer centric practices.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company:

L24211TN1975PLC006989

2. Name of the Company:

E.I.D.-Parry (India) Limited

3. Registered address:

Dare House, Parrys Corner, Chennai - 600-001

4. Website:

www.eidparry.com

5. E-mail id:

investorservices@parry.murugappa.com

6. Financial Year reported:

April 1, 2016 –March 31, 2017

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

NIC Code	Description
10721	Sugar
1101	Distillery
35106	Cogeneration
20211	Bio-Pesticides
03213	Nutraceuticals

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

- Sugar & by products
- Bio-Pesticides
- Nutraceuticals

9. Total number of locations where business activity is undertaken by the Company :

i. Number of International Locations - The Company operates through three overseas subsidiaries and sells its products across nearly 40 countries with manufacturing units in U.S.A and Chile. Major geographies, where the Company operates are:

a. U.S.A

b. Europe

ii. Number of National Locations: The Company has its registered office in Chennai and 14 manufacturing units located across India.

10. Markets served by the Company – Local/State/National/ International :

The company is predominantly in sugar business and serves the Indian market. The Bio and Nutra business are predominantly export oriented and the serve the international geography as stated above.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No	Particulars	FY 16-17 Standalone ₹ in Crore
1	**Paid up Capital (INR)**	17.59
2	**Total Income (INR)**	2,631.21
3	**Profit after taxes (INR)**	283.61
4	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)***	NA

* The Company spent an amount of ₹ 88.04 Lakh on CSR activities though the Company was not required to spend any amount on the basis of average net profits for the immediately preceding three financial years as specified under Section 135 of the Companies Act, 2013.

5. List of activities in which expenditure in 4 above has been incurred:-

(a)	Healthcare	Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure 'C' to the Board's Report.
(b)	Education	
(c)	Rural development	
(d)	Sustainable livelihood	

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?:

Yes. Refer to Annexure A to the Board's Report.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(s)?

Yes, E.I.D.- Parry (India) Limited encourages its Subsidiary Companies to participate in its group wide Business Responsibility (BR) initiatives on various activities. All subsidiary Companies are aligned to the activities under the aegis of Murugappa Group.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

We do not mandate that our suppliers and partners participate in the Company's BR initiatives. However, they are encouraged to do so.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number : 06999319
- Name : S.Suresh
- Designation : Deputy Managing Director

(b) Details of the BR head

Sr.No	Particulars	Details
1	DIN Number (If applicable)	06999319
2	Name	S.Suresh
3	Designation	Deputy Managing Director
4	Telephone number	044-25306789
5	e-mail id	sureshs@parry.murugappa.com

2. Principle-wise BR Policy/Policies

As per Regulation 34 of the Listing Regulations read with SEBI Circular No CIR/CFD/CMD/10/2015 dated 4th November 2015, the nine areas of Business Responsibilities are as follows:

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Businesses should promote the well-being of all employees.

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect, protect, and make efforts to restore the environment.

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.eidparry.com/investors/Financials								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

All the policies are signed by the Managing Director. All the policies in E.I.D Parry are based on its guiding principles and core values. These policies are mapped to each principle hereunder:

Principle	Applicable Policies
Principle1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Values and Beliefs, called the **'Five Lights'** Whistle Blower Policy Code of Conduct
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Safety, Health and Environmental Policy, Food Safety & Quality Policy TPM Policy Sustainable Sugarcane Production and Processing Policy.
Principle 3: Businesses should promote the well-being of all employees.	Safety, Health and Environmental Policy Policy on Prevention of Sexual Harassment at the work place
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	CSR Policy
Principle 5: Businesses should respect and promote human rights.	Values and Beliefs, called the **'Five Lights'** Whistle Blower Policy Code of conduct

Principle	Applicable Policies
Principle 6: Businesses should respect, protect, and make efforts to restore the environment.	Safety, Health and Environmental Policy Sustainable Sugarcane Production and Processing Policy. TPM Policy
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Values and Beliefs, called the **'Five Lights'**
Principle 8: Businesses should support inclusive growth and equitable development	CSR Policy
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Values and Beliefs, called the **'Five Lights'** Food Safety & Quality Policy TPM Policy Sustainable Sugarcane Production and Processing Policy.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NA								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  The BR performance revolves around a number of policies which is assessed by the BR Head monthly, quarterly and annually based upon its importance and impact on the Company's operations and activities.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  This is the first Business Responsibility Report of the Company for FY 2016-17 which forms part of the Company's Annual Report for FY 2016-17. The same can be accessed at: http://www.eidparry.com/investors/Financials.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company lays strong emphasis on ethics and establishment of good governance culture. The Company believes that since organisations employ societal and environmental resources, governance processes must ensure that they are utilised efficiently to meet the aspirations and expectations of all stake holders. The Company believes in high standards of governance and adheres to good corporate practices and is constantly striving for improvement and adoption of 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 Company has always given its best efforts to uphold and nurture these core values across all operational aspects. These values and the commitment to ethical business practices are reflected in the Spirit of the Murugappa Group which is inspired by a set of enduring values and beliefs called the **'Five Lights'** – a guide to everyday excellence. It clearly defines a way of life, and is demonstrated by these strong values we live by: Integrity, Passion, Quality, Respect and Responsibility. These five Core Principles of the Murugappa Group of which the Company is a part, inspire the Company to set standards which not only meet the requirements of applicable legislations but go beyond, in many areas of its functioning.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs / Others?**

   The Company has a Whistle blower Policy which aims to deter and detect actual or suspected misconduct. It has been established to ensure that genuine concerns of misconduct/ unlawful conduct, which an individual believes may be taking place within the organisation, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism. Any employee can report such incident without fear to the ombudsperson.

   The Company, as part of the Murugappa Group, is guided by its five core principles governing the group to remain consistently vigilant and ensure ethical conduct of its operations. All internal and external stakeholders of the Company are expected to work within the framework of these principles. The Company ensures selection of vendors and contractors, who maintain and follow ethical standards. The Company endeavours to impart periodical training on ethics to its employees and relevant stakeholders are also made aware of the same from time to time.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the year 2016-17, 6 Complaints were received from various stakeholders of the Company. All the complaints have been resolved satisfactorily.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Sustainability is a part of the Company's DNA. The Company has three different business lines i.e. Sugar, Bio Pesticides and Nutraceuticals and they are all governed by the same principle of Sustainability - Enshrined in the tenets of conserving, preserving, enhancing and creating each business in sync with Nature. The Company has been a pioneer in promoting sustainable farming practices. Three Sugar Plants of the Company are certified by BONSUCRO, an International body, for sustainable sugarcane production. The Company is the first Sugar Company in Asia and amongst a select few across the Globe to be awarded this certification. It is also the first time in the World that the certification has been awarded to an Organization working with a large base of small land holding sugarcane farmers. The Company has Environmental and Safety Accreditations of EMS 14001 across its Units and OHSAS 18001 across some of its Units, to drive business sustainability. A few factories of the Company are using the Total Productive Maintenance (TPM) Tools to drive value chain sustainability. A few factories of the Company are also certified for FSSC 22000 System and QMS ISO 9001 and they serve as benchmarks for Traceability, Quality and Reliability. Many factories of the Company have also qualified under the SGP (Social Guiding Principles) programme of its Customers. The SGP programme lists parameters to assess Social and Ethical Standards. Across the world, demand for organic foods using safe and environmentally friendly bio-pesticides, for pest control, is gaining momentum. The Company has leveraged its global leadership in Azadirachtin based bio-pesticides through customer friendly product deliveries, IPR's and direct market access facilities, offering the best in class products in terms of quality and cost efficiencies. The Company undertakes multi-centre field/ clinical trials to ensure that its products do not have an untoward impact on users. The Company is the world leader in micro algae technology comprising organic spirulina and natural Beta Carotenoids-Dunaliella Salina and Haematococcus pluvialis (Astaxanthin). Nutraceuticals are food or part of food that provides medical or health benefits including the prevention and/or treatment of a disease and Nutraceutical has advantage over the medicine because they avoid side effects and are naturally dietary supplements. The Nutraceuticals division having its facility for organic microalgae cultivation and processing located in Oonaiyur has received the U.S. Food and Drug Administration (US-FDA) approval. With a growing shift towards natural and organic products, the Company has positioned itself strongly in the field of human health and wellness.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities**

   - **Sugar**- Sugarcane is a water-intensive crop. To optimize and conserve water, the Company promotes drip irrigation system and wider row planting. As per the studies carried out, it is reported that only around 45% of the water is required through these systems, when compared to conventional surface flood irrigation. Sugarcane contains 30% of solids and 70% of water. The water generated from sugarcane is reused in plants, which helps in conserving ground water extraction. Several collaborative initiatives are in place along with leading organizations for measuring carbon and water foot print and optimize the use of water in the Company's command area of operation. To retain soil moisture and to conserve flora and fauna, trash is not burnt in the fields and instead they are shredded and mulched to improve water holding capacity and increase organic content of the soil. The Company has eliminated the use of chemical pesticides by advocating use of Bio-control agents in Sugarcane Integrated Management Programs. Pressmud, a by-product of sugarcane, is used as organic manure in sugarcane fields which contains essential nutrients and organic carbon to improve and sustain the soil quality.

- **Power**- Bagasse, a by-product of sugarcane, is used as bio-fuel to generate power and export to grid as a green product. The ash generated is used as a filler during manure production. Bagasse is a CO_2 neutral renewable energy source and it qualifies for Clean Development Mechanism certification.
- **Distillery Products**- Molasses, a by-product of sugarcane, is used to manufacture Ethanol and is being blended with gasoline by the Oil Marketing Companies for use in automobiles. This helps in reduction of greenhouse gases as against fossil fuels. In the process of manufacturing Ethanol, CO_2 is generated, which is being bottled and used for industrial & potable purpose. The effluent generated from molasses based process, is rich in NPK which is being extracted through advanced technology and reused as fertilizer thus helping to reduce the use of chemical fertilizer in fields.

2. **For each such product, provide the following details in respect of resource use (Energy, water, raw material etc.) per unit of product (optional):**

- **Sugar** – For crushing of sugarcane, the resources required are water, steam and power. As sugarcane contains 70% of water, the factories draw zero ground water for sugar production. The factories have installed advanced energy conservation systems like vapour conditioners, vacuum system and VFD, which conserve energy. The average Industry norm on steam required for sugar process is 45.0% / ton of cane whereas EID Parry factories operate between 32 to 38% / ton of cane. The Industry norm on power required is 38 kw/ton of cane whereas all factories operate between 24 to 30 kw/ton of cane.
- **Power** – The Industry norm of steam to fuel ratio is 2.0 to 2.2 where as all factories operate between 2.4 to 2.7.
- **Distillery Products** – The best fermentation and distillation efficiencies are achieved with Overall efficiency at 89% to 90% as against the norm of 86%. In case of Alcohol,water required is 25 ltr/ltr of alcohol whereas all factories of the Company operate between 12 to 15 ltr/ltr of alcohol.

EID Parry's carbon footprints of sugar and ethanol are very negligible when compared with other foods and fuels. The carbon footprint of sugar is expected to be in the range of 200 to 500 kg CO_2 equivalent per tonne of sugar.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company is the first Company in Asia to obtain Bonsucro Certification for sustainable sugarcane production. Bonsucro certifies sustainable production after confirming that a number of production Standards have been met i.e., compliance of law, respect for human rights and labour standards, management of input, production and processing efficiencies to enhance sustainability, actively managing biodiversity and ecosystem services, Committing to continuous improvement in key areas of the business. Three Units of the Company i.e. at Pugalur, Nellikuppam and Haliyal have been certified for Bonsucro Standards thereby ensuring sustainable sourcing. As on date, though the percentage of sugarcane certified as sustainable remains small,the Company has plans to increase the substantially percentage over the next three years.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company is predominantly engaged in the business of manufacture of sugar and sugar cane is the primary raw material for its operations. The Company procures sugar cane from farmers who are located within its local command area and whose livelihood is directly dependent upon the Company. The Company has taken a number of initiatives to improve the yields, recovery and for adoption of sustainable cultivation practices. The farmers are engaged with the Company in a number of initiatives, including use of solar powered pump sets, crop protection needs, drip irrigation etc., which has a direct co-relationship in improving their economic well being. The Bio-business of the Company procures large quantity of neem seeds from local vendors, whose economic wellbeing is ensured by the Company's planned procurement. The Company generally prefers the Localized vendors, if they meet the quality specifications. The Company supports the communities around the place of work by seeking contractual arrangements for handling and transportation of its products and in-plant services.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The production of Sugar from Sugarcane is indeed an eco-friendly virtuous cycle. All joint and by products generated during the process of sugar manufacture are productively utilised viz. bagasse is utilised for power generation, molasses is utilised to produce distillery products and other wastes generated like press mud are utilised for manufacture of organic manure. The Company has laid down comprehensive guidelines on waste management for all its units, which cover hazardous as well as non-hazardous waste and monitoring of performance for each unit, is carried out on a regular basis. The Company has adopted management practices detailed under the international standards such as ISO 9001, ISO 14001, OHSAS. Most of the manufacturing units of the Company are already HACCP (Hazard Analysis and Critical Control Point) certified and are working towards improvement in energy efficiency.

Principle 3: Businesses should promote the wellbeing of all employees

The Company ensures a work environment that promotes well-being of all its employees. Focussing on health, safety and preventing discrimination are part of the Company's guiding principles on Employees' well-being. The Company provides equal employment opportunities to all irrespective of their caste, creed, gender, race, religion, disability etc., The Company respects the right of employees to freedom of association, participation, and collective bargaining and provides access to appropriate grievance redressal mechanisms. The Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. The Company has instituted processes and mechanisms to ensure that issues relating to sexual harassment are effectively addressed. In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committees have been constituted in all units. These Committees are intended to facilitate open and structured discussions on sexual harassment complaints, and to ensure their resolution in a fair and just manner. The Company has strengthened its performance-driven orientation through robust competence mapping, gap identification, training and development. The Company contributes to the medical insurance of its employees and also organises health check-ups for employees. The Company also enhances employee engagement through various initiatives on an ongoing basis. The Company is deeply committed to safety of its Employees at workplace and regularly organises mock fire drills and Fire Safety training classes at all its locations.

1. **Please indicate the Total number of employees.**

   The total number of Employees is 2740 as on March 31, 2017

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

   The Total number of employees hired on temporary/contractual/casual basis is 1861 as on March 31, 2017

3. **Please indicate the Number of permanent women employees**

   The total number of Women Employees is 59 as on March 31, 2017

4. **Please indicate the Number of permanent employees with disabilities**

   The number of permanent employees with disabilities is 6 .

5. **Do you have an employee association that is recognized by management?**

   Yes. We have employees' associations for Non-Management Employees which are recognised by the Management.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Percentage of Permanent employees in recognised employees association	49.74%

7 **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8 **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

- Permanent Employees : 2675 employees – 85%
- Permanent Women Employees – 59 women employees – 85%
- Casual/Temporary/Contractual Employees – 1861 – 100%
- Employees with Disabilities 6 - NIL

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The Company is responsive to the requirements of all its Stakeholders and this is enshrined in our Corporate Values & Beliefs of Integrity, Passion, Quality, Respect and Responsibility. These values require that the Company acts as a responsible corporate citizen and change lives for the better and this is to be done in a manner that reflects humility. These values require us to provide everyone equal opportunities to progress and grow. The Company considers its employees, business associates (network of farmers,suppliers, stockists and dealers), customers, shareholders/investors and communities surrounding its operations and regulatory authorities as its key stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, supplier/vendor meets, customer/employee satisfaction surveys, investor forums, etc. The Company's website, www.eidparry.com, contains comprehensive information for the stakeholders about the Company. The Company also has designated an exclusive email-id for investor services – investorservices@parry.murugappa.com. The Company also promptly intimates the Stock Exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the stakeholders of the Company.

1. **Has the company mapped its internal and external stakeholders?**

   Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   The Company identifies underprivileged communities around its business locations as disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders identifying their needs and priorities so as to serve these needs accordingly.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5: Businesses should respect and promote human rights

The Company respects the rights and dignity of all individuals and upholds the principles of human rights. The Company's commitment to human rights and fair treatment is set out in its code of conduct and the Five Principles governing the group. The policy provides conduct of operations with honesty, integrity and openness with respect for human rights and interests of employees. The Company believes that a sustainable organisation rests on a foundation of ethics and respect for human rights.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   The Company's Policy on Human Rights covers not only the Company but extends to its subsidiaries. The Company encourages its suppliers, contractors and others to follow the principles laid down in the five principles of its values and beliefs. Respecting human rights is fundamental to the Company's policies and business dealings and the Company is equally focussed on building awareness around promotion of human rights with every associate and supply chain partners. All employees and contractors are required to respect the human rights of fellow workers and communities where we operate. The Company does not employ child labours and does not permit any occurrence of forced or compulsory labour, conducts proper checks and audits to ensure that our contractors follow the same. The Company's business relationship with its Vendors/contractors encourages its vendors to comply with the relevant laws safeguarding labour rights and human rights.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company has not received any Complaints pertaining to violation of Human rights during the financial year 2016-2017.

Principle 6 : Business should respect, protect, and make efforts to restore the environment

The Company places its highest priority in ensuring best practices and procedures relating to environment protection. To enrich soil, the Company ensures that its farmers carry out trash shredding/ trash mulching, post harvest. The press mud generated as a by-product during the process of manufacture of sugar, is used as a manure to enrich soil organic carbon. The Company promotes water conservation and management by drip irrigation system. Further, the Company does not use ground water for process in any of the sugar units. Sugarcane contains 70% of water which is extracted and recycled in process as well as used back for irrigation in fields. Bagasse is used as fuel in boilers which does not emit any obnoxious gases like Sox. Bagasse is a CO_2 neutral fuel and is a source of renewable energy. All the factories of the Company have installed online effluent and air mission monitoring systems, which are connected to the websites of CPCB/SPCB for online monitoring. The Company's bio pesticides business provides farmers with solutions that are highly effective in managing their crop pests without affecting environment. Bio-pesticides support sustainable agriculture with safety to environment and human life.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   Sustainability is built into Company's business processes. As on date, the Company is encouraging all its external stakeholders to strictly adhere to safety and restoration of the environment.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   All factories of the Company have a green belt to an extent of 40% of plant area. The Company requests all its farmers not to burn the trash, post harvesting but to shred and mulch to enrich the soil. Bagasse is the predominant fuel used in the factories and this is an environment friendly renewable energy source. Other than these, the Company does not have any initiative to address global environmental issues.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the Company has a mechanism to identify and assess potential environmental risks in its plants , projects and operations. Environmental risk identification and mitigation is ingrained in the Company's risk management system.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company uses Bagasse as the primary fuel to generate both thermal and electrical energy requirements of the plants. Bagasse is a CO_2 neutral fuel, qualifying for Clean Development Mechanism. All major locations are certified for requirements under ISO 14001 (Environmental Management System) and OHSAS 18001(Occupational Health and Safety System). The system requirements are broad based by incorporating internal standards. Layered audits are carried out to check the level of compliance. Deviation management system ensures that the corrective actions are close looped and issues are addressed within a reasonable time frame.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has undertaken clean technology to ensure Zero water drawl from ground/river/canals for the operation of the sugar factory. The distilleries of the Company are ZLD compliant and. the solids recovered from the effluent, are recycled as a manure.

The Company has undertaken a number of measures for energy efficiency as follows:

- Variable frequency drive installation to reduce power consumption
- Instrumentation for steam & condensate flow to minimize energy
- Automatic combustion control system in the boilers to optimize fuel usage.
- Recycle of unburnt carbon ash to minimize fuel consumption
- Energy audits and reviews to optimize the usage of thermal and electrical energy.

All factories of the Company have installed the advanced energy conservation systems like vapour conditioners, vacuum system and VFD, which conserve energy. The industry norm on steam required for sugar process is 45.0% / ton of cane whereas all factories operate between 32 to 38% / ton of cane. The industry norm on power required is 38 kw/ton of cane whereas all factories operate between 24 to 30 kw/ton of cane. The industry norm of steam fuel ratio is 2.0 to 2.2 where as our units operate between 2.4 to 2.7. Many of the factories of the Company have won the “Excellent energy efficient unit” awards from CII and from Bureau of Energy Efficiency, Govt. of India. In the area of Renewable energy, the bio-gas generation from effluent – reduce fossil fuel use. The Effluent used as fuel in incineration boiler generate steam and power.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported ?

Yes, the emissions / waste generated by the Company are within the permissible limits given by CPCB/ SPCB. Besides the Company’s manufacturing units are connected on line with the CPCB , which monitors on a regular basis the norms laid down under the applicable environment protection laws.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no pending or unresolved show cause/legal notices from CPCB/SPCB as at the end of 2016-17.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company believes that being in an industry, which is one the most regulated sectors, significant improvement can be achieved, if the Company works together with the Government, legislators, trade bodies and regulators to create positive policies affecting the industry especially cane pricing and sustainable growth affecting millions of farmers. The Company has always been at the forefront and strived to create a positive impact in the business eco-system and communities by practicing proactive advocacy not for securing certain benefits for industry, but also advocating certain best practices for the benefit of the community at large who are affected by its business. The Company engages with a number of industry bodies and associations to influence public and regulatory policy in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of various trade and chamber associations. The Indian Sugar Mills Association (ISMA) and South Indian Sugar Mills Association (SISMA) are the prime bodies that represent the interests of the private sugar mills and is the interface between the industry and Government on policy matters relating to sugar industry. The Company actively participates in the functioning of ISMA and SISMA in the matter of advancing the cause of the Industry and policy matter concerning the industry as well as vital issues concerning the industry. Besides, the Company is a member of the following Associations.

a) CII (Confederation of Indian Industry)

b) FICCI (Federation of Indian Chamber of Commerce and Industry)

c) ASSOCHAM (Associated Chambers of Commerce and Industry of India)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company through ISMA, SISMA and various other industry associations, participates in advocating matters for advancement of the industry's interest and public good. It supports various initiatives of the Government which include farmers welfare, environment , customer information and education.

Principle 8: Businesses should support inclusive growth and equitable development

The Murugappa Group is known for its tradition of philanthropy and community service. The Group's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education and healthcare which has been identified as the core focus areas. The Company has been upholding the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. The Company believes that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. The Company has been carrying out Corporate Social Responsibility (CSR) activities for a long time through AMM Foundation, an autonomous charitable trust, in the field of education and healthcare, while also pursuing CSR activities for the benefit of local communities around the factories in the States of Tamil Nadu, Andhra Pradesh and Karnataka.

The Company has always believed to ensure protection of interests of all its stakeholders in tandem with its growth. The Company believes not only in value-added business, but also in discharging its responsibilities to various sections of society and in providing opportunities to learn, contribute, advance, recognize and reward initiative, innovativeness and creativity. It believes in not only making customers delighted, but the community around also, by establishing service-oriented philanthropic institutions in the field of Education and Medicare. The Company has leveraged its 100 years old experience in cane procurement and sugar manufacturing in satisfying the needs of its principal stake holders, the farmers and the consumers. The most important stakeholder of the Company are farmers and rural communities with whom the Company has forged long and enduring partnerships through crop development and procurement activities. The Company has the distinction of being the only sugar Company in India in making prompt payment to farmers even in the most difficult times. Timely payment to farmers is not only one of the critical and most enduring practice practiced by the Company but it is the hallmark of its existence and operations. The stakeholder communities face the challenge of securing sustainable livelihoods, which is addressed through the Company's multi-pronged approach to address these issues at several levels and methods. Besides prompt payment, the Company helps the farmers in a number of ways to meet their crop protection needs, improvement of yield and recovery and adoption of best cultivation practices.

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Inclusive growth is at the core of the Company's community development strategy. As mandated by the Companies Act, 2013 and based on recommendation of the CSR Committee, the Board of Directors have adopted a CSR Policy. The CSR policy, inter-alia, deals with the objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, the responsibilities of the CSR Committee, the implementation plan and reporting framework:

   The thrust areas of the Company's CSR activities are:

   - 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 & upliftment of 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 program;
   - Promotion of sports through training of sports person and undertake rural development projects;

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

   The Company undertakes CSR project/programs identified by the CSR Committee and approved by the Board of Directors, in line with the CSR Policy.

   Thereafter the Company implements its CSR programs/projects:

   1. Through an implementation partner that can be a public charitable trust or a society registered under applicable Acts or a Company registered under Section 8 of the Companies Act 2013; or

   2 On its own, or

   3 through its own foundation (if applicable) specifically created for implementing its CSR initiatives.

3. **Have you done any impact assessment of your initiative?**

   Yes, the CSR committee internally performs a review and an impact assessment of its initiatives at the end of each year to understand the effectiveness of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year 2016-17, the Company has spent an amount of ₹ 88.04 Lakh on CSR activities encompassing various community development projects. As per Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on CSR Activities during the year 2016-17 considering its average net profits for the preceding three financial years. During the year, the Company won the National CSR award under the category of "Best Overall Excellence in CSR" in National CSR Leadership Congress & Awards 2016.

Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure 'C' to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CSR Committee of the Board of Directors identifies and implements all CSR projects/ programs and periodic reports are provided for review by the committee.

The Company has a well-defined, transparent monitoring and review mechanism to ensure that each CSR projects/ program has:

1. Clear sustainable objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary);
2. Clear targets, time lines and measureable indicators, wherever possible;
3. A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act 2013 and the CSR Rules.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company is committed to delivering products that provides a value proposition to the customers and meet their expectations. The Company's products are the result of understanding consumer requirement and trends, generations of practical experience with a continuous flow of knowledge. Being involved in the business of providing food products, it is of paramount importance to align products with stringent qualitative and performance related parameters. The products of the Company undergo quality checks at different levels and well-defined SOPs and procedures have helped to identify and eliminate bottlenecks in the processes and systems. The Company's overall approach on this aspect is guided by its quality policy, food safety policy and TPM Policy. The Company's food safety management system is based on various practices and codes for food safety, including HACCP, good manufacturing practices, Codex, Alimentarious commission guidelines, ISO 22002-1:2009 and other similar food safety standards issued from time to time. Across Plants, surveillance audits and certifications are conducted for Quality, Environment, Food Safety and Occupational Health & Safety (OHSAS 18001). Focused quality enhancement initiatives are 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. The major plants of the Company have Food Safety Systems Certification (FSSC 22000) and certification for Supplier's Guiding Principles (SGP) compliance.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

As at the end of the FY 2016-17, there were 0.09% customer complaints pending with the Company. The Company has put in place a robust system for handling "Customer Complaint". The Company has provided appropriate channels to receive complaints that are recorded in SAP system immediately on receipt and a thorough investigation, Root Cause Analysis is carried out and corrective actions taken and communicated back to the Customer.

2. Does the company display product information on the product label, over and above what is mandated as per local laws ?

The Company displays all the requisite product information and safety guidance on the product label as required under the Food Safety and standards Act, 2006, Legal Metrology Act 2011 and other applicable laws. Over and above the mandatory requirements, the Company also subscribes to various customer information requirements. Product Information about the physical dimensions and/or compositions/nutrient content is provided through the product labels/pack declaration and/or catalogues.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company conducts periodical Customer Surveys at planned intervals. The primary objective is to establish the level of satisfaction amongst customers of E.I.D Parry and to identify areas of improvement in its services. The Company also does periodical Market Research Surveys to understand new customer trends and expectations.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of E.I.D.- Parry (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of auditors of an erstwhile subsidiary company- Parrys Sugar Industries Limited (refer Note 44 to the IND AS financial statements which describes the merger of Parrys Sugar Industries Limited with the Company) referred to in the other matters paragraph below, the aforesaid standalone Ind AS 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

a) We did not audit the financial statements / financial information of the aforesaid erstwhile subsidiary company included in the standalone Ind AS financial statements, whose financial statements / financial information reflect total assets of ₹ 24,381 Lakh as at 31st March, 2017 and total revenues of ₹ 26,762 Lakh for the year ended on that date, as considered in the standalone Ind AS financial statements. These financial statements / financial information of the erstwhile subsidiary company have been audited by other auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this erstwhile subsidiary company and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the erstwhile subsidiary company, is based solely on the report of the other auditors.

b) The comparative financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 in respect of the aforesaid erstwhile subsidiary company, included in this Standalone Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

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.

   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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 its aforesaid erstwhile subsidiary company which is a company incorporated in India 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, as amended, 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 standalone Ind AS financial statements

   ii. The Company has made provision, 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 Company;

   iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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)

Place: Chennai
Date: May 18, 2017

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' section 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, 2017 and its erstwhile subsidiary Company – Parrys Sugar Industries Limited, a company incorporated in India, in conjunction with our audit of the standalone Ind AS 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 and the audit evidence obtained by the auditors of the erstwhile subsidiary company- Parrys Sugar Industries Limited, 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 and based on the consideration of reports of auditors of the aforesaid erstwhile subsidiary company referred to in the other matters paragraph below, 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, 2017, 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 insofar as it relates to aforesaid erstwhile subsidiary company, a Company incorporated in India, is based on the corresponding reports of the auditors of the erstwhile subsidiary company.

Our opinion is not modified in respect of this matter.

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

Place: Chennai
Date: May 18, 2017

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

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

Our reporting on the Order includes that relating to erstwhile subsidiary company- Parrys Sugar Industries Limited, a Company incorporated in India, which got merged with the Company with the appointed date of 1st April 2016, and which has been audited by other auditor and our report in respect of this entity is based solely on the report of the said auditor, to the extent considered applicable for reporting under the Order in case of the standalone Ind AS financial statements

(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 the registered sale deeds / court order approving scheme of arrangement / amalgamation 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 company, 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 31st March 2017 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 31st March 2017 on account of disputes are given below:

Name of Statue	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Unpaid
The Central Excise Act, 1944	Excise duty	Commissioner (Appeals)/CESTAT/ High Court/ Supreme Court	1977-2014	₹ 829 Lakh (net of ₹ 127 Lakh paid under Protest)
The Finance Act,1994	Service Tax	Commissioner (Appeals)/ CESTAT	2006-2012	₹ 114 Lakh (net of ₹ 14 Lakh paid under protest)
Sales Tax Act of various states/ Central Sales Tax Act, 1956	Sales Tax- Local	Assistant/ Deputy Commissioner/ Tribunal/ Supreme court	1981-2016	₹ 302 Lakh (net of ₹ 109 Lakh paid under protest)
Customs Act, 1962	Customs Duty	CESTAT	Assessment Year 2006-07	₹ 4,302 Lakh
Income Tax Act, 1961	Income Tax dues	Income Tax Appellate Tribunal/High court/ CIT Appeals	Assessment Year 1999-00 to 2012-13	₹ 3,212 Lakh (net of ₹ 1,730 Lakh paid under protest)

(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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016, is not applicable to the Company.

(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 directors of its subsidiary company or persons connected with them 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-IA of the Reserve Bank of India Act, 1934.

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

Place: Chennai
Date: May 18, 2017

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

BALANCE SHEET AS AT MARCH 31, 2017

₹ in Lakh

S.No	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A	**ASSETS**				
	Non-Current Assets				
	(a) Property, plant and equipment	2	1,43,926	1,49,252	1,55,779
	(b) Capital Work in Progress	2	799	3,321	2,416
	(c) Investment Property	3	2,574	3,702	3,730
	(d) Goodwill	3A	1,452	1,452	1,452
	(e) Other Intangible Assets	4	65	79	101
	(f) Financial Assets				
	(i) Investments				
	a) Investments in subsidiaries	5	66,607	66,517	58,512
	b) Other Investments	6	6,905	9,511	9,577
	(ii) Loans	8	130	265	-
	(iii) Other financial assets	9	391	428	313
	(g) Deferred Tax Assets	45	6,752	3,494	3,494
	(h) Other Non Current Assets	10	1,678	2,794	3,997
	Total non-current assets		**2,31,279**	**2,40,815**	**2,39,371**
	Current Assets				
	(a) Inventories	11	73,456	80,894	1,24,764
	(b) Financial Assets				
	(i) Other investments	6	5,063	1,404	2
	(ii) Trade Receivables	7	21,301	25,439	23,010
	(iii) Cash and Cash Equivalents	12	153	4,945	770
	(iv) Bank balances other than (iii) above	13	459	5,681	3,853
	(v) Other Financial assets	9	2,233	1,753	5,126
	(c) Current tax assets (Net)	15	5,180	4,248	3,982
	(d) Other Current Assets	10	4,827	11,345	15,312
			1,12,672	1,35,709	1,76,819
	Assets classified as held for sale	14	590	-	-
	Total current assets		**1,13,262**	**1,35,709**	**1,76,819**
	TOTAL ASSETS		**3,44,541**	**3,76,524**	**4,16,190**
B	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity Share Capital	16	1,759	1,758	1,758
	(b) Other Equity	17	1,45,987	1,26,518	1,37,444
	Total equity		**1,47,746**	**1,28,276**	**1,39,202**
	Liabilities				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	i. Borrowings	18	56,876	66,064	72,764
	(b) Deferred Tax Liabilities (Net)	45	590	3,874	6,842
	(c) Other non-current liabilities	22	1,112	1,206	1,290
	Total non-current liabilities		**58,578**	**71,144**	**80,896**
	Current Liabilities				
	(a) Financial Liabilities				
	i. Borrowings	19	18,153	20,179	97,992
	ii. Trade Payables	20	28,148	47,934	38,079
	iii. Other financial Liabilities	21	82,913	1,00,061	53,359
	(b) Provisions	23	1,463	1,453	1,282
	(c) Other Current Liabilities	22	7,540	7,477	5,380
	Total current liabilities		**1,38,217**	**1,77,104**	**1,96,092**
	Total Liabilities		**1,96,795**	**2,48,248**	**2,76,988**
	TOTAL EQUITY AND LIABILITIES		**3,44,541**	**3,76,524**	**4,16,190**

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

M.K.Ananthanarayanan
Partner
Chennai
May 18, 2017

V. Ramesh
Managing Director

G Jalaja
Company Secretary
Chennai
May 18, 2017

A Vellayan
Chairman

V Suri
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

₹ in Lakh

S.No	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenues from Operations	24	2,47,675	2,68,906
II	Other Income	25	15,446	9,653
III	**Total Income (I+II)**		**2,63,121**	**2,78,559**
IV	**Expenses:**			
	Cost of materials consumed	26	1,41,509	1,55,083
	Purchases of Stock-in-Trade	27	924	1,308
	Changes in Inventories of finished goods, work-in-progress and stock in trade	28	6,231	44,370
	Excise duty on sale of goods		11,152	8,775
	Employee benefits expense	29	13,347	13,580
	Finance costs	30	13,991	16,710
	Depreciation and amortisation expense	31	11,211	11,200
	Other expenses	32	39,091	39,692
	Total Expenses (IV)		**2,37,456**	**2,90,718**
V	**Profit before tax (III-IV)**		**25,665**	**(12,159)**
VI	**Tax Expense :**			
	(1) Current Tax		3,258	-
	(2) Deferred Tax	46	(5,954)	(2,948)
	Net tax benefit		**(2,696)**	**(2,948)**
VII	**Profit/(Loss) for the year (V-VI)**		**28,361**	**(9,211)**
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Re-measurements of the defined benefit plans		(156)	(29)
	b) Equity instruments through other comprehensive income		(2,607)	(66)
			(2,763)	(95)
	ii) Income tax relating to items that will not be re-classified to profit or loss		673	10
	B. i) Items that will be reclassified to profit or loss			
	a) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		247	117
	ii) Income tax relating to items that will be re-classified to profit or loss		(85)	10
VIII	**Total other comprehensive income (A(i-ii)+B(i-ii))**		**(1,928)**	**42**
IX	**Total Comprehensive Income (VII+VIII)**		**26,433**	**(9,169)**
X	**Earnings Per Equity Share (Nominal value per share ₹ 1/-)**			
	(a) Basic	49	16.03	(5.21)
	(b) Diluted	49	16.03	(5.21)

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

M.K.Ananthanarayanan
Partner

Chennai
May 18, 2017

V. Ramesh
Managing Director

G Jalaja
Company Secretary

Chennai
May 18, 2017

A Vellayan
Chairman

V Suri
Chief Financial Officer

Statement of Changes in Equity for the period ended 31 March 2017

(in Indian ₹ lakh, unless otherwise stated)

Particulars	Share Capital	Reserves and Surplus									Items of other comprehensive income			Total
		Share Capital Suspense (Refer note 44)	Capital redemption reserve	Capital Reserve on amalgamation (Refer note 44)	Share premium	Debenture Redemption reserve	Capital Reserve	General reserve	ESOP Reserve	Retained earnings	Equity Instruments through Other comprehensive Income	Effective portion of cash flow hedges	Actuarial Gain / (Loss)	
Balance at April 1, 2015 (as previously reported)	1,758	-	3,113	-	5,061	9,000	-	88,282	-	29,850	-	(146)	-	1,36,918
Arising on Merger of Parry Phytoremedies Private Limited	-	-	-	-	-	-	-	(1,165)	-	(157)	-	-	-	(1,322)
Arising on Merger of Parrys Sugar Industries Limited	-	11	1,175	688	992	-	5,718	1,552	-	(15,861)	15	-	-	(5,710)
Changes in accounting policy	-	-	-	-	-	-	-	-	31	1,727	7,558	-	-	9,316
Restated Balance at April 1, 2015	**1,758**	**11**	**4,288**	**688**	**6,053**	**9,000**	**5,718**	**88,669**	**31**	**15,559**	**7,573**	**(146)**	**-**	**1,39,202**
Movement during 2015-16														
Profit for the year	-	-	-	-	-	-	-	-	-	(9,211)	-	-	-	(9,211)
Addition for the year	-	-	-	-	-	-	-	-	1	-				1
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	(66)	127	(19)	42
Amount transferred within Reserves	-	-	-	-	-	(4,000)	-	-	-	4,000	-	-	-	-
Payment of dividends	-	-	-	-	-	-	-	-	-	(1,758)	-	-	-	(1,758)
Balance at March 31, 2016	**1,758**	**11**	**4,288**	**688**	**6,053**	**5,000**	**5,718**	**88,669**	**32**	**8,590**	**7,507**	**(19)**	**(19)**	**1,28,276**
Movement during 2016-17														
Shares issued during the year	1	-	-	-	50	-	-	-	-	-				51
Profit for the year	-	-	-	-	-	-	-	-	-	28,361				28,361
Recognition of share based payments	-	-	-	-	-	-	-	-	21	-				21
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	(1,988)	162	(102)	(1,928)
Amount transferred within Reserves	-	-	-	-	-	(3,333)	-	-	-	3,333				-
Payment of dividends	-	-	-	-	-	-	-	-	-	(7,035)				(7,035)
Balance at March 31, 2017	**1,759**	**11**	**4,288**	**688**	**6,103**	**1,667**	**5,718**	**88,669**	**53**	**33,249**	**5,519**	**143**	**(121)**	**1,47,746**

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

M.K.Ananthanarayanan
Partner
Chennai
May 18, 2017

V. Ramesh
Managing Director

G Jalaja
Company Secretary
Chennai
May 18, 2017

A Vellayan
Chairman

V Suri
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ in Lakh

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
A. Cash flow from operating activities				
Net profit before tax		**25,665**		**(12,159)**
Adjustments for :				
Depreciation and Amortisation	11,211		11,200	
Finance costs	13,991		16,710	
Dividend Income	(7,665)		(4,468)	
Profit on sale of fixed assets (net)	(537)		(24)	
Net (Gain)/loss arising on FVTPL Transaction	(561)		(147)	
Interest Income	(488)		(697)	
Liabilities/ Provisions no longer required written back	(1,087)		(1,963)	
Bad debts written off and provision for doubtful debts	836		1,378	
Provision for employee benefits	(125)		143	
Fixed Assets scrapped	140	**15,715**	88	**22,220**
Operating profit before working capital changes		**41,380**		**10,061**
Changes in working capital				
Adjustments for increase/(decrease) in				
Trade and other receivables	3,302		(3,806)	
Inventories	7,438		43,870	
Bank balances considered as other than cash and cash equivalent	5,222		(1,828)	
Other Assets	8,664		6,803	
Other Financial Assets	(184)		3,285	
Trade payable	(19,786)		9,855	
Other Liabilities	63		2,097	
Other Financial Liabilities	9,937		24,406	
		14,656		**84,682**
Cash generated from operations		**56,030**		**94,743**
Direct taxes paid net of refund		**(4,190)**		**(266)**
Net cash flow from operating activities		**51,846**		**94,477**
B. Cash flow from investing activities				
Purchase of fixed assets including capital advances	(3,878)		(5,482)	
Proceeds from sale of fixed assets	1,521		219	
Purchase of investments	(3,660)		(1,402)	
Investments in subsidiary companies (Refer note no 5.3)	(90)		(8,005)	
Loans and Advances given to subsidiary companies	-		(265)	
Repayment of loan by subsidiary	135		-	
Investment Income	561		147	
Interest received	476		787	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ in Lakh

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
Dividend income received	7,665		4,468	
Net cash flow from / (used in) investing activities		**2,730**		**(9,533)**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	1		-	-
Security premium in issue of shares	50		-	
Proceeds from long term borrowings	20,000		38,954	
Repayment of long term borrowings	(55,663)		(24,858)	
Net increase / (Decrease) in working capital borrowing	(2,026)		(77,813)	
Finance costs	(14,695)		(15,294)	
Dividends paid Including Dividend Tax	(7,035)		(1,758)	
Net cash flow used in financing activities		**(59,368)**		**(80,769)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(4,792)**		**4,175**
Reconciliation				
Cash and cash equivalents as at beginning of the year		4,945		770
Cash and cash equivalents as at end of the year		**153**		**4,945**
Net (decrease) / increase in cash and cash equivalents		**(4,792)**		**4,175**

The accompanying notes are an integral part of these financial statements

Disclosure of non cash transactions(Refer note below)

₹ in Lakh

Particulars	2016-17	2015-16
i. Barter Transaction	1,160	1,505
ii. Conversion of Preference shares to Equity shares (Refer note no 5.2)	14,100	-

iii. Details of assets and liabilities taken over in the Scheme of Amalgamation of Parrys Sugar Industries Ltd with the Company is given in note 44

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

M.K.Ananthanarayanan
Partner

Chennai
May 18, 2017

V. Ramesh
Managing Director

G Jalaja
Company Secretary

Chennai
May 18, 2017

A Vellayan
Chairman

V Suri
Chief Financial Officer

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 43,400 Tonnes of Cane per day, generate 160 MW of power and four distilleries having a capacity of 234 KLPD. In the Bio Pesticides business, the Company offers an 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.

Application of new and revised Ind AS

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Company from April 01, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the awards that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company has not issued any awards that are cash-settled or which have net settlement feature."

SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 1.23 for the details of first-time adoption exemptions availed by the Company.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

1.3 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a. Sale of goods

Revenue from the sale of goods is recognised when the goods are despatched and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In barter transaction, revenue is recognised at fair value of the goods given up when the goods are despatched.

b. Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined based on the agreements/ arrangements with the concerned parties and when services are rendered.

c. Dividend and interest income

a). Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

b). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d 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.

e. Export Incentives

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

1.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as Lessee

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease or based on the time pattern of user benefit basis. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Company as Lessor

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.5 Functional and presentation currency and Foreign Currency Transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company.

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for :

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 1.21 below for hedging accounting policies); and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

1.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.7 Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

In respect of government loans at below-market rate of interest existing on the date of transition, the Company has availed the optional exemption under Ind AS 101 - First Time Adoption and has not recognised the corresponding benefit of the government loan at below-market interest rate as Government grant.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.8 Employee Benefits

(a) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement

The company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’.

Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the Statement of Profit and Loss each year.

The Company makes contributions to Provident Fund Trusts for certain employees, at a specified percentage of the employees’ salary. The Company has an obligation to make good the shortfall, if any, between the return from the investments of trust and the notified interest rates

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

(b) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Gratuity for certain employees is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognised in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out as at the end of the year.

1.9 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 51.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Under the previous GAAP, share based payment costs were accrued on a intrinsic value method. Upon transition to Ind AS, the company has availed the exemption to apply the fair value to only unvested options.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.10 Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

1.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.12 Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Asset	Useful lives (in years)
Buildings	10 - 60 years
Plant and equipment (Continuous Process)	18 years
Plant and equipment (General)	3 - 8 years
Vehicles	4 years
Office equipment, furniture and fixtures	5 - 10 years

Assets costing ₹ 5,000 and below are depreciated over a period of one year.

Assets on leased premises are depreciated on the remaining period of lease or as per the useful life prescribed in schedule II of the Companies Act 2013 whichever is earlier

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.13 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognised as of April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.14 Intangible Assets

a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

b. Internally-generated intangible assets- research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. De-recognition of intangible assets

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

d. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:
Licenses 3 to 10 years

1.15 Impairment of Tangible & Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.16 Inventories

Inventories other than by products are stated at the lower of cost and net realizable value. Inventories of by-products are valued at net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of inventories are determined on weighted average basis.

1.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.18 Financial instruments

Financial assets and financial liabilities are recognised when a company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.19 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition). The debt instruments carried at amortised cost include Deposits, Debtors, Loans and advances recoverable in cash.

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortized cost, refer Note 1.19e

Investment in subsidiaries are accounted under cost basis.

For the impairment policy on investment in subsidiaries, refer Note 1.19e

All other financial assets are subsequently measured at fair value.

b. Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the Other income line item.

c. Investments in equity instruments at FVTOCI

The Company has elected to carry investment in equity instruments as Fair value through other comprehensive income. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has equity investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments (see note 6). Fair value is determined in the manner described in note 50.8.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

d. Financial assets at fair value through profit or loss (FVTPL)

The Company carries derivative contracts not designated in a hedge relationship at FVTPL. Financial assets at FVTPL also includes assets held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

e. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information or case to case basis.

f. De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

g. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

1.20 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

c.1. *Financial liabilities at FVTPL*

Financial liabilities at FVTPL includes derivative liabilities. Non-derivative financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL. There are no non-derivative financial liabilities carried at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Fair value is determined in the manner described in note 50.8.

c.2. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c.3. Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a company entity are initially measured at their fair values and, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

c.4. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

c.5. Derecognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

1.21 Derivative financial instruments & Hedge Accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 50.8

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in other comprehensive income and are grouped under head of cashflow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss, and is included in the 'Other income' line item. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the other comprehensive income is transferred to profit or loss, and is included in Other income.

1.22 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.

1.23 First-time adoption – mandatory exceptions, optional exemptions

a. Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

b. De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

c. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

d. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101. The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

e. Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

f. Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business.

g. Deemed cost for property, plant and equipment and investment property

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

i. Cumulative translation differences on foreign operations

The Company has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

j. Equity investments at FVTOCI

The Company has designated investment in equity shares other than subsidiaries, associate and joint ventures as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

k. Unvested Employee Stock options at Fair value

The Company has elected the option to account only unvested options at the transition date under fair value method.

l. Government loan

The Company has elected the option to carry the below market interest rate government loans on transition date at their carrying value measured as per the previous GAAP.

1.24 Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

a. Fair value measurement and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 3 and 50.8.

b. Useful life of Property,Plant & Equipments

The Company reviews the estimated useful lives of Property,plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

1.25 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of:			
Freehold land	5,907	4,797	4,796
Buildings	22,227	22,531	22,957
Plant and equipment	1,14,792	1,20,800	1,26,667
Furniture and Fixtures	263	263	285
Office Equipments	272	327	479
Vehicles	465	534	595
	1,43,926	**1,49,252**	**1,55,779**
Capital Work-in-progress	799	3,321	2,416
	1,44,725	**1,52,573**	**1,58,195**

Particulars	Freehold land	Buildings (Refer note 2&3)	Plant and equipment (Refer note 3)	Furniture and Fixtures	Office Equipments	Vehicles	Total
Cost or Deemed Cost							
Balance at 01-Apr-2015	4,753	22,130	1,16,249	273	477	592	1,44,474
Additions Pursuant to amalgamation with Parry Phytoremedies (P) Ltd	-	25	200	3	2	2	232
Additions Pursuant to amalgamation with Parrys Sugar Industries Ltd	43	802	10,218	9	-	1	11,073
Additions	1	622	4,030	18	68	167	4,906
Disposals	-	(17)	(233)	-	(19)	(43)	(312)
Balance at 31-Mar-2016	**4,797**	**23,562**	**1,30,464**	**303**	**528**	**719**	**1,60,373**
Additions	1,160	938	4,028	43	126	152	6,447
Disposals	(50)	(204)	(319)	(4)	(21)	(108)	(706)
Balance at 31-Mar-2017	**5,907**	**24,296**	**1,34,173**	**342**	**633**	**763**	**1,66,114**

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Accumulated depreciation and impairment							
Balance at 01-Apr-2015	-	-	-	-	-	-	-
Eliminated on disposals	-	(1)	(12)	-	(1)	(15)	(29)
Depreciation expense	-	1,032	9,676	40	202	200	11,150
Balance at 31-Mar-2016	**-**	**1,031**	**9,664**	**40**	**201**	**185**	**11,121**
Eliminated on disposals	-	(1)	(26)	(1)	(14)	(50)	(92)
Depreciation expense	-	1,039	9,743	40	174	163	11,159
Balance at 31-Mar-2017	**-**	**2,069**	**19,381**	**79**	**361**	**298**	**22,188**
Carrying amount as on April 1, 2015	**4,796**	**22,957**	**1,26,667**	**285**	**479**	**595**	**1,55,779**
Carrying amount as on March 31, 2016	**4,797**	**22,531**	**1,20,800**	**263**	**327**	**534**	**1,49,252**
Carrying amount as on March 31, 2017	**5,907**	**22,227**	**1,14,792**	**263**	**272**	**465**	**1,43,926**

Note:

1. Details of assets offered as security is provided in Note 18 and 19.
2. Includes Building on Leasehold land : Cost : ₹ 884.41 Lakh (2016 - ₹ 884.41 Lakh) and Accumulated Depreciation : ₹ 299.94 Lakh (2016 - ₹ 286.21 Lakh).
3. Additions for the year includes ₹ 94 lakh (2016 - ₹ 55 Lakh,2015 - ₹ 32 Lakh) of Fixed Assets additions made in the Approved In-house R & D Centres.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3

INVESTMENT PROPERTY

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of:			
Completed investment properties	2,574	3,702	3,730
	2,574	**3,702**	**3,730**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cost or Deemed Cost		
Balance at beginning of the year	3,730	3,730
Re classified as Asset held for sale	1,100	-
Balance at end of year	**2,630**	**3,730**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Accumulated depreciation and impairment		
Balance at beginning of year	28	-
Depreciation expense	28	28
Balance at end of year	**56**	**28**

All of the Company's investment properties are held under freehold interests.

3.1 Fair value of the Company's investment properties

The following table gives details of the fair value of the Company's investment properties as at March 31, 2017, March 31, 2016 and April 1, 2015:

₹ in Lakh

Particulars	Level 3 March 31, 2017	March 31, 2016	April 1, 2015
i. Land and Buildings in Tamilnadu	34,371	34,371	34,371
ii. Land in Andhra Pradesh	-	1,310	1,310

The fair value of the Company's investment properties as at March 31, 2017, March 31, 2016 and April 1, 2015 have been arrived at on the basis of a valuation carried out by M/s. Value Assessors & Surveyors Private Limited, independent valuers not related to the Company. M/s. Value Assessors & Surveyors Private Limited are registered with the authority which governs the valuers in India, and they have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations. Fair value was derived using the market comparable approach based on recent market/government guideline prices without any significant adjustments being made to the market observable data.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

NOTE 3A

Goodwill of ₹ 1,452 Lakh represents the goodwill accounted on the date of acquisition of erstwhile Subsidiary Parrys Sugar Industries Limited (Which was a Common control entity) as reflected in the Consolidated Financial Statements of the Company for the year ended March 31, 2015.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 4

INTANGIBLE ASSETS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of:			
Software and Licenses	65	79	101
	65	**79**	**101**

Cost or Deemed Cost	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	1,128	1,128
Additions	10	-
Balance at end of year	**1,138**	**1,128**

Accumulated depreciation and impairment	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year	1,049	1,027
Amortisation expense	24	22
Balance at end of year	**1,073**	**1,049**
Carrying amount at end of year	**65**	**79**

NOTE 5

INVESTMENTS IN SUBSIDIARIES

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. Quoted Investments			
(a) *Investments in Equity Instruments at Cost*			
17,71,55,580 (2016 - 17,71,55,580; 2015 - 17,71,55,580) shares of ₹ 1 each fully paid up in Coromandel International Limited	11,989	11,989	11,989
Total Quoted Investments	**11,989**	**11,989**	**11,989**
II. Un-quoted Investments			
(a) Investments in Equity Instruments at Cost			
776 (2016 - 776; 2015 - 776) shares of USD 100 each fully paid up in Parry America Inc	24	24	24

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
15,00,000 (2016 - 15,00,000; 2015 - 15,00,000) shares of ₹10 each fully paid up in Parrys Sugar Limited	150	150	150
50,00,000 (2016 - 50,00,000; 2015 - 50,00,000) shares of ₹ 10 each fully paid up in Parry Infrastructure Company Private Limited	500	500	500
US Nutraceuticals LLC	7,040	7,040	7,040
27,07,25,672 (2016 - 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 no 5.2 below)	44,072	29,972	24,972
6,838 (2016 - 6,838; 2015 - 6,725) equity shares fully paid up in Alimtec S.A.	2,640	2,640	2,500
9,500 (2016 - 9500; 2015 - 9500) shares of ₹ 10 each fully paid up in Parry Agro Chem Exports Limited	*	*	*
18,00,150 (2016 - 9,00,150; 2015 - 2,50,150) shares of ₹ 10 each fully paid up in Parrys Investments Limited.(Refer Note 5.3 below)	192	102	37
(*b*) *Investments in Preference shares at Cost*			
Nil (2016 - 1,41,00,000; 2015 - 1,13,00,000) 10% and 8% Cumulative shares of ₹ 100 each fully paid up in Parry Sugars Refinery India Private Limited (Refer Note no 5.2 below)	-	14,100	11,300
Total Un-quoted Investments	**54,618**	**54,528**	**46,523**
Total Non-Current Investments	**66,607**	**66,517**	**58,512**

*** less than ₹ 1 Lakh**

5.1. The details of material subsidiaries are given in the Note 52 - Related Party.

5.2. During the year ended March 2017, the Company has converted 10% 1,13,00,000 preference shares of ₹ 100/- each and 8% 28,00,000 preference shares of ₹ 100/- each respectively of Parry Sugars Refinery India Private Limited aggregating to ₹ 14,100 Lakh in to 10,44,44,445 equity shares of ₹ 10 each of Parry Sugars Refinery India Private Limited.

5.3. During the year, Company has invested in 9,00,000 Equity Shares of ₹ 10 each in Parrys Investments Limited amounting to ₹ 90 Lakh.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 6

OTHER INVESTMENTS

₹ in Lakh

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
I. Quoted Investments			
(a) *Investments in Equity Instruments at FVTOCI*			
23,600 (2016 - 23,600; 2015 - 23,600) shares of ₹ 10 each fully paid up in Kartik Investments Limited	4	4	4
100 (2016 - 100; 2015 - 100) shares of ₹ 10 each fully paid up in Travancore Sugars and Chemicals Limited	*	*	*
82,440(2016 - 82,440; 2015 - 82,440) shares of ₹ 10 each fully paid up in State Bank of India	241	160	220
393 (2016 - 393; 2015 - 393) shares of ₹ 10 each fully paid up in Cholamandalam Investment and Finance Company Limited	4	3	2
42,398 (2016 - 42,938; 2015 - 42,938) shares of ₹ 10 each fully paid up in Coromandel Engineering Company Limited	17	24	17
2,000 (2016 - 2,000; 2015 - 2,000) shares of ₹ 1 each fully paid up in Carborundum Universal Limited	5	3	4
2,50,000 (2016 - 2,50,000; 2015 - 2,50,000) shares of ₹ 2 each fully paid up in Metkore Alloys & Industries Ltd	8	7	20
(b) *Other Investments at FVTPL*			
Mutual Fund	5,063	1,404	2
Total Quoted Investments	**5,342**	**1,605**	**269**
II. Unquoted Investments			
(a) *Investments in Equity Instruments at FVTOCI*			
18,270 (2016 - 18,270; 2015 - 18,270) shares of ₹ 100 each fully paid up Murugappa Management Services Limited	55	52	52
125 (2016 - 125; 2015 - 125) shares of 25 pence each fully paid up in Hawker Siddley Group Limited	*	*	*
10,000 (2016 - 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 (2016 - 266; 2015-266) shares of ₹ 10 each fully paid up in Chennai Wellingdon Corporate Foundation	*	*	*
6,37,200 (2016 - 6,37,200; 2015 - 6,37,200) shares of ₹ 10 each fully paid up in Indian Potash Limited	6,528	9,218	9,218
1,00,000 (2016 - 1,00,000; 2015 - 1,00,000) shares of ₹ 10 each fully paid up in Bio Tech Consortium (India) Limited	43	40	40
2 (2016 - 2; 2015 - 2) shares of ₹ 10 each fully paid up in Murugappa Morgan Thermal Ceramics Limited	*	*	*
20 (2016 - 20; 2015 - 20) shares of ₹ 100 each fully paid up in Kullittalai Cane Farms Private Limited	*	*	*
Total Un-quoted Investments	**6,626**	**9,310**	**9,310**
Total Other Investments	**11,968**	**10,915**	**9,579**
Current	**5,063**	**1,404**	**2**
Non-current	**6,905**	**9,511**	**9,577**

* less than ₹ 1 Lakh

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 7

TRADE RECEIVABLES

₹ in Lakh

Particulars	As at March 31, 2017 ₹ Lakh	As at March 31, 2016 ₹ Lakh	As at April 1, 2015 ₹ Lakh
Trade Receivables			
Secured, considered good	-	-	-
Unsecured, considered good	21,301	25,439	23,010
Doubtful	1,388	1,616	1,351
Allowance for doubtful debts	(1,388)	(1,616)	(1,351)
	21,301	**25,439**	**23,010**
Current	**21,301**	**25,439**	**23,010**
Non-current	-	-	-

The credit period on sales of goods ranges from 10 to 120 days. No interest is charged on trade receivables up to the due date.

The company uses other publicly available financial information and its own trading records before accepting any customer. The company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counter parties.

Trade receivable includes an amount of ₹ 388 Lakh relating to buffer stock subsidy receivable from Government of India. South India Sugar Mills Association (SISMA) Tamilnadu has filed a case with the Honourable Madras High Court on behalf of the sugar mills for recovery of the subsidy, to which the Company is a party. Also considering the other follow up actions taken, the Company believes that the said amount, which is net of irrecoverable portions written off by the Company in earlier years, and due from Government of India is fully recoverable and accordingly no loss allowance has been considered for the same.

Of the trade receivables balance, customer balances which represent more than 5% of the total balance of trade receivable are given below.

Customer	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
TNEB	6,216	3,429	4,092
Parry America Inc	1,730	1,634	1,926
Coromandel International Limited	-	-	3,670

NOTE 8

LOANS

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
a. Loans to related parties (at amortised cost)			
- Unsecured, considered good	130	265	-
	130	**265**	**-**

Further information relating to these loans are given in Note 52.3- Related Party Transactions

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 9

OTHER FINANCIAL ASSETS

₹ in Lakh

Particulars	Non-current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
At Amortised Cost						
(a) Security Deposits	368	161	300	12	59	10
(b) Interest receivable	-	22	13	74	40	139
(c) Dividend from Subsidiary	-	-	-	-	-	3,544
(d) Un-billed revenue	-	-	-	-	-	25
(e) Insurance claims	-	-	-	15	5	5
(f) Share of Income from Overseas Subsidiary	-	-	-	-	-	81
(g) Advance recoverable in cash						
(i) Unsecured and Considered Good	23	245	-	109	418	170
(ii) Considered doubtful	3	122	3	266	266	266
Less: Provision for Doubtful Advances	(3)	(122)	(3)	(266)	(266)	(266)
(h) Other receivable	-	-	-	-	473	3
At Fair Value						
(i) Fair value Derivative Hedging receivable	-	-	-	2,023	758	1,149
	391	**428**	**313**	**2,233**	**1,753**	**5,126**

NOTE 10

OTHER ASSETS

₹ in Lakh

Particulars	Non-current			Current		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
(a) Security Deposit	35	156	33	33	-	-
(b) Capital Advances	-	-	-	79	136	466
(c) Balance with Customs and Central Excise Authorities	-	-	-	2,064	2,256	2,635
(d) Advance recoverable in kind or for value to be received						
(i) Unsecured and Considered Good	1,643	2,638	3,964	2,651	8,953	12,211
(ii) Considered Doubtful	2,038	2,760	2,037	463	604	834
Less: Provision for Doubtful Advances	(2,038)	(2,760)	(2,037)	(463)	(604)	(834)
	1,678	**2,794**	**3,997**	**4,827**	**11,345**	**15,312**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11

INVENTORIES (At lower of cost and net realisable value)

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Raw materials	1,585	2,432	1,315
(b) Work-in-process	3,698	6,564	7,059
(c) Finished goods	65,200	68,218	1,11,952
(d) Stock-in-trade (goods acquired for trading)	78	425	566
(e) Stores and spares	2,895	3,255	3,872
	73,456	**80,894**	**1,24,764**

The cost of inventories recognised as an expense during the year was ₹ 1,41,509 lakh (March 31, 2016: ₹ 1,55,083 lakh).

The cost of inventories recognised as an expense includes Nil (2015-16: ₹ 79 lakh) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ 79 lakh (2015-16: Nil) in respect of reversal of such write downs.

Finished goods includes inventories worth Nil (2015-16: ₹ 5,526 lakh) carried at fair value less cost to sell. The mode of valuation of inventories has been stated in note 1.16.

NOTE 12

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Balances with banks			
(i) In Current account	148	2,361	758
(ii) In Deposit account (Maturing with in 3 Months)	-	2,500	-
(b) Cash on hand	5	4	7
(c) Cheques, drafts on hand	-	80	5
	153	**4,945**	**770**

NOTE 13

OTHER BANK BALANCES

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Balances with banks in earmarked accounts			
- In Unpaid Dividend account	272	301	381
- In Debenture redemption account	-	4,500	2400
- In Cane Development / SEFASU Loan No-Lien account	-	158	375
- In Margin Money accounts towards Bank Guarantee	187	722	697
	459	**5,681**	**3,853**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 14

ASSETS CLASSIFIED AS HELD FOR SALE

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Freehold land held for sale	590	-	-
Total	**590**	**-**	**-**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	-	-
Add: Transferred from Investment Property	1,100	-
Disposals	(510)	-
Balance at end of year	**590**	**-**

The Company intends to dispose of a parcel of freehold land it no longer utilises in the next 12 months. Buyers have been identified for the property and no impairment loss is recognised as the fair value (estimated based on market price) less costs to sell is higher than the carrying amount.

NOTE 15

CURRENT TAX ASSET AND LIABILITIES

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Tax refund receivable (net)	5,180	4,248	3,982
Total	**5,180**	**4,248**	**3,982**

Note 16

EQUITY SHARE CAPITAL

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
AUTHORISED :			
Equity Shares:			
2,34,40,00,000 Equity Shares of ₹ 1 each (2016 - 2,34,40,00,000 ; 2015 - 2,14,40,00,000) Refer note no -44	23,440	23,440	21,440
Preference Shares:			
203,10,000 Reedemable Preference shares of ₹ 100/each(2016 - 203,10,000 ; 2015 - 203,10,000) Refer note no -44	20,310	20,310	20,310
ISSUED, SUBSCRIBED AND FULLY PAID UP			
17,58,70,898 Equity Shares of ₹ 1 each (2016 - 17,58,14,884 ; 2015 - 17,58,14,884)	1,759	1,758	1,758
	1,759	**1,758**	**1,758**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

₹ in Lakh

Reconciliation	2016-17 No of Shares	₹ Lakh	2015-16 No of Shares	₹ Lakh
Equity Shares of ₹ 1 each fully paid up				
At the beginning of the period	17,58,14,884	1,758	17,58,14,884	1,758
Allotment of shares on exercise of Employee Stock Option (**Refer note 51**)	56,014	1	-	-
At the end of the period	**17,58,70,898**	**1,759**	**17,58,14,884**	**1,758**

16.2 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, 2017		March 31, 2016		April 01, 2015	
	Nos.	%	Nos.	%	Nos.	%
Murugappa Holdings Limited (Associate - Investing Party)	5,87,35,204	33.40	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	93,23,240	5.30

16.3 Terms attached to Equity Shares:

The Company has 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.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights.

16.4 Details of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date During the year ended March 31, 2013

18,38,578 equity shares of ₹ 1 each fully paid up were allotted to shareholders of Parrys Sugar Industries Limited (PSIL) other than the Company in the proportion of 5 equity shares of ₹ 1 each in the company for every 19 equity shares of ₹ 10 each held in the PSIL pursuant to the Scheme of Arrangement between PSIL and the Company .

Note 17

OTHER EQUITY

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Share Capital Suspense	11	11	11
Capital redemption reserve	4,288	4,288	4,288
Capital reserve on amalgamation	688	688	688
Securities Premium reserve	6,103	6,053	6,053
Debenture Redemption reserve	1,667	5,000	9,000
Capital Reserve(as per Scheme of Arrangement of De-merger)	5,718	5,718	5,718
General Reserve	88,669	88,669	88,669
Cash flow hedging reserve	143	(19)	(146)
Share options outstanding reserve	53	32	31
Reserve for equity instruments through other comprehensive income	5,519	7,507	7,573
Actuarial movement through other comprehensive income	(121)	(19)	-
Retained Earnings	33,249	8,590	15,559
	1,45,987	**1,26,518**	**1,37,444**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

RESERVES AND SURPLUS:

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Share Capital Suspense (Refer note 44)		
Arising Pursuant to Scheme of Amalgamation with Parrys Sugar Industries Limited	**11**	**11**
(b) Capital Redemption Reserve	4,288	4,288

The capital redemption reserve is created out of the statutory requirement to create such reserve on buyback of shares. These are not available for distribution of dividend and will not be reclassified subsequently to profit or loss.

(c) Capital reserve on amalgamation (Refer note 44)		
Opening balance(Arising Pursuant to Scheme of Amalgamation with Parrys Sugar Industries Limited)	688	688
Closing balance	**688**	**688**
(d) Securities Premium Account		
Opening balance	6,053	6,053
Add :Addition during the period	50	-
Closing balance	**6,103**	**6,053**
(e) Debenture Redemption Reserve		
Opening balance	5,000	9,000
Add : Addition during the period	1,667	-
Less : Utilised during the period	5,000	4,000
Closing balance	**1,667**	**5,000**

Debenture redemption reserve is created as per the statutory requirements to maintain funds to repay the debenture liability. These will be subsequently transferred to Retained Earnings on redemption of the debenture liability.

(f).Capital Reserve(as per Scheme of Arrangement of De-merger)	**5,718**	**5,718**
(g) General Reserve	**88,669**	**88,669**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act,2013 and rules made thereunder.

(h) Cash Flow Hedging Reserve		
Opening balance	(19)	(146)
Add : Deferred taxes recognised on the same	(85)	10
Less : Utilised /reversed during the year	247	117
Closing balance	**143**	**(19)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gains or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Share Options Outstanding Reserve		
Opening balance	32	31
Add :Addition during the year	21	1
Closing balance	**53**	**32**

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share based payments to employees is set out in note 51.

(j) Reserve for equity instruments through Other Comprehensive income		
Opening Balance	7,507	7,573
Additions/(Deletions)	(1,988)	(66)
Closing balance	**5,519**	**7,507**

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

(k) Actuarial movement through Other Comprehensive Income		
Opening Balance	(19)	-
Additions/(Deletions)	(102)	(19)
Closing balance	**(121)**	**(19)**
(l) Retained Earnings		
Opening Balance	8,590	15,559
Less : Transfer to Debenture Redemption Reserve	1,667	-
Add : Transfer from Debenture Redemption Reserve	5,000	4,000
Profit/(Loss) for the year	28,361	(9,211)
	40,284	**10,348**
Less : Appropriations		
Interim Dividend on Equity Shares	7,035	1,758
Closing Balance	**33,249**	**8,590**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Total Other Equity	**1,45,987**	**1,26,518**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 18

NON-CURRENT BORROWINGS

₹ in Lakh

LONG TERM BORROWING	Non-Current Portion			Current Maturities		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured - at amortised cost						
i). Bonds / Debentures	9,990	9,984	-	-	-	-
ii). Term Loans						
- from banks	-	404	593	-	195	164
iii). Deposits	1,388	1,294	1,210	-	-	-
iv). Purchase Tax Deferment Loan	241	350	188	109	-	-
Sub Total	**11,619**	**12,032**	**1,991**	**109**	**195**	**164**
Secured - at amortised cost						
i). Bonds / Debentures	-	-	30,000	-	30,000	16,000
ii). Term Loans						
- from banks	36,586	43,966	29,082	17,814	13,948	6,796
- from Government of India - Sugar Development Fund	8,671	10,066	11,691	1,394	1,555	1,858
Sub Total	**45,257**	**54,032**	**70,773**	**19,208**	**45,503**	**24,654**
Total	**56,876**	**66,064**	**72,764**	**19,317**	**45,698**	**24,818**

SUMMARY OF BORROWING ARRANGEMENTS

₹ in Lakh

Particulars	March 31, 2017	March 31, 2016	April 01, 2015	Rate of interest	Security	Terms of repayment
a. 9.23% Unsecured, Redeemable Non-convertible debentures 2015-16 series	9,990	9,984	-	9.23%	Unsecured	Redeemable on September 04, 2018. The interest rate on this debenture series is linked to the external credit rating of the same.
b. 10.25% Secured, Redeemable Non-convertible debentures 2013-14 series	-	10,000	10,000	10.25%	Pari passu first charge by way of registered mortgage deed on the Company's immovable properties/fixed assets both present and future situated at Pugalur and Nellikuppam.	Fully redeemed
c. 8.97% Secured, Redeemable Non-convertible debentures 2013-14 series	-	20,000	20,000	8.97%	Pari passu first charge by way of registered mortgage deed on the Company's immovable properties/fixed assets both present and future situated at Pugalur.	Fully redeemed
d. 9.25% Secured, Redeemable Non-convertible debentures 2012-13 series	-	-	10,000	9.25%	Was secured by pari passu first charge by way of registered mortgage deed on the Company's specific immovable properties.	Fully redeemed

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	March 31, 2017	March 31, 2016	April 01, 2015	Rate of interest	Security	Terms of repayment
e. 9.15% Secured, Redeemable Non-convertible debentures 2012-13 series	-	-	6,000	9.15%	Was secured by pari passu first charge by way of registered mortgage deed on the Company's immovable properties/ fixed assets both present and future situated at Pugalur.	Fully redeemed
f. State Bank of India	-	25	216	1 year MCLR+1.50%	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, Pettavaithalai, 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.	Repaid
g. ECB - HSBC Bank (Mauritius) Ltd	-	220	1,250	7.80%	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, Pettavaithalai, Pudukottai, Thyagavalli and Ariyur.	Repaid
h. State Bank of India	1,672	2,393	3,115	1 Year MCLR + 1.50%	Secured by pari passu first charge on fixed assets of Sankili and Haliyal plants.	Repayable in 12 quarterly installments.
i. State Bank of India - Financial Assistance Loan	10,021	14,466	14,466	As per the terms of this loan, interest @ 12% per annum will be directly paid by the Government to the Bank.	Secured by pari passu first charge on fixed assets of (both present and future) of the Company and second charge on the Company's current assets.	Repayable in 5 years; 2 years moratorium and 36 equal monthly installments starting April 2016.
j. State Bank of India	359	490	585	1 Year MCLR + 1.50%	Secured primarily by pari passu first charge on the plant and machinery of the Company and pari passu first charge by way of equitable mortagage of land and Factory buildings of the Bagalkot plant and collaterally secured by pari passu charge on the fixed assets of the Bagalkot plant.	Repayable in 13 quarterly installments
k. BNP Paribas	4,167	8,334	12,500	9% {9.85% : 2014-15; 9.4%;(2015-16)}	Secured primarily by pari passu first charge on the movable fixed assets of the company.	Repayable in 2 equal annual installments

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	March 31, 2017	March 31, 2016	April 01, 2015	Rate of interest	Security	Terms of repayment
l. HDFC Bank - SOFT Loan	10,287	12,345	-	1 Year MCLR + 30 basis points	Secured by pari passu first charge on movable fixed assets (both present and future) of the company.	Repayable in 12 equal quarterly installments post a year of moratorium.
m. HDFC Bank	4,984	14,978	-	1 Year MCLR + 30 basis points	Secured by pari passu first charge on movable fixed assets (both present and future) of the company.	Repayable in 3 equal annual installments post a year of moratorium.
n. HDFC Bank - Unsecured	-	418	557	Base rate +.10%	Unsecured	Repayable in 36 monthly installments
o. HDFC Bank - Secured	19,985	-	-	1 Year MCLR + 5 basis points	Secured by pari passu first charge on movable fixed assets (both present and future) of the company.	Repayable in 3 equal annual installments post a year of moratorium.
p. Yes Bank - Unsecured	-	181	200	Yes Bank Base rate	Unsecured	Repayable in 13 monthly installments
q. State Bank of India	1,228	1,757	2,286	1 Year MCLR + 2.75%	Secured by pari passu first charge on fixed assets of Ramdurg	Repayable in 12 quarterly installments.
r. State Bank of India - Financial Assistance Loan	972	1,460	1,460	As per the terms of this loan, interest @ 12.25% per annum from this 12% will be directly paid by the Government to the Bank.	Secured by pari passu first charge on fixed assets of (both present and future) of the Company and second charge on the Company's current assets.	Repayable in 5 years; 2 years moratorium and 36 equal monthly installments starting April 2016.
s. HDFC Bank - - SOFT Loan	724	1,447	-	1 Year MCLR + 30 basis points	Secured by pari passu first charge on movable fixed assets (both present and future) of the company.	Repayable in 12 equal quarterly installments post a year of moratorium.
t. Sugar Development Fund Loans :						
i. Pudukottai - Modernisation and Expansion of Cogeneration unit and Modernisation of sugar unit	128	256	384	4%	Secured by way of a bank guarantee from State Bank of India.	Repayable over 7 to 10 years
ii. Pugalur - Modernisation and Expansion of sugar unit	-	-	200	4%	Secured by way of a bank guarantee from State Bank of India.	Repayable over 7 to 10 years
iii. Pettavaithalai - Modernisation and Expansion of Sugar and Cogeneration units	1,238	2,134	3,031	4%	Secured by way of a bank guarantee from State Bank of India.	Repayable over 7 to 10 years
iv. Nellikuppam - Expansion of Sugar and Co-generation Units	1,080	1,080	1,080	4%	Secured by way of a bank guarantee from State Bank of India.	Repayable over 7 to 10 years
v. Haliyal - Raw Sugar Processing, Cane Development Loan and Loan for Co-generation unit	2,794	3,094	3,537	4% - 7%	Secured by way of a bank guarantee from Indusind Bank Ltd.	Repayable over 7 to 14 years
vi. Sankili - Modernisation and Expansion of sugar unit and Cane Development Loan	264	264	495	4% - 7%	Secured by way of a bank guarantee from Indusind Bank Ltd.	Repayable over 7 to 14 years

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	March 31, 2017	March 31, 2016	April 01, 2015	Rate of interest	Security	Terms of repayment
vii. Bagalkot - Cane Development Loan and Loan for Cogeneration unit.	1,357	1,552	1,582	6.75% - 8.25%	Secured by way of a bank guarantee.	Repayable over 6 to 10 years
viii. Ramdurg - Cane Development Loan and Loan for Cogeneration unit.	3,205	3,240	3,240	6.75% - 8.25%	Secured by way of a bank guarantee.	Repayable over 6 to 10 years
u. TNPL Deposit	1,388	1,294	1,210	Interest Free	Unsecured	Repayable on December 2024
v. Purchase Tax deferment Loan	350	350	188	Interest Free	Secured by way of a bank guarantee.	Repayable over 5 years
Total	**76,193**	**1,11,762**	**97,582**			

Breach of Loan agreement

There is no breach of loan agreement

NOTE 19

SHORT TERM BORROWINGS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured - at amortised cost			
a. Loan repayable on demand			
- from banks (refer note a below)	-	3,000	7,000
b. Commercial papers (refer note b below)	6,925	9,903	51,160
Secured - at amortised cost			
a. Loan repayable on demand			-
- from banks (refer note c below)	1,568	7,276	39,832
b. Others			
- Rupee Loan from banks (refer note d below)	2,300	-	-
- FCNR Loan from banks (refer note d below)	7,360	-	-
	18,153	**20,179**	**97,992**

a. Packing credit facility availed in ₹ has been totally repaid in current year (2016 - 8.90%; 2015 - 9.75%).

b. Commercial papers carry an average coupon discount rate of 6.55% (2016: 7.8% and 2015: 8.73%). Maximum amount outstanding at any time during the year was ₹ 35,000 lakh (2016: ₹ 85,000 lakh and 2015: ₹ 79,000 lakh).

c. Working Capital facilities from State Bank of India 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 and carries interest of Base rate/MCLR plus 1.25%.

d. Out of Rupee Loan of ₹ 2,300 lakh ; Interest for ₹ 500 Lakh is 7% and for rest it is 6.8%.Both are repayable at the end of one year from the date of disbursement. Interest for USD Denominated FCNR loan of ₹ 7,360 lakh is 1.20% and repayable at the end of the one year from date of disbursement. The entire FCNR loan and its interest has been fully hedged. These loan are backed by Indusind Bank Letter of Credit (SBLC).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 20

TRADE PAYABLES

₹ in Lakh

Particulars	Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables	26,669	46,118	36,451
Employee related payables	1,479	1,816	1,628
Total	**28,148**	**47,934**	**38,079**

There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

NOTE 21

OTHER FINANCIAL LIABILITIES

₹ in Lakh

Particulars	Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At Amortised Cost			
(a) Current maturities of long-term debt	19,317	45,698	24,818
(b) Interest accrued but not due on borrowings& acceptance	4,628	5,332	3,916
(c) Unclaimed dividends(Refer note 21.1& 21.2)	272	301	381
(d) Other Liabilities			
– Due to Directors	137	-	136
– Advances and Deposits repayable in cash	89	551	585
– Cane Bill due payable to Banks	57,455	47,387	22,642
– Other Miscellaneous liabilities*	624	695	726
At Fair Value			
(i) Fair value Derivative Hedging payable	391	97	155
Total	**82,913**	**1,00,061**	**53,359**

* Includes Retention money and Investment money deposits.

21.1 These amounts represent warrants issued to the Shareholders which remained un-presented as on March 31,2017

21.2 During the year, ₹ 107 lakh was transferred to the Investor Education and Protection Fund and there are no amount due to be transferred to Investor Education and Protection Fund.

NOTE 22

OTHER LIABILITIES

₹ in Lakh

Particulars	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
a. Excise Duty on un-despatched stock	-	-	-	3,794	4,636	4,335
b. Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	-	-	-	838	595	519
c. Advances and Deposits from Customers/Others	-	-	-	1,976	1,693	199
d. Deferred revenue arising from interest free deposit	1,112	1,206	1,290	-	-	-
e. Gratuity Payable	-	-	-	932	553	327
Total	**1,112**	**1,206**	**1,290**	**7,540**	**7,477**	**5,380**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 23
PROVISIONS

₹ in Lakh

Particulars	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for compensated absences	-	-	-	1,463	1,453	1,282
Total	**-**	**-**	**-**	**1,463**	**1,453**	**1,282**

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued and compensation claims made by employees.

NOTE 24
REVENUE FROM OPERATIONS

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Sales of Products(Including Excise Duty)		
- Manufactured products	2,44,587	2,62,731
- Traded products	1,212	2,175
	2,45,799	**2,64,906**
(b) Other operating revenues		
- Sundry Income	376	201
- Duty Drawback	-	1,302
- Scrap sales	413	534
- Liabilities/ Provisions no longer required written back	1,087	1,963
Total	**2,47,675**	**2,68,906**

NOTE 25
OTHER INCOME

₹ in Lakh

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss (FVTPL)				
On bank deposits (at amortised cost)	341		323	
On loans and advances to subsidiaries (at amortised cost)	14		8	
On others asset (at amortised cost)	133	488	366	697
(b) Dividend Income				
From equity investments designated				
As at cost	7,631		4,429	
As at FVTOCI	34	7,665	39	4,468
(c) Other gains or losses				

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
- Profit on sale of fixed assets (Net)	537	24
- Net gain arising on financial assets designated as at FVTPL	561	147
- Net gain on foreign currency transaction and translation	1,843	449
(d) Other non-operating income		
- Operating lease rental from investment property	1,645	1,610
- Services	524	634
- Insurance claim received	149	433
- Government grant income	711	803
- Commission	1,304	326
- Others	19	62
Total	**15,446**	**9,653**

NOTE 26
COST OF MATERIAL CONSUMED

₹ in Lakh

Description	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Sugarcane	1,27,509	1,32,616
(b) Others	14,000	22,467
Total	**1,41,509**	**1,55,083**

NOTE 27
PURCHASES OF STOCK-IN-TRADE

₹ in Lakh

Classes of Goods	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Bio Products	75	139
(b) Nutra Products	849	1,169
Total	**924**	**1,308**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 28

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

₹ in Lakh

Description	Year ended March 31, 2017		Year ended March 31, 2016	
Opening Stock:				
Work-in-process	6,564		7,059	
Finished goods	68,218		1,11,952	
Stock-in-trade	425	75,207	566	1,19,577
Closing Stock:				
Work-in-process	3,698		6,564	
Finished goods	65,200		68,218	
Stock-in-trade	78	68,976	425	75,207
Decrease in Stocks		**6,231**		**44,370**

NOTE 29

EMPLOYEE BENEFIT EXPENSE

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Salaries, Wages and Bonus	10,480	10,741
(b) Contribution to Provident and Other Funds	1,052	1,046
(c) Workmen and Staff Welfare Expenses	1,794	1,792
(d) Share-based payments to employees	21	1
Total	**13,347**	**13,580**

NOTE 30

FINANCE COST

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Interest costs;		
(a) Debentures	1,910	4,563
(b) Loans	10,720	10,473
(c) Interest on Government loans	711	803
(ii) Other borrowing costs	533	765
(iii) Unwinding of discounts on provisions	117	106
Total	**13,991**	**16,710**

30.1. The weighted average capitalisation rate on funds borrowed generally is 7.86% per annum (2015-16 - 8.63% per annum)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 31

DEPRECIATION AND AMORTISATION EXPENSE

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation/amortisation on		
a. Property, plant and equipment	11,159	11,150
b. Investment property	28	28
c. Intangible assets	24	22
Total	**11,211**	**11,200**

NOTE 32

OTHER EXPENSES

₹ in Lakh

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
(a) Consumption of Stores, Spares and Consumables		4,258		3,884
(b) Power and Fuel		7,239		7,694
(c) Rent		316		422
(d) Repairs and Maintenance				
- Buildings	297		190	
- Plant and Machinery	5,083		3,862	
- Others	3,574	8,954	3,446	7,498
(e) Insurance		497		507
(f) Rates and Taxes		955		2,520
(g) Packing, Despatching and Freight		5,122		6,456
(h) Other Manpower Cost		448		463
(i) Commission to Selling Agents		516		612
(j) Operation Lease Rentals		866		841
(k) Auditors' Remuneration		54		48
(l) Directors' Fees and Commission		160		16
(m) Sales Promotion and Publicity		827		975
(n) Fixed Assets scrapped		140		88
(o) Professional Charges		2,974		2,463
(p) Provision for Doubtful Debts and Advances		664		1,042
(q) Bad Debts/Advances written off	1,961		463	
Less: Transfer from provision	(1,789)	172	(127)	336
(r) Cane Development Expenditure		434		300
(s) General Manufacturing, Selling and Administration Expenses		4,407		3,444
(t) Corporate Social Responsibility expenditure		88		83
Total		**39,091**		**39,692**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 33

RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED BY THE APPROVED INHOUSE R & D CENTRES

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Revenue Expenses (excluding depreciation and fixed assets scrapped):-		
a) Employee benefit expense	194	221
b) Power and Fuel	51	43
c) Repairs and Maintenance	71	58
d) Miscellaneous expenses	274	149
e) Other Income relating to Research and Development	(15)	(11)
Net Revenue expenses on Research and Development	**575**	**460**
(ii) Fixed Assets additions in R & D Centre made during the year	**94**	**55**

NOTE 34

EXPENDITURE INCURRED FOR CORPORATE SOCIAL RESPONSIBILITY

₹ in Lakh

Total	**88**	**83**

NOTE 35

PAYMENT TO AUDITORS

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Audit Fees	27	27
(ii) Fees for other services	26	20
(iii) Reimbursement of out of pocket expenses	1	1
Total	**54**	**48**

NOTE 36

AMOUNTS CONTRIBUTED TO POLITICAL PARTIES DURING THE YEAR

₹ in Lakh

	-	-

NOTE 37

AMOUNTS CONTRIBUTED TO THE NATIONAL DEFENCE FUND OR ANY OTHER FUND APPROVED BY THE CENTRAL GOVERNMENT

₹ in Lakh

	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 38

DIRECT OPERATING EXPENSES ARISING FROM INVESTMENT PROPERTY

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Direct operating expenses arising from investment property that generated rental income during the year	488	479
Direct operating expenses arising from investment property that did not generate rental income during the year	49	39
Total	**537**	**518**

NOTE 39

REPAIRS AND MAINTENANCE INCLUDES STORES AND SPARE PARTS CONSUMED

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Total	**3,363**	**2,710**

NOTE 40

DIRECTOR'S REMUNERATION:

40.1 Whole time Directors remuneration:

₹ in Lakh

Short-term benefits	182	127
Post-employment benefits	26	17
Total	**208**	**144**

Note : Managerial remuneration above does not include gratuity and leave en-cashment benefit, since the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.

40.2 Non Whole time Directors remuneration :

₹ in Lakh

Commission to Non Whole Time Directors	138	-
Directors' sitting Fees	22	16
Total	**160**	**16**

NOTE 41

OPERATING LEASE ARRANGEMENTS

41.1 Company as as Lessee

The company has entered into a non cancellable operating lease agreement with Shri Dhanalaxmi Sahakari Sakkare Karkhane Niyamit,Ramdurg for the lease of sugar factory together with the specified assets on Built,Own,Operate and Transfer basis (BOOT) for a period of 25 years till 2032.

41.2 Payments recognised as expense

₹ in Lakh

Particulars	2016-17	2015-16
Minimum Lease payments	866	841

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41.3 Non-cancellable operating lease commitments

₹ in Lakh

Particulars	2016-17	2015-16	2014-15
Not later than 1 year	892	866	841
Later than 1 year and not later than 5 years	3,846	3,734	3,625
Later than 5 years	5,413	6,417	7,393
Total	**10,151**	**11,017**	**11,859**

41.4 Company as as Lessor

Payments recognised as Income

₹ in Lakh

Particulars	2016-17	2015-16
Rental income	1,645	1,610

NOTE 42

DISCLOSURE ON SPECIFIED BANK NOTES

₹ in Lakh

Particulars	SBNs	Other Notes	Total
Closing cash on hand as on November 08, 2016	5	1	6
(+) Permitted receipts	1	65	66
(-) Permitted payments	1	24	25
(-) Amount deposited in Banks	5	9	14
Closing cash on hand as on December 30, 2016	-	33	33

NOTE 43

DISCLOSURE AS PER REGULATION 34(3) AND 53(F) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:

Loans and advances in the nature of loans to subsidiaries: (Refer note no 52)

₹ in Lakh

Particulars	As at March 31, 2017	As at Mar 31, 2016
1. Loan balance	130	265
Maximum balance outstanding during the year	265	265
2. Guarantee	36,908	1,34,950

Note : The loan is repayable on demand and carries interest.

NOTE 44

AMALGAMATION OF PARRYS SUGAR INDUSTRIES LIMITED WITH THE COMPANY

i. Pursuant to the scheme of amalgamation of Parrys Sugar Industries Limited- a subsidiary (transferor company) with the Company, as sanctioned by the National Company Law Tribunal vide their order dated April 21, 2017, the assets and liabilities of the transferor company were transferred to and vested with the Company with effect from the appointed date, April 1, 2016. The effective date of amalgamation is April 25, 2017 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 Sugar products and power.

iii. The amalgamation being a common control transaction has been accounted for under the 'Pooling of interest' method as prescribed by Ind AS 103 on Business Combinations. Accordingly, the scheme amalgamation has been given effect to retrospectively from April 1,2015.

iv. Consequent to the scheme of amalgamation, the authorized equity share capital of the Company stands increased from 2,12,50,00,000 equity shares of ₹ 1/- each, aggregating to ₹ 21,250 Lakh to 2,34,40,00,000 equity shares of ₹ 1/- each aggregating to ₹ 23,440 Lakh and the authorised preference share capital of the Company stands increased from 50,00,000 preference shares of ₹ 100/- each aggregating to ₹ 5,000 lakh to 2,03,10,000 preference shares of ₹ 100/- each aggregating to ₹ 20,310 lakh.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

v. In accordance with the scheme of amalgamation, 2 equity shares of the company of ₹ 1 each aggregating to 10,74,861 shares are to be allotted to share holders of transferor company for every 13 equity shares of ₹ 10 each held by them. These have not been allotted to the shareholders of transferor company. Pending allotment of these shares, the amount of ₹ 11 Lakh has been disclosed as Share Suspense Account.

vi. As per the scheme of amalgamation, the following amounts have been recognised as the capital reserve on amalgamation:

₹ in Lakh

Particulars	
a. Difference between the amount recorded as investments in the books of the Company and consideration paid to the outside shareholders of the transferor company as reduced by the amount of share capital of the transferor company	316
b. On account of Common Control Transaction accounting as per Ind AS 103	372
Total	688

vii. Details of assets and liabilities taken over on Amalgamation: ₹ in Lakh

Particulars	Balance as at April 1, 2016
Assets	
Non-current assets	11,023
Current Assets	20,231
Total Assets	**31,254**
Liabilities	
Non-current liabilities	8,362
Current liabilities	21,451
Total Liabilities	**29,813**

NOTE 45
DEFERRED TAX BALANCES

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax assets	6,752	3,494	3,494
Deferred tax liabilities	(590)	(3,874)	(6,842)
	6,612	**(380)**	**(3348)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

2016-17	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (Liabilities) / asset in relation to				
Property plant and equipment	(25,706)	(266)	-	(25,972)
Provision for Doubtful Debts, Provision for compensated absences and others	2,524	208	-	2,732
Cash flow hedges	10	-	(85)	(75)
Financial assets at FVTOCI	(1,906)	-	619	(1,287)
Defined benefit obligation	10	-	54	64
	(25,068)	(58)	588	(24,538)
Tax losses	21,194	2,754	-	23,948
Net Deferred Tax Assets / (Liability)	**(3,874)**	**2,696**	**588**	**(590)**
MAT Credit entitlement	3,494	3,258	-	6,752
Net Deferred Tax Asset	**3,494**			**6,752**

₹ in Lakh

2015-16	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/asset in relation to				
Property plant and equipment	(24,473)	(1,233)	-	(25,706)
Provision for Doubtful Debts, Provision for compensated absences and others	2,233	291	-	2,524
Cash flow hedges	-	-	10	10
Financial assets at FVTOCI	(1,906)	-	-	(1,906)
Defined benefit obligation		-	10	10
	(24,146)	(942)	20	(25,068)
Tax losses	**17,304**	**3,890**	**-**	**21,194**
Net Deferred Tax Asset / (Liability)	**(6,842)**	**2,948**	**20**	**(3,874)**
MAT Credit entitlement	3,494	-	-	3,494
Net Deferred Tax Asset	**3,494**			**3,494**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 46

INCOME TAXES RELATING TO CONTINUING OPERATIONS

46.1 Income tax recognised in profit or loss

₹ in Lakh

Particulars	2016-17	2015-16
Current tax		
In respect of current year	3,258	-
Deferred tax		
In respect of current year	(2,696)	(2,948)
MAT Credit availed	(3,258)	-
Total income tax expense /(gain) recognised in the current year relating to continuing operations	**(2,696)**	**(2,948)**

The income tax expense for the year can be reconciled to the accounting profit as follows:

₹ in Lakh

Particulars	2016-17	2015-16
Profit before tax from continuing operations	25,665	(12,159)
Income tax expense calculated at 34.608% (2015-16 - 34.608%)	8,882	(4,208)
Effect of income that is exempt from taxation	(3,515)	(710)
Effect of concession	(237)	(159)
Effect of expenses that are not deductible in determining taxable profit	(1,046)	822
Effect of unused tax losses and tax offsets not recognised as deferred tax asset	(4,008)	4,972
Effect of temporary differences now recognised as DTL	(2,772)	(3,665)
Income tax expense recognised in profit or loss (relating to continuing operations)	**(2,696)**	**(2,948)**

The tax rate used for the financial years 2016-17 and 2015-16 reconciliations above, is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

46.2 Income tax recognised in other comprehensive income

₹ in Lakh

Particulars	2016-17	2015-16
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	619	-
Net gain on designated portion of hedging instruments in cash flows hedges	(85)	10
Re-measurement of defined benefit obligation	54	10
Total income tax recognised in other comprehensive income	**588**	**20**

46.3 Income tax directly recognised in equity

On transition to Ind AS, the Company has recognised deferred tax liability of ₹ 1,906 lakh in equity arising from fair value gain of ₹ 9,250 lakh in unlisted equity investments through Other comprehensive income

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 47

SEGMENT INFORMATION

Information reported to the chief operating decision maker (C.O.D.M) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the following segments tabulated below. The directors of the Company have chosen to organise the Company around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Company. Specifically the Company's reportable segments under Ind AS 108 are as follows.

Operating Segment :

Sugar	Cogeneration	Distillery	Bio-Pesticides	Nutraceuticals
Sugar	Power	Spirits	Neem	Nutraceuticals

Geographical information:

The Company operates in the following principal geographical areas -

North America	Europe	Rest of the world	India (Country of domicile)

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses and income which are not attributable or allocable to segments have been disclosed as net un-allocable expenses/income.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Operating segments represent also and therefore, separate disclosure of revenue from major products is not made.

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

47.1. Segment Reporting

OPERATING SEGMENTS REVENUE AND RESULTS:

Particulars	OPERATING SEGMENTS													
	Sugar		Cogeneration		Distillery		Bio-Pesticides		Nutraceuticals		Elimination		Overall	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue (Sales/Income) :														
External Customers	1,78,537	2,01,427	17,709	20,732	31,775	28,691	12,174	9,949	7,076	7,689	-	-	2,47,271	2,68,488
Other revenue from operation													404	418
Inter-segmental Sales	1,576	1,540	2,350	5,013							(3,926)	(6,553)	-	-
Total	1,80,113	2,02,967	20,059	25,745	31,775	28,691	12,174	9,949	7,076	7,689	(3,926)	(6,553)	**2,47,675**	**2,68,906**
Results :														
Operating Profit/(Loss)	15,019	(16,938)	3,107	7,367	7,691	4,793	1,470	2,673	1,071	1,008		-	28,358	(1,097)
Interest income													488	697
Dividend Income													7,665	4,468
Other Unallocated Income													3,145	483
Finance Costs													(13,991)	(16,710)
Profit/(Loss) before Tax													25,665	(12,159)
Tax Expenses														
- Current Tax													3,258	-
- Deferred Tax													(5,954)	(2,948)
Total Tax													**(2,696)**	**(2,948)**
Net Profit After Tax													**28,361**	**(9,211)**
Other Information :														
Segment Assets	1,52,671	1,76,866	47,141	51,025	25,717	27,567	10,407	8,482	11,935	11,362			2,47,871	2,75,302
Unallocated Corporate Assets													96,670	1,01,222
Total Assets													**3,44,541**	**3,76,524**
Segment Liabilities	87,770	1,10,462	1,217	1,621	1,814	1,415	2,259	2,083	1,725	1,571			94,785	1,17,152
Unallocated Corporate Liabilities													1,02,010	1,31,096
Total Liabilities													**1,96,795**	**2,48,248**
Capital Expenditure	1,312	1,212	277	265	1,755	1,474	448	75	2,646	2,630			6,438	5,656
Unallocated Capital Expenditure													52	156
Total Capital Expenditure													**6,490**	**5,812**
Depreciation	5,678	5,843	3,260	3,265	1,611	1,469	111	125	387	316			11,047	11,018
Unallocated Depreciation													164	182
Total Depreciation													**11,211**	**11,200**
Non cash item	1,483	2,109	179	118	107	26	22	84	43	219			1,834	2,556
Unallocated Non cash item													3	78
Total Non cash item													**1,837**	**2,634**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

47.2 Geographical information

₹ in Lakh

	North America		Europe		Rest of the World		India		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Revenue	6,620	6,235	5,911	13,099	1,650	4,784	2,33,494	2,44,788	2,47,675	2,68,906
Non-current asset*	-	-	-	-	-	-	1,50,494	1,60,600	1,50,494	1,60,600

* Non-current assets exclude those relating to Investments, Deferred tax assets and Non-current financial assets.

NOTE 48

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 ₹ 368 Lakh (Year ended March 31, 2016 - ₹ 359 Lakh) for Provident Fund contributions, ₹ 458 Lakh (Year ended March 31, 2016- ₹ 443 Lakh) for Superannuation Fund contributions and ₹ 2 Lakh (Year ended March 31, 2016 -₹ 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 -

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2017 by Mr.Khushwant Pahwa, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognised 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).

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Present Value of obligations at the beginning of the year	1,824	1,619
Current service cost	178	177
Interest Cost	146	125
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	46	-
- Actuarial gains and losses arising from experience adjustment	95	62
Benefits paid	(125)	(159)
Present Value of obligations at the end of the year	**2,164**	**1,824**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	1,271	1,296
Interest Income	101	100
Return on plan assets	(15)	33
Contributions from the employer	-	1
Benefits Paid	(125)	(159)
Fair Value of plan assets at the end of the year	**1,232**	**1,271**
Amounts recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	2,164	1,824
Fair value of plan assets at end of the year	1,232	1,271
Funded status of the plans – Liability recognised in the balance sheet	**932**	**553**
Components of defined benefit cost recognised in profit or loss		
Current service cost	178	177
Net Interest Expense	44	25
Net Cost in Profit or Loss	**222**	**202**
Components of defined benefit cost recognised in Other Comprehensive income		
Re-measurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	46	-
- Actuarial gains and losses arising from experience adjustment	95	61
Return on plan assets	15	(32)
Net Cost in Other Comprehensive Income	**156**	**29**

Particular	March 31,2017	March 31,2016	April 01,2015
Assumptions			
Discount rate	7.70%	8.00%	7.72%
Expected rate of salary increases	6.00%	6.00%	6.00%
Expected rate of attrition	5.00%	5.00%	5.00%
Average age of members	38.87	39.00	38.74
Average remaining working life	19.13	19.00	19.26
Mortality (IALM (2006-2008) Ultimate)	100%	100%	100%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	March 31,2017	March 31,2016	April 01,2015
Discount rate			
- 1% increase	146	124	108
- 1% decrease	(166)	(141)	(123)
Salary growth rate			
- 1% increase	(159)	(136)	(118)
- 1% decrease	144	123	107
Attrition rate			
- increase of 50% of attrition rate	(36)	(35)	(29)
- decrease of 50% of attrition rate	47	46	38
Mortality rate			
- increase of 10% of mortality rate	(1)	(1)	(1)
- decrease of 10% of mortality rate	1	1	1

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 277 lakh (2016: ₹ 718 lakh).

C. Note on Provident Fund:

With respect to employees,who are covered under 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 regards 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	2016-17	2015-16
Discount rate	7.70%	8.00%
Attrition Rate	5.00%	5.00%
Expected rate of salary increases	6.00%	6.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 49

Earnings per Share:

₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Basic Earnings per share	16.03	(5.21)
Diluted Earnings per share	16.03	(5.21)

49.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Profit after Taxation (₹ in Lakh)	28,361	(9,211)
Earnings used in the calculation of basic earnings per share	**28,361**	**(9,211)**
Number of equity shares of ₹ 1 each outstanding at the beginning of the year	17,68,89,745	17,58,14,884
Add: Equity shares to be issued pursuant to the scheme of amalgamation.		10,74,861
Revised number of equity shares of ₹ 1 each outstanding at the beginning of the year	17,68,89,745	17,68,89,745
Add : Number of shares issued pursuant exercise of Employees Stock option	56,014	-
(a) Number of equity Shares of ₹ 1 each outstanding at the end of the year	17,69,45,759	17,68,89,745
(b) Weighted Average number of Equity Shares	17,69,32,177	17,68,89,745

49.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.

₹ in Lakh

Earnings used in the calculation of basic earnings per share	**28,361**	**(9,211)**
Adjustments	-	-
Earnings used in the calculation of diluted earnings per share	**28,361**	**(9,211)**

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Weighted average number of equity shares used in the calculation of basic earnings per share	17,69,32,177	17,68,89,745
Shares deemed to be issued for no consideration in respect of		
- employee options	31,297	10,037
Weighted average number of equity shares used in the calculation of diluted earnings per share	17,69,63,474	17,68,99,782

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 50

50.1 Capital management

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The following table summarises the capital of the Company:

(₹ in lakh, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity	**1,47,746**	**1,28,276**	**1,39,202**
Debt	94,346	1,31,941	1,95,574
Cash and cash equivalents	(153)	(4,945)	(770)
Net debt	**94,193**	**1,26,996**	**1,94,804**
Total capital (equity + net debt)	**2,41,939**	**2,55,272**	**3,34,006**
Net debt to capital ratio	0.39	0.50	0.58

50.2 Categories of financial instruments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
(i) Equity investments (Mutual Fund)	5,063	1,404	2
(ii) Derivative instruments not designated in hedge accounting relationship	2,023	758	1,149
Measured at amortised cost			
(a) Cash and bank balances	612	10,626	4,623
(b) Other financial assets at amortised cost	22,032	27,127	27,300
Measured at FVTOCI			
(a) Investments in equity instruments designated upon initial recognition	6,905	9,511	9,577
Measured at cost			
(a) Investments in equity instruments in subsidiaries, joint ventures and associate	66,607	66,517	58,512
Financial liabilities			
Measured at amortised cost	1,85,699	2,34,141	2,62,039
Measured at FVTPL	391	97	155

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

50.3 Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

Item	Primarily affected by	Risk management policies	Refer
Market risk - currency risk	USD balances and exposure towards trade payables, exports, and long-term borrowings	Mitigating foreign currency risk using foreign currency forward contracts, option contracts and currency swaps	Note 50.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies	Note 50.4.2
Market risk - other price risk	Decline in value of equity instruments	Monitoring forecasts of cash flows; diversification of portfolio	Note 50.4.3
Credit risk	Ability of customers or counter parties to financial instruments to meet contractual obligations	Credit approval and monitoring practices; counter party credit policies and limits; arrangements with financial institutions	Note 50.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cashflows; cash management policies; multiple-year credit and banking facilities	Note 50.6

50.4 Market risk

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks:
- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

50.4.1 Foreign currency risk management

The Company is exposed to foreign exchange risk on account of following:
1. Exports and imports
2. Foreign currency borrowings in the form of Foreign Currency Non-Repatriable (B) loans (FCNRB), packing credit etc. availed for meeting its funding requirements

The Company has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward covers and options) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

The Company had entered into the swap contracts to hedge the interest and currency risks on the external commercial borrowings. There are no long-term borrowings outstanding as on 31 March 2017.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

a. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities			Assets		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
USD (in lakh)	116.15	5.83	25.8	111.46	143.44	118.42
INR (₹ in lakh)	7,535	386	1,616	7,231	9,517	7,418
EURO (in lakh)	0.84	0.86	1.13	19.36	24.91	18.13
INR (₹ in lakh)	58	64	77	1,341	1,867	1,227
GBP (in lakh)	-	-	-	1.50	1.29	0.50
INR (₹ in lakh)	-	-	-	121	123	47

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

b. Foreign currency forward and current and interest rate swaps outstanding as at the Balance Sheet date:

₹ in Lakh

Currency	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Buy	Sell	Buy	Sell	Buy	Sell
Forward contracts						
(i) Cash flow hedges						
USD/INR (in FCY)	-	13.37	1.57	376.74	-	212.40
USD/INR (in INR)	-	867	104	24,997	-	13,390
EURO/INR (in FCY)	-	12.89	-	94.16	-	47.11
EURO/INR (in INR)	-	893	-	7,102	-	3,803
(ii) Others						
USD/INR (in FCY)	134.67	195.29	-	-	-	-
USD/INR (in INR)	8,737	12,669	-	-	-	-
EURO/INR (in FCY)	-	56.37	-	-	-	-
EURO/INR (in INR)	-	3,904	-	-	-	-
Number of contracts	27	322	1	812	-	1,058
Currency and interest rate swaps						
USD/INR (in FCY)	-	-	3.33	-	20.00	-
USD/INR (in INR)	-	-	220	-	1,250	-
Number of contracts	-	-	1	-	1	-

The forward contracts have been entered into to hedge highly probable forecast sale transactions and trade receivables. The swap contracts have been entered into to hedge the currency and interest rate risks on the external commercial borrowings of the Company.

At March 31, 2017, the aggregate amount of gains under forward foreign exchange contracts recognised in other comprehensive income and accumulated in the cash flow hedging reserve relating to the exposure on these anticipated future transactions is ₹ 143 lakh (March 31, 2016: losses ₹ 19 lakh and April 01, 2015: losses of ₹ 146 lakh). It is anticipated that the sales will take place over the next two year period, at which time the amount deferred in equity will be reclassified to profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. Foreign currency sensitivity analysis

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a 10% increase and decrease against the US Dollar. 10% is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by 10% against the US Dollar. For a 10% weakening against the US Dollar, there would be a comparable impact on the profit or equity.

₹ in Lakh

Particulars	For the Year ended March, 31 2017	For the Year ended March 31, 2016
Currency USD impact on:		
Profit or loss	423	-
Other Comprehensive Income	87	1554
Equity	**510**	**1554**

In management's opinion the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of reporting period does not reflect the exposure during the year.

50.4.2 Interest rate risk management

The Company issues commercial papers, draws working capital demand Loans, cash credit, foreign currency borrowings, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

a. Interest rate swap contract

The Company had entered into the swap contracts to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Company agrees to exchange floating interest rate in USD to INR fixed rate on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk. Refer details of the principal and interest rate swaps under Note 50.4.1(b). There are no outstanding external commercial borrowing as on March 31, 2017

b. Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate were to increase by 50 basis from March 31, 2017, in case of rupee borrowings and all other variables were held constant, additional net annual interest expense on floating rate borrowing would amount to approximately ₹ 225 lakh (31 March 2016: ₹ 248 lakh).

50.4.3 Other price risks

The Company is exposed to equity price risks arising from equity investments. Certain equity investments of the Company's are held for strategic rather than trading purposes. The Company also holds certain other equity investments for trading purposes.

a. Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower other comprehensive income/ equity for the year ended 31 March 2017 would increase/ decrease by ₹ 69 Lakh (`₹ 95 Lakh for the year ended 31 March 2016) as a result of the changes in fair value of equity investments measured at FVTOCI. The impact of change in equity price on profit or loss is not significant

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

50.5 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivable on case to case basis and has accordingly created loss allowance on trade receivables.

The Company has issued financial guarantee to its wholly owned subsidiary, Parry Sugars Refinery India Private Limited (PSRIPL) of ₹ 36,000 lakh (March 31, 2016: ₹ 1,34,950 lakh). Based on the financial performance of PSRIPL, the Company does not expect the guarantee liability to devolve on the Company.

The credit risk on cash and bank balances is limited because the counter parties are banks with high credit ratings assigned by international credit rating agencies.

50.6 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017:

₹ in Lakh

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Non interest bearing	29,270	29,270	-	-	29,270
Variable interest rate instruments	44,974	16,992	27,691	6,802	51,485
Fixed interest rate instruments	1,11,455	82,780	21,245	9,339	1,13,364
Total	**1,85,699**	**1,29,042**	**48,936**	**16,141**	**1,94,119**

The table below provides details of financial assets as at 31 March 2017:

Particulars	Carrying amount
Trade receivables	21,301
Other financial assets	79,918
Total	**1,10,219**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2016:

₹ in Lakh

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Non interest bearing	49,481	49,481	-	-	49,481
Variable interest rate instruments	49,644	19,561	31,830	9,302	60,693
Fixed interest rate instruments	1,35,016	99,766	26,444	12,343	1,38,553
Total	**2,34,141**	**1,68,808**	**58,274**	**21,645**	**2,48,727**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The table below provides details of financial assets as at 31 March 2016:

₹ in Lakh

Particulars	Carrying amount
Trade receivables	25,439
Other financial assets	89,746
Total	1,15,185

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2015:

₹ in Lakh

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Non interest bearing	39,907	39,907	-	-	39,907
Variable interest rate instruments	59,291	47,462	14,401	1,195	63,058
Fixed interest rate instruments	1,62,841	104,440	47,452	19,815	1,71,707
Total	**2,62,039**	**1,91,809**	**61,853**	**21,010**	**2,74,672**

The table below provides details of financial assets as at 1 April 2015:

₹ in Lakh

Particulars	Carrying amount
Trade receivables	23,010
Other financial assets	77,004
Total	**1,00,014**

The following table provides details about the Company's maturity analysis for its derivative financial instruments. The table has been drawn up based on the un-discounted estimated cash flows determined by reference to the projected market rates at the end of the reporting period. A positive amount represents an anticipated cash inflow and a negative amount represents an anticipated cash outflow.

31 March 2017

₹ in Lakh

Particulars	Less than 1 year	1-3 year	above 3 years
Net settled			
- Foreign exchange forward contracts	1,178	454	-

31 March 2016

Particulars	Less than 1 year	1-3 year	above 3 years
Net settled			
- Foreign exchange forward contracts	497	164	

1 April 2015

Particulars	Less than 1 year	1-3 year	above 3 years
Net settled			
- Foreign exchange forward contracts	861	133	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

50.7 Financing facilities

The Company has access to financing facilities of which ₹ 61,848 Lakh (as at 31 March 2016: ₹ 87,820 Lakh; as at 1 April 2015: ₹ 53,598 Lakh) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

50.8 Fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

(₹ in lakh, unless otherwise stated)

Financial assets/financial liabilities	Fair Value as at*			Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015		
1) Foreign currency forward contracts designated in hedge accounting relationships					
Financial asset	2,023	758	1149	Level 2	Refer Note 3(a)
Financial Liabilities	(391)	(97)	(155)	Level 2	Refer Note 3(a)
2) Investments in quoted equity instruments at FVTPL	5,063	1,404	2	Level 1	Refer Note 2
3) Investments in quoted equity instruments at FVTOCI	279	201	267	Level 1	Refer Note 2
4) Investments in un-quoted equity instruments at FVTOCI	6,626	9,310	9,310	Level 3	Refer Note 4(a)

*positive value denotes financial asset and negative value denotes financial liability

Notes:

1. There were no transfers between Level 1 and 2 in the period.
2. The Level 1 financial instruments are measured using quotes in active market
3. The following table shows the valuation technique and key input used for Level 2:

Financial Instrument	Valuation Technique	Key Inputs used
(a) Foreign currency forward contracts	Discounted Cash Flow	Forward exchange rates, contract forward and interest rates, observable yield curves.

4. The following table shows the valuation technique and key input used for Level 3:

Financial Instrument	Valuation Technique	Key Inputs used	Sensitivity
(a) Investments in un-quoted equity instruments at FVTOCI	Market Multiple Approach	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from 30% to 50% (as at 31 March 2016: 30% to 50%; as at 1 April 2015: 30% to 50%)	A 5% increase/ decrease in the discount for lack of marketability used in isolation would decrease/increase the carrying amount by ₹ 143 lakh (as at 31 March 2016: Nil; as at 1 April 2015: ₹ 184 lakh)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

₹ in Lakh

Particulars	Fair value hierarchy	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
Financial assets at amortised cost:							
- Trade receivables	Level 2	21,301	21,301	25,439	25,439	23,010	23,010
- Cash and cash equivalents	Level 2	153	153	4,945	4,945	770	770
- Bank balances other than cash and cash equivalents	Level 2	459	459	5,681	5,681	3,853	3,853
- Loans	Level 2	130	130	265	265	-	-
- Other financial assets	Level 2	2,624	2,624	2,181	2,181	5,439	5,439

Particulars	Fair value hierarchy	As at March 31, 2017		As at 31 March 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities							
Financial liabilities at amortised cost:							
Borrowings	Level 2	99,365	97,831	1,37,370	1,36,222	1,99,645	1,95,369
Trade payables	Level 2	28,148	28,148	47,934	47,934	38,079	38,079
Other financial liabilities	Level 2	58,577	58,577	48,934	48,934	24,470	24,470

1. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Reconciliation of Level 3 fair value measurements for the year ended 31 March 2017:

Particulars	Investments in un-quoted equity instruments at FVTOCI	Total
Opening balance	9,310	9,310
Total gains or losses:		
- in profit or loss	-	-
- in other comprehensive income	(2,684)	(2,684)
Closing balance	**6,626**	**6,626**

Reconciliation of Level 3 fair value measurements for the year ended 31 March 2016:

Particulars	Investments in un-quoted equity instruments at FVTOCI	Total
Opening balance	9,310	9,310
Closing balance	**9,310**	**9,310**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 51

SHARE BASED PAYMENTS

51. 1 Employee share option plan of the Company

51.1.1 **Details of the employee share option plans of the Company**

The Company has share option scheme for senior employees of the Company. As approved by the shareholders, ESOP schemes are being administered by the Nomination and Remuneration committee of the Board of Directors.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangement were in existence during the current and prior years

S.No	Description	Date of grant	Number of Options granted	Expiry date	Fair value on the date of grant as per Black Scholes option pricing model	Exercise price
1	Details of options granted	31.08.2007	18,58,200	31.08.2017	29.46	64.80
		29.10.2007	2,32,400	29.10.2017	26.32	75.70
		24.01.2008	4,60,600	28.02.2015	21.98	94.15
		24.04.2008	1,52,200	24.04.2018	24.59	103.60
		28.07.2008	1,30,000	28.07.2018	26.63	92.98
		24.09.2008	3,87,000	31.10.2012	24.11	106.30
		29.10.2008	1,13,600	29.10.2018	30.73	74.95
		20.03.2009	47,800	30.06.2011	32.26	69.13
		28.01.2011	3,29,600	28.01.2021	90.05	225.15
		28.01.2011	36,700	01.04.2014	87.86	225.15
		29.04.2011	41,400	29.04.2015	92.46	240.90
		29.04.2011	34,500	29.04.2015	58.18	240.90
		27.07.2011	1,15,000	27.07.2015	105.80	269.10
		24.10.2011	75,700	24.10.2021	80.86	220.90
		24.10.2011	19,300	30.09.2014	30.21	220.90
	Total		**40,34,000**			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

51.1.2 Fair value of share options granted in a year

The weighted average fair value of the share options granted during the financial year is ₹ 107.85. Options were priced using Black Scholes model of option pricing. Expected volatility is based on the historical share price volatility. Inputs into the model is as follows

Particulars	Vest 1	Vest 2	Vest 3	Vest 4
Grant date share price	289.50	289.50	289.50	289.50
Exercise price	289.50	289.50	289.50	289.50
Expected volatility	36.61	35.32	33.69	33.58
Expected life	3.50	4.50	5.51	6.51
Dividend yield	1.38	1.38	1.38	1.38
Risk free interest rate	6.40	6.52	6.62	6.71

51.1.3 Movements in share options during the year

S.No	Particulars		Options (Numbers) 2016-17	Weighted Average exercise price per option (₹)	Options (Numbers) 2015-16	Weighted average exercise price per option (₹)
a	Balance at the beginning of the year	Options vested and exercisable	1,92,026	170.64	1,88,144	163.51
		Options unvested	-	-	33,480	248.19
		Total	1,92,026	170.64	2,21,624	176.30
b	Options granted during the year		8,43,220	289.50	-	-
c	Options vested during the year		-	-	15,210	248.39
d	Options exercised during the year		56,014	91.18	-	-
e	Options lapsed/cancelled during the year		28,644	249.85	29,598	213.02
f	Options outstanding at the end of the year	Options vested and exercisable	1,07,368	190.97	1,92,026	170.64
		Options unvested	8,43,220	289.50	-	-
		Total (a+b-d-e)	**9,50,588**	**278.37**	**1,92,026**	**176.30**

Weighted Average remaining contractual life for option outstanding as at March 31, 2017 was 2551 days (March 31, 2016: 859 days)

51.1.4. Share options exercised during the year

Grant date	Numbers exercised	Exercise date	Share price at exercise date
31.08.2007	11,414	18-Aug-16	252.10
29.10.2007	9,072	12-Sep-16	239.83
24.04.2008	18,528	17-May-16	236.85
24.04.2008	17,000	19-May-16	242.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 52

Related Party Disclosure for the year ended March 31, 2017

52.1. Subsidiary Companies/ Entities

01. Coromandel International Ltd
02. Parry Chemicals Ltd
03. CFL Mauritius Limited
04. Coromandel Brasil Limitada – LLP,Brazil
05. Liberty Pesticides and Fertilisers Limited
06. Dare Investments Ltd
07. Alimtec S.A
08. Sabero Europe BV ,Netherlands
09. Sabero Australia Pty.Ltd
10. Sabero Organics America SA,Brazil
11. Sabero Argentina SA
12. Coromandel Agronegoious De Mexico S.A C.V.
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
20. Parry Sugar Refinery India Private Limited

Investing Party Group

1. Murugappa Holdings Limited (Investing Party)
2. Parry Enterprises India Limited
3. Parry Agro Industries Limited
4. Parry Group Staff Provident Fund
5. Parry Group Gratuity Fund
6. EID Parry Executive Staff Pension & Assurance Scheme

52.2 Key Management Personnel (KMP)

1. Mr. V Ramesh, Managing Director
2. Mr. Suresh S, Deputy Managing Director(With effect from 1st July, 2016)

Note : Related Party Relationships are as identified by the management and relied upon by the auditors.

52.3 Transactions with related parties

₹ in Lakh

Particulars	2016-17		2015-16	
	Subsidiary Companies	Investing Party Group	Subsidiary Companies	Investing Party Group
Sale of Goods				
a. Parry America Inc.	4,346	-	3,554	-
b. U.S. Nutraceuticals L.L.C	367	-	661	-
c. Coromandel International Limited	1,539	-	1,093	-
d. Parry Agro Industries Limited	-	6	-	19

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	2016-17		2015-16	
	Subsidiary Companies	Investing Party Group	Subsidiary Companies	Investing Party Group
Rendering of services				
a. Coromandel International Limited	323	-	265	-
b. Parry Sugars Refinery India Private Limited	186	-	184	-
c. Parry Infrastructure Company Private Limited	-	-	29	-
d. Parrys Enterprises India Limited	-	36	-	33
e. Parry Agro Industries Limited	-	31	-	26
f . Parry America Inc	1	-	-	-
Dividend Income / Share of income				
a. Coromandel International Limited	7,086	-	4,429	-
b. U.S. Nutraceuticals L.L.C	33	-	-	-
c. Parry America Inc	325	-	-	-
Deputation Charges Received				
a. Parry Sugars Refinery India Private Limited	178	-	168	-
Purchase/Receipt of Goods				
a. Coromandel International Limited	1	-	-	-
b. Parrys Sugar Industries Limited	-	-	456	-
c. Parry Sugars Refinery India Private Limited	404	-	363	-
d. Parry Enterprises India Limited	-	10	-	11
Receipt of services				
a. U.S. Nutraceuticals L.L.C	257	-	183	-
b. Coromandel International Limited		-	-	-
c. Parry Sugars Refinery India Private Limited	292	-	-	-
d. Parry Enterprises India Limited	-	128	-	130
e. Parrys America Inc	2	-	-	-
Others - Discount on Sales				
a. U.S. Nutraceuticals L.L.C	-	-	205	-
Interest Income on ICD Loans				
a. Alimtec SA	14	-	8	-
Dividend Paid				
a. Murugappa Holdings Limited	-	2,349	-	-
Subscription to Equity Shares				
a. Parry Sugars Refinery India Private Limited	-	-	5,000	-
b. Alimtec SA		-	140	-
c. Parrys Investments Limited	90	-	65	-
Employee related Contribution				
a. Parry Group Staff Provident Fund	429	-	388	-
b. Parry Group Gratuity Fund	-	-	-	-
c. EID Parry Executive Staff Pension & Assurance Scheme	279	-	266	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	2016-17		2015-16	
	Subsidiary Companies	Investing Party Group	Subsidiary Companies	Investing Party Group
Subscription to Preference Shares				
a. Parry Sugars Refinery India Private Limited	-	-	2,800	-
Loans and Advances to Subsidiaries Given / (Repaid)				
a. Alimtec SA	130	-	265	-
Closing Balance - Debit /(credit)				
a. Coromandel International Limited	(209)	-	(168)	-
b. Parry America Inc.	1,730	-	1,608	-
c. U.S. Nutraceuticals LLC	267	-	465	-
d. Parry Sugars Refinery India Private Limited	(25)	-	371	-
e. Parry Infrastructure Company Private Limited	-	-	31	-
f. Parry Agro Industries Limited	3	-	-	-
g. Parrys Enterprises India Limited	(16)	-	-	-
h. Alimtec SA	158	-	287	-
Guarantees given				
Parry Sugars Refinery India Private Limited	36,000	-	1,34,950	-
Alimtec SA	908	-	-	-

For remuneration to KMP refer Note 40.1

Note.No	Particulars	2016-17	2015-16	2014-15
53	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	373	243	1,353
54	**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	1,482	2,263	3,872
	(b) Disputed Income Tax demands which are under various stages of appeal (out of which ₹ 1730 Lakh (2016 - ₹ 1,578 lakh) have been paid under protest). (Refer note 54.3)	4,942	4,684	3918,
	(c) Disputed Sales Tax, Excise Duty, Service Tax and Customs Duty demands (out of which ₹ 250 lakh (2016 - ₹ 252 lakh) have been deposited under protest). (Refer note 54.3)	5,722	5,807	5,914
	(d) Cane cost subsidy (Refer Note 54.1)	-	898	-
	(e) Cane price (Refer Note 54.2)	19,887	16,154	10,873
	(f) Certain Industrial Disputes are pending before Tribunal / High Courts. The liability of the Group in respect of these disputes depends upon the final outcome of such cases and the quantum of which is not currently ascertainable.			
	(g) Corporate Guarantee / Letter of credit given in favour of Subsidiaries	36,908	1,34,950	36,000
	(h) Corporate Guarantee given to Bank in respect of loans to farmers.	-	-	22

54.1 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

54.2 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 Honourable High Court of Madras. The matter is subjudice.

54.3 Future cash outflows in respect of the above referred matters are determinable only on receipt of judgements / decisions pending at various forums / authorities

54.4 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 ₹ 1,954 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 55

First-time Ind AS adoption reconciliation

55.1 Reconciliation of total equity as at March 31, 2016 and April 01, 2015

Particulars	Notes	As at March 31, 2016 (End of last period Presented under Previous GAAP)	As at April 01, 2015 (Date of Transition Presented under Previous GAAP)
Total Equity (shareholder's funds) under previous GAAP		1,29,068	1,36,918
Impact of amalgamation of Parry Phytoremedies Private Limited with the Company being a common control transaction	a	-	(1,322)
Impact of amalgamation of Parrys Sugar Industries Limited with the Company being a common control transaction	b	(8,333)	(5,710)
Fair valuation of investments under Ind AS (net of tax)	e	7,506	7,558
Dividend not recognised as liability until declared under Ind AS	c	-	1,758
Recognition of deferred taxes using the balance sheet approach under Ind AS	i	10	-
Effect of accounting Long term borrowing under Effective interest rate	h	25	-
Total adjustment to equity		(792)	2,284
Total equity under Ind AS		**1,28,276**	**1,39,202**

55.2 Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ in Lakh

Particulars	Notes	Year ended March 31, 2016 (Latest period presented under previous GAAP)
Profit as per previous GAAP		(6,645)
Adjustments		
Loss of Parrys Sugar Industries Limited included on account of amalgamation of PSIL with the company based on the Scheme of amalgamation	b	(2,613)
Recognition of fair value cost of unvested options	f	(1)
Transfer of actuarial loss to Other Comprehensive income	d	32
Effect of accounting Long term borrowings under Effective interest rate	h	38
Deferred tax adjustments	d,h,i	(22)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lakh

Particulars	Notes	Year ended March 31, 2016 (Latest period presented under previous GAAP)
Total effect of transition		(2,566)
Profit for the year as per Ind AS		(9,211)
Other comprehensive income for the year (net of tax)	g	42
Total comprehensive income under Ind AS		(9,169)

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

55.3 Effect of Ind AS adpotion on the statement of cashflows for the year ended March 31, 2016

Particulars	Previous G.A.A.P	Effect of transition of Ind AS	Ind AS
Net cash flow from operating activities	85,015	9,462	94,477
Net cash flow used in investing activities	(8,798)	(735)	(9,533)
Net cash flow used in financing activities	(74,545)	(6,224)	(80,769)
Net (decrease) / increase in cash and cash equivalents	**1,672**	**2,503**	**4,175**
Cash and cash equivalents as at beginning of the Year	765	5	770
Cash and cash equivalents as at end of the Year	2,437	2,508	4,945

55.4 NOTES TO THE RECONCILIATIONS

a. Amalgamation of Parry Phytoremedies Private Limited

Parry Phytoremedies Private Limited, a wholly owned subsidiary of the Company was amalgamated with the Company with the appointed date of April 01, 2014, the effect of which was given in the previous GAAP in financial year 2015-16. This amalgamation would get covered as part of the common control transactions as provided in Ind AS 103 - Business Combinations. Ind AS 103 requires that the amalgamation should be accounted as if it was there on the earliest period reported being April 01, 2015. The effect of this change is an decrease in total equity as at April 01, 2015 of ₹ 1,322 lakh and but does not affect profit before tax and total profit for the year ended March 31, 2016.

b. Amalgamation of Parrys Sugar Industries Limited

Parrys Sugar Industries Limited, a subsidiary of the Company was amalgamated with the Company with the appointed date of April 01, 2016. This amalgamation would get covered as part of the common control transactions as provided in Ind AS 103 - Business Combinations. Ind AS 103 requires that the amalgamation should be accounted as if it was there on the earliest period reported being April 01, 2015. The effect of this change is an decrease in total equity as at April 01, 2015 of ₹ 5,710 lakh and March 31, 2016 of ₹ 8,333 lakh and decrease in profit before tax and total profit of ₹ 2,613 lakh for the year ended March 31, 2016.

c. Proposed Dividend

Under previous GAAP, dividend on equity shares recommended by the board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a general meeting. The effect of this change is an increase in total equity as at April 01, 2015 of ₹ 1,758 lakh, but does not affect profit before tax and total profit of Financial year 2015-16.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

d. Actuarial gains and losses

Under previous GAAP, actuarial gains and loss were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in the other comprehensive income under Ind AS instead of profit or loss. The actuarial loss for the year ended March 31, 2016 were ₹ 32 lakh and the tax effect thereon ₹ 10 lakh. This change does not affect total equity, but there is a increase in profit before tax of ₹ 32 lakh, and in total profit of ₹ 22 lakh for the year ended March 31, 2016.

e. Long term investments as FVTOCI

Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified as FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in carrying amount by ₹ 9,412 lakh as at March 31, 2016 and ₹ 9,464 lakh as at April 01, 2015. The corresponding deferred taxes amounting to ₹ 1,906 Lakh have also been recognised as at March 31, 2016 and April 01, 2015. These changes do not affect profit before tax or total profit for the year ended March 31, 2016 because the investments have been classified as FVTOCI.

f. Share based payments in Fair value

Under previous GAAP, the cost of equity settled employee share-based payments was recognised using the intrinsic value method. This did not result in recognising any expense in profit or loss in respect of these share-based payments because the fair value of the shares on the grant date equaled the exercise price. Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date. The change does not affect total equity, but there is a decrease in profit before tax as well as total profit of ₹ 1 lakh.

g. Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

h. Upfront fee in Borrowings

Under Ind AS, Borrowings under amortised cost are to be accounted under effective interest rate method under Ind AS 109. Accordingly, the processing fee and other upfront fees paid for obtaining loans should be considered for effective interest calculation and not to be charged to Profit and loss account. The consequence tax effect has also been accounted. Accordingly, unamortised portion of the upfront fee of ₹ 38 lakh has been reduced from the Borrowings for March 31, 2016. This net effect of this change is increase in total equity by ₹ 25 lakh as March 31,2016 net of deferred tax of ₹ 13 lakh.

i. Deferred Taxes

Under previous GAAP, deferred taxes were to be accounted on timing differences arising between the accounting profit and tax profit. However, such method has been replaced with balance sheet approach in Ind AS, wherein deferred taxes are to be accounted for the differences arising between the accounting balance sheet and tax balance sheet. Accordingly, deferred taxes has been accounted for such temporary differences.

56 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 18, 2017.

For and on behalf of the Board of Directors

V. Ramesh
Managing Director

A Vellayan
Chairman

Chennai
May 18, 2017

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 Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of E.I.D.- Parry (India) Limited ("the Company") including its erstwhile subsidiary company– Parrys Sugar Industries Limited which got merged with the Company with an appointed date of April 1, 2016 (collectively hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of auditor of the aforesaid erstwhile subsidiary company and other auditors on separate financial statements/ financial information of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 joint ventures as at 31st March, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of the aforesaid erstwhile subsidiary company included in the Consolidated Ind AS financial statements of the Parent whose financial statements / financial information reflect total assets of ₹ 24,381 Lakh as at 31st March, 2017 and total revenues of ₹ 26,762 Lakh for the year ended on that date, as considered in the standalone financial statements of the Parent. The financial statements / financial information of the erstwhile subsidiary company have been audited by other auditor whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of this erstwhile subsidiary company and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the erstwhile subsidiary company is based solely on the report of the other auditor.

(b) We did not audit the financial statements / financial information of sixteen subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 43,431 Lakh as at 31st March, 2017, total revenues of ₹ 25,019 Lakh and net cash outflows amounting to ₹ 410 Lakh for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 279 Lakh for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of two associates and a joint venture, 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associates is based solely on the reports of the other auditors.

(c) We did not audit the financial statements / financial information of one subsidiary, whose financial statements/ financial information reflect total assets of ₹ 0.22 Lakh as at 31st March, 2017, total revenues of ₹ Nil and net cash outflows amounting to ₹ 0.07 Lakh for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ Nil for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

(d) The comparative financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 in respect of the aforesaid erstwhile subsidiary, sixteen subsidiaries, two associates and one joint venture included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us. (b) One subsidiary and one joint venture included in this statement prepared in accordance with Ind AS have not been audited by their auditors. According to the information and explanations given to us by the Management, these financial statements/financial information are not material to the group.

Our opinion on the consolidated Ind AS financial statements above, 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 other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of auditors of the aforesaid erstwhile subsidiary company and other auditors on separate financial statements and the other financial information of subsidiaries and joint venture companies incorporated in India, referred in the Other Matters paragraph above 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in

India is disqualified as on 31st March 2017 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 separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, aforesaid erstwhile subsidiary company, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's/ subsidiary company's / joint venture company's 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii. Provision has been made in the consolidated Ind AS 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 Parent and its subsidiary companies and joint venture companies incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us by and to other auditors by the Management of the respective Group entities.

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

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

Place: Chennai
Date: May 18, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of E.I.D.- Parry (India) Limited ("the Company") including its erstwhile subsidiary company- Parrys Sugar Industries Limited which got merged with the Company with a appointed date of April 1, 2016(hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls over financial reporting of its subsidiaries and joint ventures which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and joint ventures 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 respective Companies 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 (ICAI)".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 internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India, 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 other auditors of the subsidiary companies, aforesaid erstwhile subsidiary company and jointly controlled companies 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 internal financial controls system over financial reporting of the Parent, its subsidiary companies, and its joint ventures which are companies incorporated in India.

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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its aforesaid erstwhile subsidiary company and joint ventures 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 March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies 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 its 1 aforesaid erstwhile subsidiary company, 7 subsidiary companies and 1 joint venture which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Place: Chennai
Date: May 18, 2017

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

₹ in Lakh

S.No	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A	**ASSETS**				
	Non-Current Assets				
	(a) Property, plant and equipment	2	321,047	328,612	332,650
	(b) Capital Work in Progress	2	3,033	6,607	6,747
	(c) Investment Property	3	2,574	3,702	3,730
	(d) Goodwill	4	2,502	2,525	3,072
	(e) Other Intangible Assets	5	3,534	3,203	3,296
	(f) Intangible assets under Development		825	1,077	789
	(g) Financial Assets				
	(i) Investments				
	a) Investments in associate	6A	817	740	-
	b) Investments in Joint ventures	6B	1,680	1,466	1,291
	c) Other Investments	6C	45,058	57,176	54,304
	(ii) Other financial assets	9	419	2,020	3,168
	(h) Deferred Tax Assets	34	6,752	3,494	3,494
	(i) Other Non Current Assets	10	8,915	10,978	11,536
	Total non-current assets		**397,156**	**421,600**	**424,077**
	Current Assets				
	(a) Inventories	11	357,201	401,376	395,347
	(b) Financial Assets				
	(i) Other investments	6C	9,370	5,760	1,133
	(ii) Trade Receivables	7	185,277	204,751	156,160
	(iii) Cash and Cash Equivalents	12	23,145	25,248	22,908
	(iv) Bank balances other than (iii) above	13	2,571	8,011	13,958
	(v) Loans	8	52,225	48,000	47,000
	(vi) Government subsidies receivable		255,703	236,706	178,940
	(vii) Other Financial assets	9	21,246	28,407	11,196
	(c) Current tax assets (Net)	15	5,276	4,371	4,083
	(d) Other Current Assets	10	33,369	32,366	39,705
			945,383	**994,996**	**870,430**
	Assets classified as held for sale	14	**590**	-	-
	Total current assets		**945,973**	**994,996**	**870,430**
	TOTAL ASSETS		**1,343,129**	**1,416,596**	**1,294,507**
B	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity Share Capital	16	1,759	1,758	1,758
	(b) Other Equity	17	273,272	236,975	235,115
	Equity attributable to the owners of the Company		**275,031**	**238,733**	**236,873**
	Non controlling interest	18	**113,769**	**103,951**	**92,170**
	Total equity		**388,800**	**342,684**	**329,043**
	Liabilities				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	19	84,265	102,669	113,340
	(ii) Other financial Liabilities	22	4	55	184
	(b) Provisions	24	1,483	1,825	1,712
	(c) Deferred Tax Liabilities (Net)	34	15,441	20,438	25,635
	(d) Other non-current liabilities	23	1,113	1,206	1,290
	Total non-current liabilities		**102,306**	**126,193**	**142,161**
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	282,959	360,992	324,073
	(ii) Trade Payables	21	420,445	422,734	369,410
	(iii) Other financial Liabilities	22	129,029	141,270	110,154
	(b) Provisions	24	2,939	2,256	1,971
	(c) Current tax liability (net)	15	1,762	3,925	1,201
	(d) Other Current Liabilities	23	14,889	16,542	16,494
	Total current liabilities		**852,023**	**947,719**	**823,303**
	Total Liabilities		**954,329**	**1,073,912**	**965,464**
	TOTAL EQUITY AND LIABILITIES		**1,343,129**	**1,416,596**	**1,294,507**

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

M.K.Ananthanarayanan
Partner
Chennai
May 18, 2017

V. Ramesh
Managing Director

G Jalaja
Company Secretary
Chennai
May 18, 2017

A Vellayan
Chairman

V Suri
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

₹ in Lakh

S.No	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenues from Operations	25	1,466,711	1,559,788
II	Other Income	26	15,859	15,533
III	**Total Income (I+II)**		**1,482,570**	**1,575,321**
IV	Expenses:			
	Cost of materials consumed	27	871,532	941,084
	Purchases of Stock-in-Trade	28	123,937	208,209
	Changes in Inventories of finished goods, work-in-process and stock in trade	29	30,353	32,682
	Excise duty on sale of goods		27,586	24,015
	Employee benefits expense	30	47,628	45,525
	Finance costs	31	41,732	45,120
	Depreciation and amortisation expense	32	24,804	24,961
	Other expenses	33	223,064	224,176
	Total Expenses (IV)		**1,390,636**	**1,545,772**
	Share of profit of Associate		97	58
	Share of profit of Joint ventures		(71)	(218)
	Exceptional items		-	2,500
V	**Profit before tax (III-IV)**		**91,960**	**31,889**
VI	Tax Expense:			
	(1) Current Tax	34	27,740	18,959
	(2) Deferred Tax	34	(6,605)	(4,592)
			21,135	14,367
VII	**Profit for the year (V-VI)**		**70,825**	**17,522**
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(458)	(208)
	b) Equity instruments through other comprehensive income		(11,734)	1,631
			(12,192)	1,423
	ii) Income tax relating to items that will not be reclassfied to profit or loss		1,736	590
	B. i) Items that will be reclassified to profit or loss			
	a) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		247	117
	b) exchange differences in translating the financial statements of foreign operations		(356)	273
	ii) Income tax relating to items that will be reclassfied to profit or loss		(85)	10
VIII	**Total other comprehensive income (A(i-ii)+B(i-ii))**		**(10,650)**	**2,413**
IX	**Total Comprehensive Income (VII+VIII)**		**60,175**	**19,935**
	Profit for the year attributable to:			
	- Owners of the Company		52,081	3,451
	- Non-controlling interests		18,744	14,071
	Other comprehensive income for the year:			
	- Owners of the Company		(7,364)	1,423
	- Non-controlling interests		(3,286)	990
	Total comprehensive income for the year:			
	- Owners of the Company		44,717	4,874
	- Non-controlling interests		15,458	15,061
X	**Earnings Per Equity Share (Nominal value per share ₹ 1)**			
	(a) Basic	45	29.44	1.95
	(b) Diluted	45	29.41	1.93

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

M.K.Ananthanarayanan
Partner
Chennai
May 18, 2017

V. Ramesh
Managing Director

G Jalaja
Company Secretary
Chennai
May 18, 2017

A Vellayan
Chairman

V Suri
Chief Financial Officer

Consolidated Statement of Changes in Equity for the period ended 31 March 2017

(in Indian Rupees lakh, unless otherwise stated)

Particulars	Share Capital	Reserves and Surplus													Items of other comprehensive income			Total
		Share Capital Suspense	Capital redemption reserve	Capital Reserve on amalgamation	Capital Reserve on consolidation	Share premium	Debenture Redemption reserve	Capital Reserve	Foreign currency translation reserve	Central Subsidy	General reserve	ESOP Reserve	Statutory Reserve	Retained earnings	Equity Instruments through Other comprehensive Income	Effective portion of cash flow hedges	Actuarial Gain / (Loss)	
Balance at April 1, 2015 (as previously reported)	1,758	-	4,477	-	6,227	42,623	9,000	3,940	4,122	7	174,683	-	23	(24,014)	-	(146)	-	222,700
Changes in accounting policy	-	11	411	688	(1)	592	-	1,992	215	-	(634)	67	-	(21)	10,853	-	-	14,173
Restated balance at April 1, 2015	1,758	11	4,888	688	6,226	43,215	9,000	5,932	4,337	7	174,049	67	23	(24,035)	10,853	(146)	-	236,873
2015-16																		
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	3,451	-	-	-	3,451
On issue of shares						19												19
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(43)	-	-	-	-	-	1,427	127	(88)	1,423
Movement on account of reduction in control percentage without loss of control	-	-	-	-	-	(2)	-	-	290	-	(28)	-	-	(14)	(1)	-	-	245
Amount transferred within Reserves	-	-	-	-	-	-	(4,000)	-	-	-	18,243	-	1	(14,244)	-	-	-	-
Recognition of share based payments	-	-	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-	6
Payment of dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,658)	-	-	-	(2,658)
Other movements during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(626)	-	-	-	(626)
Balance at March 31, 2016	**1,758**	**11**	**4,888**	**688**	**6,226**	**43,232**	**5,000**	**5,932**	**4,584**	**7**	**192,264**	**73**	**24**	**(38,126)**	**12,279**	**(19)**	**(88)**	**238,733**
2016-17																		
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	52,081	-	-	-	52,081
On issue of shares	1	-	-	-	-	162	-	-	-	-	-	-	-	-	-	-	-	163
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(180)	-	-	-	-	-	(7,125)	162	(221)	(7,364)

Particulars	Share Capital	Reserves and Surplus													Items of other comprehensive income			Total
		Share Capital Suspense	Capital redemption reserve	Capital Reserve on amalgamation	Capital Reserve on consolidation	Share premium	Debenture Redemption reserve	Capital Reserve	Foreign currency translation reserve	Central Subsidy	General reserve	ESOP Reserve	Statutory Reserve	Retained earnings	Equity Instruments through Other comprehensive Income	Effective portion of cash flow hedges	Actuarial Gain / (Loss)	
Movement on account of reduction in control percentage without loss of control	-	-	(1)	-	-	(7)	-	-	(225)	-	(119)	-	-	(46)	(4)	-	-	(402)
Amount transferred within Reserves	-	-	-	-	-	-	(1,917)	-	-	-	-	-	2	1,915	-	-	-	-
Recognition of share based payments	-	-	-	-	-	-	-	-	-	-	-	124	-	-	-	-	-	124
Payment of dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,471)	-	-	-	(8,471)
Other movements during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	167	-	-	-	167
Balance at March 31, 2017	**1,759**	**11**	**4,887**	**688**	**6,226**	**43,387**	**3,083**	**5,932**	**4,179**	**7**	**192,145**	**197**	**26**	**7,520**	**5,150**	**143**	**(309)**	**275,031**

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

M.K.Ananthanarayanan
Partner
Chennai
May 18, 2017

V. Ramesh
Managing Director

G Jalaja
Company Secretary
Chennai
May 18, 2017

A Vellayan
Chairman

V Suri
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ in Lakh

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
A. Cash flow from operating activities				
Profit before tax		91,960		31,889
Adjustments for :				
Depreciation and Amortisation	24,804		24,961	
Finance costs	41,732		45,120	
Dividend Income	(546)		(113)	
Profit on sale of fixed assets (net)	(551)		(24)	
Net (Gain)/loss arising on FVTPL Transaction	(873)		(207)	
Interest Income	(5,230)		(5,518)	
Liabilities / Provisions no longer required written back	(1,251)		(2,400)	
Bad debts written off and provision for doubtful debts	4,079		5,167	
Net unrealised exchange gain or loss	(2,539)		9,333	
Mark to market gain on derivative contracts	2,575		3,250	
Fixed Assets scrapped	140		355	
Goodwill write off on sale of controlling stake in subsidiary	-		25	
Earnings on equity method	(26)		160	
Provision for employee benefits	83		179	
Others	511		336	
		62,908		**80,624**
Operating profit before working capital changes		**154,868**		**112,513**
Changes in working capital				
Adjustments for increase/(decrease) in				
Trade and other receivables	15,257		(54,029)	
Government subsidies receivable	(18,997)		(57,766)	
Inventories	45,028		(8,763)	
Bank balances considered as other than cash and cash equivalent	5,230		(1,822)	
Other Assets	3,591		9,044	
Other Financial Assets	7,494		(19,955)	
Trade payable	6,530		58,637	
Other Liabilities	(837)		(4,492)	
Other Financial Liabilities	9,523		28,293	
		72,819		**(50,853)**
Cash generated from operations		**227,687**		**61,660**
Direct taxes paid net of refund		(30,804)		(17,958)
Net cash flow from operating activities		**196,883**		**43,702**
B. Cash flow from investing activities				
Purchase of fixed assets including capital advances	(15,526)		(20,640)	
Proceeds from sale of fixed assets	2,575		254	
Amount transferred from Escrow account	122		1,899	
Inter-corporate deposits/ loans given	(52,225)		(48,000)	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

₹ in Lakh

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
Inter-corporate deposits matured/ loans received	48,000		47,000	
Sale/ (Purchase) of investments (net)	(3,240)		(4,569)	
Proceeds from sale of stake in subsidiary	-		12	
Investments in joint ventures	(400)		(400)	
Proceeds from equity investee	-		236	
Investment income	561		147	
Interest received	4,768		4,945	
Dividend income received	545		113	
Net cash flow used in investing activities		**(14,820)**		**(19,003)**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	240		31	-
Proceeds from long term borrowings	20,663		38,692	
Repayment of long term borrowings	(65,768)		(43,393)	
Net increase / (Decrease) in working capital borrowing	(82,569)		31,471	
Finance costs	(42,785)		(42,827)	
Dividends paid Including Dividend Tax	(13,946)		(6,092)	
Net cash flow used in financing activities		**(184,165)**		**(22,118)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(2,102)**		**2,581**
Reconciliation				
Cash and cash equivalents as at beginning of the year		25,248		22,908
Less: Cash & Cash Equivalent de-recognised on discontinuing line by line consolidation of Labelle Botanics LLC		-		(203)
Exchange gain/(loss) on cash and cash equivalents		(1)		(38)
Cash and cash equivalents as at end of the year		**23,145**		**25,248**
Net (decrease) / increase in cash and cash equivalents		**(2,102)**		**2,581**

The accompanying notes are an integral part of these financial statements

Disclosure of non cash transactions

Particulars	2016-17	2015-16
i.Barter Transaction	1,160	1,505

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

M.K.Ananthanarayanan
Partner

Chennai
May 18, 2017

V. Ramesh
Managing Director

G Jalaja
Company Secretary

Chennai
May 18, 2017

A Vellayan
Chairman

V Suri
Chief Financial Officer

NOTES FORMING PART OF THE CONSOLIDATED 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 43,400 Tonnes of Cane per day, generate 160 MW of power and four distilleries having a capacity of 234 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.

Application of new and revised Ind AS

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Group from April 01, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the awards that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group has not issued any awards that are cash-settled or which have net settlement feature.

SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 1.27 for the details of first-time adoption exemptions availed by the Group.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

1.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation."

1.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

1.6 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

i. Sale of goods

Revenue from the sale of goods is recognised net of returns and discount when the goods are despatched and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In barter transactions, revenue is recognised at fair value of the goods given up when the goods are despatched.

Revenue is also recognised on sale of goods in case where the delivery is kept pending at the instance of the customer, the risk and rewards are transferred and customer takes title and accepts billing as per usual payment terms.

ii. Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of

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completion of the contract is determined based on the agreements/ arrangements with the concerned parties and when services are rendered.

iii. Dividend and interest income

a). Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

b). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

iv. 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.

v. Export Incentives

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

vi. Subsidiy

Subsidy is recognised on the basis of the rates notified from time to time by the Government of India in accordance with the Nutrient Based Subsidy (NBS) policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates.

1.7 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as Lessee

The Group's significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease and based on the time pattern of user benefit basis. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Group as Lessor

The Group's significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.8 Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which these entities operate (i.e. the functional currency). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Group.

1.9 Foreign Currency Transactions

In preparing the financial statements of the group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for :

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 1.25 below for hedging accounting policies); and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

1.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.11 Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

In respect of government loans at below-market rate of interest existing on the date of transition, the Company has availed the optional exemption under Ind AS 101 - First Time Adoption and has not recognised the corresponding benefit of the government loan at below-market interest rate as Government grant.

1.12 Employee Benefits

(a) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Remeasurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the

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respective Schemes are recognised in the Statement of Profit and Loss each year.

The Company makes contributions to Provident Fund Trusts for certain employees, at a specified percentage of the employees' salary. The Company has an obligation to make good the shortfall, if any, between the return from the investments of trust and the notified interest rates

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

(b) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Gratuity for certain employees is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognised in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out as at the end of the year.

1.13 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 46.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Under the previous GAAP, share based payment costs were accrued on a intrinsic value method. Upon transition to Ind AS, the company has availed the exemption to apply the fair value to only unvested options.

1.14 Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

1.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.16 Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Asset	Useful lives (in years)
Buildings	10 - 60 years
Plant and equipment	3 - 18 years
Vehicles	4 - 7 years
Office equipment, furniture and fixtures	5 - 10 years

Assets on leased premises are depreciated on the remaining period of lease or as per the useful life prescribed in schedule II of the Companies Act 2013 whichever is earlier. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing ₹ 5,000 and below are depreciated over a period of one year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date except Coromandel International Limited and its subsidiaries, who have opted apply the cost method under Ind AS 16 Property, plant and equipment retrospectively.

1.17 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future

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economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognised as of April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.18 Intangible Assets

a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

b. Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

c. Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

d. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Patents, Trademarks, Technical know how, Licenses and Clinical Trial cost 3 to 20 years

1.19 Impairment of Tangible and Intangible assets

At the end of each reporting period, companies in the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.20 Inventories

Inventories other than by products are stated at the lower of cost and net realizable value. Inventories of by-products are valued at net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of inventories are determined on weighted average basis except in case of raw materials of subsidiary company Coromandel International Limited relating to Nutrient and allied business and Crop protection segments and in case of subsidiary Parry Sugars Refinery India Private Limited, cost of finished goods of white sugar are determined on the basis of specific identification method.

1.21 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.22 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.23 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

a. Classification of financial assets

Debt instruments that meet the conditions given below are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition). The debt instruments carried at amortised cost include Deposits, Debtors, Loans and advances recoverable in cash.

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortized cost, refer Note 1.23 e

Investment in joint ventures and associates are accounted under equity method.

For the impairment policy on investment in joint ventures and associates, refer Note 1.23 e

All other financial assets are subsequently measured at fair value.

b. Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the Other income line item.

c. Investments in equity instruments at FVTOCI

The Company has elected to carry investment in equity instruments as Fair value through other comprehensive income. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Group has equity investments which are not held for trading. The Group has elected the FVTOCI irrevocable option for these investments (see note 6C). Fair value is determined in the manner described in note 50.9.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

d. Financial assets at fair value through profit or loss (FVTPL)

The Company carries derivative contracts not designated in a hedge relationship at FVTPL. Financial assets at FVTPL also includes assets held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

e. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information or case to case basis.

f. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

g. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

1.24 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

c.1. Financial liabilities at FVTPL

Financial liabilities at FVTPL includes derivative liabilities. Non-derivative financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL. There are no non-derivative financial liabilities carried at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Fair value is determined in the manner described in note 50.9.

c.2. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c.3. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, are subsequently measured at the higher of:

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- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

c.4. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

c.5. Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.25 Derivative financial instruments & Hedge Accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 50.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in other comprehensive income and are grouped under head of cashflow hedge reseve. The gain or loss relating to the ineffective portion is recognized immediately in the profit or loss, and is included in the 'Other income' line item. The cumulative gain or loss previously recognized in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in the other comprehensive income is transferred to profit or loss, and is included in Other income.

1.26 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.

1.27 First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

a. Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

b. Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

c. Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101. The Group has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

d. Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

e. Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business.

f. Deemed cost for property, plant and equipment and investment property

The Group has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date except Coromandel International Limited and its subsidiaries, who have opted apply the cost method under Ind AS 16 Property, plant and equipment retrospectively.

g. Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

h. Cumulative translation differences on foreign operations

The Group has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

i. Equity investments at FVTOCI

The Group has designated certain investment in equity shares other than associate and joint ventures as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

j. Unvested Employee Stock options at Fair value

The Group has elected the option to account only unvested options at the transition date under fair value method.

k. Government loan

The Group has elected the option to carry the below market interest rate government loans on transition date at their carrying value measured as per the previous GAAP.

1.28 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i. Critical accounting judgements

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making their judgment, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and, in particular, whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods.

ii. Key sources of estimation uncertainity

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as given below.

a. Fair value measurement and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 3 and 50.9.

b. Useful life of Property, Plant & Equipment

The Group reviews the estimated useful lives of Property,plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

c. Revenue recognition

The Group provides customer incentives, such as rebates, based on quantity purchased, timing of collections etc. Various estimates are made to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical and forecasted data, contractual terms and current conditions.

d. Subsidy income

Subsidy income is recognised on the basis of the rates notified from time to time by the Government of India in accordance with the Nutrient Based Subsidy (NBS) policy on the quantity of fertilisers sold by the Coromandel International Limited, a subsidiary, for the period for which notification has been issued and for the remaining period, based on estimates.

e. Estimation of net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Group makes an estimate of future selling prices and costs necessary to make the sale.

f. Provision for employee benefits

The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

g. Provision for taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

1.29 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.

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NOTE 2

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of:			
Land	33,183	32,077	31,839
Buildings	55,811	57,430	55,129
Road and railway sidings	2,524	2,777	2,920
Plant and equipment	2,26,150	2,32,626	2,38,753
Furniture and Fixtures and Office Equipment	2,239	2,455	2,621
Vehicles	1,140	1,247	1,388
	3,21,047	**3,28,612**	**3,32,650**
Capital Work-in-progress	3,033	6,607	6,747
	3,24,080	**3,35,219**	**3,39,397**

Particulars	Land	Buildings (Refer note 1)	Road and railway sidings	Plant and equipment	Furniture & Fixtures and Office Equipment	Vehicles	Total
Cost or Deemed Cost							
Balance at 01-Apr-2015	31,839	60,527	4,604	315,299	8,913	2,823	424,005
Disposal on loss of control in subsidiary	(18)	(169)	-	(30)	(22)	-	(239)
Additions	253	4,076	230	13,086	800	368	18,813
Disposals	-	(26)	(8)	(1,555)	(426)	(145)	(2,160)
Effect of foreign currency exchange differences	4	813	-	1,973	21	-	2,811
Balance at 31-Mar-2016	**32,078**	**65,221**	**4,826**	**328,773**	**9,286**	**3,046**	**443,230**
Additions	1,160	1,523	123	14,840	733	399	18,778
Disposals	(50)	(387)	-	(4,133)	(326)	(390)	(5,286)
Effect of foreign currency exchange differences	(3)	(371)	-	(779)	(9)	(1)	(1,163)
Balance at 31-Mar-2017	**33,185**	**65,986**	**4,949**	**338,701**	**9,684**	**3,054**	**4,55,559**

Particulars	Land	Buildings	Road and railway sidings	Plant and equipment	Furniture & Fixtures and Office Equipment	Vehicles	Total
Accumulated depreciation and impairment							
Balance at 01-Apr-2015	-	5,398	1,684	76,546	6,292	1,435	91,355
Eliminated on disposals	-	(2)	(8)	(1,148)	(398)	(86)	(1,642)
Depreciation expense	1	2,288	373	20,560	925	450	24,597
Effect of foreign currency exchange differences	-	107	-	189	12	-	308
Balance at 31-Mar-2016	**1**	**7,791**	**2,049**	**96,147**	**6,831**	**1,799**	**114,618**
Eliminated on disposals	-	(27)	-	(3,524)	(246)	(272)	(4,069)
Depreciation expense	1	2,484	376	20,101	875	388	24,225
Effect of foreign currency exchange differences	-	(73)	-	(173)	(15)	(1)	(262)
Balance at 31-Mar-2017	**2**	**10,175**	**2,425**	**112,551**	**7,445**	**1,914**	**134,512**
Carrying amount as on April 1, 2015	**31,839**	**55,129**	**2,920**	**238,753**	**2,621**	**1,388**	**332,650**
Carrying amount as on March 31, 2016	**32,077**	**57,430**	**2,777**	**232,626**	**2,455**	**1,247**	**328,612**
Carrying amount as on March 31, 2017	**33,183**	**55,811**	**2,524**	**226,150**	**2,239**	**1,140**	**321,047**

Note:

1. Includes Building on Leasehold land : Cost : ₹ 884.41 Lakh (2016 - ₹ 884.41 Lakh) and Accumulated Depreciation : ₹ 299.94 Lakh (2016 - ₹ 286.21 Lakh).
2. Details of assets offered as security is provided in Note 19 and 20.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3

₹ in Lakh

Investment Property	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of:			
Completed investment properties	2,574	3,702	3,730
	2,574	**3,702**	**3,730**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cost or Deemed Cost		
Balance at beginning of the year	3,730	3,730
Re-classified as Asset held for sale	1,100	-
Balance at end of year	**2,630**	**3,730**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Accumulated depreciation and impairment		
Balance at beginning of year	28	-
Depreciation	28	28
Balance at end of year	**56**	**28**

All of the Company's investment properties are held under freehold interests.

3.1 Fair value of the Group's investment properties

The following table gives details of the fair value of the Company's investment properties as at March 31, 2017, March 31, 2016 and April 1, 2015:

Particulars	Level 3		
	March 31, 2017	March 31, 2016	April 1, 2015
i. Land and Buildings in Tamilnadu	34,371	34,371	34,371
ii. Land in Andhra Pradesh	-	1,310	1,310

The fair value of the Company's investment properties as at March 31, 2017, March 31, 2016 and April 1, 2015 have been arrived at on the basis of a valuation carried out by M/s.Value Assessors & Surveyors Private Limited, independent valuers not related to the Company. M/s.Value Assessors & Surveyors Private Limited are registered with the authority which governs the valuers in India, and they have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations. Fair value was derived using the market comparable approach based on recent market/government guideline prices without any significant adjustments being made to the market observable data.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4

GOODWILL

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of:			
Goodwill	2,502	2,525	3,072
Total	**2,502**	**2,525**	**3,072**

Cost or Deemed Cost	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	2,525	3,072
Reduction On subsidiary conversion to associate on sale of stake	-	(605)
Effect of foreign currency exchange differences	(23)	58
Balance at end of year	**2,502**	**2,525**

As at March 31, 2017, goodwill of ₹ 1,452 lakh, ₹ 1,018 lakh and ₹ 32 lakh relates to the Sugar, Nutraceuticals and Fertiliser segments respectively. As at March 31, 2016, goodwill of ₹ 1452 lakh, ₹ 1041 lakh and ₹ 32 lakh relates to the Sugar, Nutraceuticals and Fertiliser segments respectively. Goodwill on each of the segment arose when the businesses were acquired and no impairment has been considered as there are no indications of any impairment in each of the relevant segments.

NOTE 5

OTHER INTANGIBLE ASSETS

₹ in Lakh

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Carrying amounts of:			
Software and Licenses	65	79	101
Product registrations	911	599	913
Technical know-how	223	312	400
Patents	2,028	2,003	1,742
Product development	26	30	25
Other rights	281	180	115
Total	**3,534**	**3,203**	**3,296**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Cost or Deemed Cost	Software and Licenses	Product registrations	Technical know-how	Patents	Product development	Other rights
Balance at April 1, 2015	1,128	1,404	725	2,045	89	140
Additions	-	-	-	342	-	69
Effect of foreign currency exchange differences	-	(201)	-	125	5	1
Balance at March 31, 2016	**1,128**	**1,203**	**725**	**2,512**	**94**	**210**
Additions	10	494	-	532	-	158
Disposals	-	-	-	(253)	-	(46)
Effect of foreign currency exchange differences	-	71	-	(65)	(2)	(7)
Balance at March 31, 2017	**1,138**	**1,768**	**725**	**2,726**	**92**	**315**

Accumulated depreciation and impairment	Software and Licenses	Product registrations	Technical know-how	Patents	Product development	Other rights
Balance at April 1, 2015	1,027	491	325	303	64	25
Amortisation expense	22	105	88	116	-	5
Effect of foreign currency exchange differences	-	8	-	90	-	-
Balance at March 31, 2016	**1,049**	**604**	**413**	**509**	**64**	**30**
Amortisation expense	24	224	89	210	-	4
Effect of foreign currency exchange differences	-	29	-	(21)	2	-
Balance at March 31, 2017	**1,073**	**857**	**502**	**698**	**66**	**34**
Carrying amount at April 1, 2015	**101**	**913**	**400**	**1,742**	**25**	**115**
Carrying amount at March 31, 2016	**79**	**599**	**312**	**2,003**	**30**	**180**
Carrying amount at March 31, 2017	**65**	**911**	**223**	**2,028**	**26**	**281**

NOTE 6 A

INVESTMENTS IN ASSOCIATES

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. Un-quoted Investments			
(a) Investments in Equity Instruments at Cost			
Labelle Botanics LLC	817	740	-
320 (2016 - 318; 2015 - 318) Equity shares of PHP $100/- each fully paid-up in Sabero Organics Philippines Asia Inc. - Associate	*	*	*
Total Investment in Associates	**817**	**740**	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 B

INVESTMENTS IN JOINT VENTURES

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Investments in Equity Instruments at Cost			
1,30,04,000 (2016: 90,04,000; 2015: 50,04,000) Equity shares of ₹ 10 each, fully paid-up in Yanmar Coromandel Agrisolutions Private Limited	725	572	432
50,00,000 (2016: 50,00,000; 2015: 50,00,000) Ordinary shares of ₹ 10 each, fully paid-up in Coromandel SQM (India) Private Limited	955	779	719
Nil (2016: 5,00,000; 2015: 5,00,000) Ordinary shares of USD 1 each, fully paid-up in Coromandel Getax Phosphates Pte Limited	-	115	140
Total Investments in Joint Venture	**1,680**	**1,466**	**1,291**

NOTE 6C

OTHER INVESTMENTS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. Quoted Investments			
(a) *Investments in Equity Instruments at FVTOCI*			
23,600 (2016 - 23,600; 2015 - 23,600) shares of ₹ 10 each fully paid up in Kartik Investments Limited	4	4	4
100 (2016 - 100; 2015 - 100) shares of ₹ 10 each fully paid up in Travancore Sugars and Chemicals Limited	-	-	-
82,440 (2016 - 82,440; 2015 - 82,440) shares of ₹ 10 each fully paid up in State Bank of India	241	160	220
393 (2016 - 393; 2015 - 393) shares of ₹ 10 each fully paid up in Cholamandalam Investment and Finance Company Limited	4	3	2
50,42,598 (2016 - 50,42,598; 2015 - 50,42,598) shares of ₹ 10 each fully paid up in Coromandel Engineering Company Limited	1,960	2,856	2,105
2,000 (2016 - 2,000; 2015 - 2,000) shares of ₹ 1 each fully paid up in Carborundum Universal Limited	5	3	4
250,000 (2016 - 250,000; 2015 - 250,000) shares of ₹ 2 each fully paid up in Metkore Alloys & Industries Ltd	8	7	20
300 (2016 - 300; 2015 - 300) shares of ₹ 10 each fully paid up in Chennai Petroleum Corporation Limited	1	1	*
(b) Investments in Equity Instruments at FVTPL			
13,719 (2016: 13,719; 2015: 13,719) Equity shares of ₹ 10 each, fully paid-up in Rama Phosphate Limited	12	5	3
Nil (2016: 13,000; 2015: 13,000) Equity shares of ₹ 10/- each, fully paid-up in I G Petrochemicals Limited	-	13	7
(c) Other investment at FVTPL			
Mutual Funds	9,370	5,746	1,124
Total Quoted Investments	**11,605**	**8,798**	**3,489**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
II. Unquoted Investments			
(a) *Investments in Equity Instruments at FVTOCI*			
42,410 (2016 - 42,410; 2015 - 42,410) shares of ₹ 100 each fully paid up Murugappa Management Services Limited	152	148	148
7,27,200 (2016 - 7,27,200; 2015 - 7,27,200) shares of ₹ 10 each fully paid up in Indian Potash Limited	7,450	10,520	10,520
1,00,000 (2016 - 1,00,000; 2015 - 1,00,000) shares of ₹ 10 each fully paid up in Bio Tech Consortium (India) Limited	43	40	40
41,79,848 (2016 - 41,79,848; 2015 - 33,75,000) Ordinary shares of Tunisian Dinars (TND) 10 each, fully paid up in Tunisian Indian Fertilisers S.A.#	4,720	7,152	8,514
2,000 (2016 - 2,000; 2015 - 2,000) Equity shares of ₹10 each, fully paid-up in Nandesari Environment Control Limited	8	*	*
10,01,000 (2016 - 10,01,000; 2015 - 10,01,000) Equity shares of ₹10/- each, fully paid-up in Ranar Agrochem Limited (formerly Prathyusha Chemicals and Fertilisers Limited)	2	2	2
5000 (2016 - Nil; 2015 - Nil) shares of ₹ 10 each fully paid up in Chola People Service (P) Ltd	*	-	-
12,82,070 (2016 - 12,82,070; 2015 - 12,82,070) Ordinary shares of South African Rand 1 each, fully paid-up in Foskor (Pty) Limited	21,408	27,202	20,911
16,100 (2016 - 16,100; 2015 - 16,100) Equity shares of ₹ 10/- each, fully paid-up in Bharuch Enviro Infrastructure Limited	106	80	80
2,75,000 (2016 - 2,75,000; 2015 - 2,75,000) Equity shares of ₹ 10/- each, fully paid-up in Narmada Clean Tech	68	68	68
53,92,160 (2016 - 53,92,160; 2015: 53,92,160) Equity shares of ₹ 10 each, fully paid-up in A.P. Gas Power Corporation Limited	8,448	8,448	8,448
(b) Other Investment at FVTPL			
36,435 (2016 - 46,658; 2015 - 46,832) units of ₹1,000/- each, fully paid-up in Faering Capital India Evolving Fund	414	471	472
1,000 (2016 - 1,000; 2015 - 1,000) shares of ₹10/- each, fully paid-up in UTI Master Shares	*	*	*
Government Securities	-	1	2
(c) Other Investments at FVTOCI			
Share application money pending allotment - at cost	4	6	6
Loans at FVTOCI**	-	-	2,737
Total Un-quoted Investments	**42,823**	**54,138**	**51,948**
Total Other Investments	**54,428**	**62,936**	**55,437**
Current	**9,370**	**5,760**	**1,133**
Non-current	**45,058**	**57,176**	**54,304**

* Less than 1 Lakh.

#The Ordinary shares of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT) held by the Group have been pledged to secure the obligations of TIFERT to their lenders, except 8,04,848 shares. During the year ended 31 March 2016, the compulsorily convertible loan and interest accrued thereon have been converted into Ordinary shares of TIFERT.

** Includes loan amounting ₹ Nil (2016: ₹ Nil; 2015: ₹ 2551 Lakh) to TIFERT which is compulsorily convertible to equity shares at the end of three years from November 2012

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7

TRADE RECEIVABLES

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Receivables			
Secured, considered good	7,488	6,965	6,511
Unsecured, considered good	177,498	186,008	149,649
Doubtful	11,693	9,534	6,068
Allowance for doubtful debts (expected credit loss allowance)	(11,693)	(9,534)	(6,068)
Other trade receivable, Unsecured, considered good	291	11,778	-
Total	**185,277**	**204,751**	**156,160**
Current	**185,277**	**204,751**	**156,160**
Non-current	-	-	-

The credit period on sales of goods ranges from 10 to 180 days. No interest is charged on trade receivables up to the due date.

The company uses publicly available financial information and its own trading records before accepting any customer. The company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counter parties.

Trade receivables includes an amount of ₹ 388 Lakh relating to buffer stock subsidy receivable from the Government of India. South India Sugar Mills Association (SISMA) Tamilnadu has filed a case with the Honourable Madras High Court on behalf of the sugar mills for recovery of the subsidy, to which the Company is a party. Also considering the other follow up actions taken, the Company believes that the said amount ,which is net of irrecoverable portions written off by the Company in earlier years, and due from Government of India is fully recoverable and accordingly no loss allowance has been considered for the same.

The concentration of risk with respect to trade receivables is reasonably low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets. No single customer constitutes more than 5% balance of the total trade receivables as of the Balance Sheet date.

Securitisation of financial assets

Coromandel International Limited (CIL), a subsidiary, securitises and surrenders control over the trade receivables, though it continues to act as an agent for the collection of receivables. The dealer finance facility provided by banks to CIL's fertiliser dealers under this arrangement is ₹ 55,958 lakh (2016: ₹ 1,05,780 lakh; 2015: ₹ 68,853 lakh).

In some of these transactions, CIL also provides credit enhancements to the transferee by way of agreeing to bear a portion of default losses. Because of the existence of credit enhancements in certain transactions, CIL continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset, and hence, such transfer or assignment does not meet the de-recognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer amounting ₹ 864 lakh (2016: ₹ 4,538 lakh; 2015: ₹ Nil) are recorded as borrowings.

NOTE 8

LOANS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Inter-corporate deposits	52,225	48,000	47,000
Total	**52,225**	**48,000**	**47,000**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9
OTHER FINANCIAL ASSETS

₹ in Lakh

Particulars	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
At Amortised Cost						
(a) Security Deposits	396	191	334	152	107	47
(b) Interest receivable	-	-	-	1,255	807	498
(c) Advances from related parties	-	-	-	485	262	487
(d) Insurance claims	-	-	-	752	1,445	5
(e) Funds available with commodity exchange brokers	-	-	-	14,609	22,365	2,793
(f) Advance recoverable in cash						
(i) Unsecured and Considered Good	23	245	-	109	418	276
(ii) Considered Doubtful	3	169	50	266	266	266
Less: Provision for Doubtful Advances	(3)	(169)	(50)	(266)	(266)	(266)
(g) Other receivable	-	-	-	-	473	3
At Fair Value						
(a) Foreign currency forward contracts	-	-	-	3,384	1,115	1,398
(b) Currency and interest rate swaps	-	1,584	2,834	500	1,415	5,431
(c) Commodity futures	-	-	-	-	-	74
(d) Option contracts	-	-	-	-	-	184
Total	**419**	**2,020**	**3,168**	**21,246**	**28,407**	**11,196**

NOTE 10
OTHER ASSETS

₹ in Lakh

Particulars	Non-current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Security Deposit	3,122	3,232	2,781	33	-	-
(b) Capital Advances	912	1,373	1,217	79	136	465
(c) Prepayment for leasehold land	2,969	3,379	3,408	-	-	-
(d) Balance with Customs and Central Excise Authorities	27	26	21	2,142	2,319	2,682
(e) Deferred losses on Commodity future contracts	-	-	-	6,711	2,826	-
(f) Advance recoverable in kind or for value to be received						
(i) Unsecured and Considered Good	1,828	2,968	3,992	24,404	23,053	36,558
(ii) Considered Doubtful	2,038	2,038	2,037	1,139	1,131	1,242
Less: Provision for Doubtful Advances	(2,038)	(2,038)	(2,037)	(1,139)	(1,131)	(1,242)
(g) Others	57	-	117	-	4,032	-
Total	**8,915**	**10,978**	**11,536**	**33,369**	**32,366**	**39,705**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11

INVENTORIES

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(At lower of cost and net realisable value)			
(a) Raw materials	1,26,905	1,21,783	1,00,408
(b) Raw materials in transit	17,244	35,002	18,509
(c) Work-in-process	8,254	10,132	14,411
(d) Finished goods	1,65,601	1,78,695	2,05,680
(e) Stock-in-trade (goods acquired for trading)	28,662	44,529	45,209
(f) Stores and spares	7,977	8,145	8,104
(g) Packing materials	2,558	3,090	3,026
Total	**3,57,201**	**4,01,376**	**3,95,347**

The cost of inventories recognised as an expense during the year was ₹ 8,71,532 lakh (March 31, 2016: ₹ 9,41,084 lakh).

The cost of inventories recognised as an expense includes Nil (2015-16: ₹ 79 lakh) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ 79 lakh (2015-16: Nil) in respect of reversal of such write downs.

Finished goods includes inventories worth Nil (2015-16: ₹ 5,526 lakh) carried at fair value less cost to sell. The mode of valuation of inventories has been stated in note 1.20

NOTE 12

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Balances with banks			
(i) In Current account	17,050	14,393	18,118
(i) In Deposit account (Maturing with in 3 Months)	6,003	10,697	4,372
(b) Cash on hand	92	78	413
(c) Cheques, drafts on hand	-	80	5
Total	**23,145**	**25,248**	**22,908**

NOTE 13

OTHER BANK BALANCES

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Balances with banks in earmarked accounts			
– In Unpaid Dividend account	1,667	1,778	7,716
– In Bonus Debenture redemption account	708	714	726
– In Debenture redemption account	-	4,500	2,400
– In Escrow account	-	122	2,021
– In Margin Money accounts towards Bank Guarantee	196	897	1,095
Total	**2,571**	**8,011**	**13,958**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14
ASSETS CLASSIFIED AS HELD FOR SALE

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Freehold land held for sale	590	-	-
Total	**590**	**-**	**-**

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at beginning of the year	-	-
Add: Transferred from Investment Property	1,100	-
Disposals	(510)	-
Balance at end of year	**590**	**-**

The Company intends to dispose of a parcel of freehold land it no longer utilises in the next 12 months. Buyers have been identified for the property and no impairment loss is recognised as the fair value (estimated based on market price) less costs to sell is higher than the carrying amount.

NOTE 15
CURRENT TAX ASSET

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Tax refund receivable (net)	5,276	4,371	4,083
Total	**5,276**	**4,371**	**4,083**

CURRENT TAX LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Income Tax payable (net)	1,762	3,925	1,201
Total	**1,762**	**3,925**	**1,201**

NOTE 16
SHARE CAPITAL

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
AUTHORISED :			
Equity Shares:			
2,34,40,00,000 Equity Shares of ₹ 1 each (2016 - 2,34,40,00,000 ; 2015 - 2,14,40,00,000)	23,440	23,440	21,440
Preference Shares:			
203,10,000 Reedemable Preference shares of ₹ 100/each(2016 - 203,10,000 ; 2015 - 203,10,000)	20,310	20,310	20,310
ISSUED, SUBSCRIBED AND FULLY PAID UP			
17,58,70,898 Equity Shares of ₹ 1 each (2016 - 17,58,14,884 ; 2015 - 17,58,14,884)	1,759	1,758	1,758
	1,759	**1,758**	**1,758**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

16.1 Reconciliation of number of shares

Reconciliation	2016-17		2015-16	
	No of Shares	₹ Lakh	No of Shares	₹ Lakh
Equity Shares of ₹ 1 each fully paid up				
At the beginning of the period	175,814,884	1,758	175,814,884	1,758
Shares issued during the year	56,014	1	-	-
Allotment of shares on exercise of Employee Stock Option	-	-	-	-
At the end of the period	**175,870,898**	**1,759**	**175,814,884**	**1,758**

The Company has 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.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights.

16.2 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, 2017		March 31, 2016		April 01, 2015	
	Nos.	%	Nos.	%	Nos.	%
Murugappa Holdings Limited (Associate - Investing Party)	58,735,204	33.40	58,735,204	33.41	58,735,204	33.41
Ambadi Investment Private Ltd	9,323,240	5.30	9,323,240	5.30	9,323,240	5.30

16.3 Terms attached to Equity Shares:

The Company has 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.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights.

16.4 Details of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the year ended March 31, 2013

18,38,578 equity shares of ₹ 1 each fully paid up were allotted to shareholders of Parrys Sugar Industries Limited (PSIL) other than the Company in the proportion of 5 equity shares of ₹ 1 each in the company for every 19 equity shares of ₹ 10 each held in the PSIL pursuant to the Scheme of Arrangement between PSIL and the Company .

NOTE 17

OTHER EQUITY

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Share Capital Suspense	11	11	11
Capital redemption reserve	4,887	4,888	4,888
Capital reserve on amalgamation	688	688	688
Securities Premium reserve	43,387	43,232	43,215
Debenture Redemption reserve	3,083	5,000	9,000
Capital Reserve	5,932	5,932	5,932
Capital Reserve on consolidation	6,226	6,226	6,226

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Central Subsidy	7	7	7
Foreign currency translation reserve	4,179	4,584	4,337
Cash flow hedging reserve	143	(19)	(146)
Reserve for equity instruments through other comprehensive income	5,150	12,279	10,853
Actuarial movement through other comprehensive income	(309)	(88)	-
General Reserve	1,92,145	1,92,264	1,74,049
Share options outstanding reserve	197	73	67
Statutory reserve	26	24	23
Retained Earnings	7,520	(38,126)	(24,035)
Total	**2,73,272**	**2,36,975**	**2,35,115**

RESERVES AND SURPLUS:

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Share Capital Suspense		
Arising Pursuant to Scheme of Amalgamation with Parrys Sugar Industries Ltd	**11**	**11**
(b) Capital Redemption Reserve		
Opening Balance	4,888	4,888
Add: Reduction in control percentage without loss of control	(1)	-
Closing balance	**4,887**	**4,888**

The capital redemption reserve is created out of the statutory requirement to create such reserve on buyback of shares. These are not available for distribution of dividend and will not be reclassified subsequently to profit or loss.

(c) Capital reserve on amalgamation	**688**	**688**
(d) Securities Premium Account		
Opening balance	43,232	43,215
Add: Addition during the period	162	19
Add: Reduction in control percentage without loss of control	**(7)**	**(2)**
Closing balance	**43,387**	**43,232**
(e) Debenture Redemption Reserve		
Opening balance	5,000	9,000
Add: Addition during the period	3,083	-
Less: Utilised during the period	5,000	4,000
Closing balance	**3,083**	**5,000**

Debenture redemption reserve is created as per the statutory requirements to maintain funds to repay the debenture liability. These will be subsequently transferred to Retained Earnings on redemption of the debenture liability.

(f) Capital Reserve	**5,932**	**5,932**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(g) Capital Reserve on Consolidation	**6,226**	**6,226**
(h) Central subsidy	**7**	**7**
(i) Foreign currency translation Reserve		
As per last Balance Sheet	4,584	4,337
Movement during the year	(180)	(43)
Add: Reduction in control percentage without loss of control	(225)	290
Closing balance	**4,179**	**4,584**
(j) Hedging Reserve		
Opening balance	(19)	(146)
Add: Movement during the year	247	117
Add: Deferred tax	(85)	10
Closing balance	**143**	**(19)**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gains or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

(k) Reserve for equity instruments through Other Comprehensive income		
Opening Balance	12,279	10,853
Additions/(Reduction) net of tax	(7,125)	1,427
Add: Reduction in control percentage without loss of control	(4)	(1)
Closing	**5,150**	**12,279**

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

(l) Actuarial gains or losses		
Opening Balance	(88)	-
Additions/(Deletions)	(221)	(88)
Closing	**(309)**	**(88)**
(m) General Reserve		
Opening balance	192,264	174,049
Add :Addition during the year	-	18,243
Add: Reduction in control percentage without loss of control	(119)	(28)
Closing balance	**192,145**	**192,264**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act,2013 and rules made thereunder.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016
(n) ESOP Reserve		
Opening balance	73	67
Add :Addition during the year	124	6
Closing balance	**197**	**73**

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share based payments to employees is set out in note 46.

(o) Statutory reserve		
As per last Balance Sheet	24	23
Movement during the year	2	1
Closing balance	**26**	**24**
(p) Retained Earnings		
Opening Balance	(38,126)	(24,035)
Less: Transfer from Debenture Redemption Reserve (Net)	1,917	4,000
(Loss) / Profit for the year	52,081	3,451
	15,872	**(16,584)**
Less : Appropriations		
On account of reduction of control	46	14
Dividend on Equity Shares	8,471	2,658
Transfer to General Reserve and Statutory reserve	2	18,244
Others	(167)	626
Closing Balance	**7,520**	**(38,126)**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Total Other Equity	**273,272**	**236,975**

NOTE 18

NON-CONTROLLING INTERESTS

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year	103,951	92,170
Share of profit and other comprehensive income for the year	15,458	15,061
Dividend paid including dividend tax	(5,508)	(3,434)
Other Consolidation adjustments	(132)	154
Total	**113,769**	**103,951**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details of non-wholly owned subsidiaries that have material non-controlling interests.
The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of the Subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests.		
		March 31, 2017	March 31, 2016	April 01, 2015
Coromandel International Limited	India	39.26%	39.19%	39.17%

Name of the Subsidiary	Place of incorporation and principal place of business	Accumulated non-controlling interests		
		March 31, 2017	March 31, 2016	April 01, 2015
Coromandel International Limited	India	113,493	103,226	91,620
Immaterial subsidiary - US Nutraceuticals LLC	USA	276	725	550

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

₹ in Lakh

Particulars	Coromandel International Limited		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current assets	1,80,831	1,93,430	1,93,364
Current assets	6,83,669	7,24,737	6,41,610
Non-current liabilities	17,510	24,208	32,131
Current liabilities	5,57,913	6,30,563	5,68,942
Equity attributable to owners of the Company	1,75,584	1,60,170	1,42,281
Non-controlling interests	1,13,493	1,03,226	91,620

₹ in Lakh

Particulars	Coromandel International Limited	
	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	1,024,991	1,170,031
Expenses	953,690	1,119,407
Exceptional item (net)	-	2,500
Share of profit/ (loss) of joint ventures and associate	(71)	(218)
Profit (loss) for the year	47,696	35,744
Profit (loss) attributable to owners of the Company	28,971	21,736
Profit (loss) attributable to non-controlling interests	18,725	14,008
Other comprehensive income for the year	(8,342)	2,475
Other comprehensive income attributable to owners of the Company	(5,067)	1,505
Other comprehensive income attributable to non-controlling interests	(3,275)	970
Total comprehensive income for the year	39,354	38,219

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Particulars	Coromandel International Limited	
	Year ended March 31, 2017	Year ended March 31, 2016
Total comprehensive income attributable to owners of the Company	23,904	23,241
Total comprehensive income attributable to non-controlling interests	15,450	14,978
Dividends paid to non-controlling interests	(5,508)	(3,434)
Net cash inflow (outflow) from operating activities	91,524	1,838
Net cash inflow (outflow) from investing activities	(7,860)	(6,141)
Net cash inflow (outflow) from financing activities	(86,440)	848
Net cash inflow (outflow)	(2,776)	(3,455)

Note: The figures given above are based on the consolidated financials of Coromandel International Limited along with its subsidiaries, joint ventures and associates.

NOTE 19

NON-CURRENT BORROWINGS

₹ in Lakh

LONG TERM BORROWING	Non-Current Portion			Current Maturities		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured - at amortised cost						
i). Bonds / Debentures (refer note 19.1)	9,990	9,984	-	-	-	-
ii). Term Loans						-
- from banks (refer note 19.4)	389	404	593	-	195	164
iii). Deposits (refer note 19.2)	1,388	1,294	1,210	-	-	-
iv). Purchase Tax Deferment Loan	241	350	188	109	-	-
Sub Total	**12,008**	**12,032**	**1,991**	**109**	**195**	**164**
Secured - at amortised cost						
i). Bonds / Debentures (refer note 19.3)	27,000	32,199	61,719	5,728	30,000	16,000
ii). Term Loans						
- from banks (refer note 19.4)	36,586	48,372	37,367	17,814	18,949	29,317
- from others	-	-	572	-	-	-
- from Government of India - Sugar Development Fund (refer note 19.5)	8,671	10,066	11,691	1,394	1,555	1,858
Sub Total	**72,257**	**90,637**	**111,349**	**24,936**	**50,504**	**47,175**
Total	**84,265**	**102,669**	**113,340**	**25,045**	**50,699**	**47,339**

19.1. 9.23% Unsecured redeemable debenture of ₹ 9990 Lakh (2015-16- ₹ 9984 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.

19.2. Unsecured-Deposit received from TNPL for supply of bagasse,which is interest free and Repayable on December 2024

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

19.3: Detail of the secured debentures are given below:

a. Debenture /Bonds comprises of 1,350 10.05% 2014-15 Series A Secured, Unlisted, Redeemable Non - Convertible Debentures of ₹ 10,000 each and 1,350 10.05% 2014-15 Series B Secured Redeemable Non - Convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 27,000 Lakh of Parry Sugars Refinery India Private Limited(PSRIPL) ,which is secured by exclusive charge on the fixed assets of PSRIPL. Debentures are redeemable in full at par on 16 July 2018 and 16 July 2019 in equal installments of ₹ 1,350 Lakh each. The Parent Company has given corporate guarantee to the Debenture Trustee IDBI Trusteeship Services Limited against this issue. The Principal INR liability of Debentures mentioned in the above table aggregating to ₹ 27,000 Lakh has been swapped for USD 44,665,012. The swap trade is effective from 22nd August 2014 and termination date is 12th July 2019. Interest liability of 10.05% p.a. in Indian Rupees has been swapped for 3.4% fixed per annum on Effective USD Notional.

b. The allotment of 600 Secured Unlisted Redeemable Non-convertible Debentures with Zero Coupon with a yield of 10.20% p.a.; having 3 years tenor aggregating to ₹ 4,482.19 lakh has been approved by the Board of Directors in its meeting held on 19th September 2014. The debenture has been discounted for ₹ 1,517.80 lakh It is secured by First Charge on the fixed assets of the PSRIPL with an asset cover of 1.25 times (based on market value) at all times during the tenure of the debentures. The due date for redemption is 19th September 2017. The Parent Company has given corporate guarantee to the Debenture Trustee IDBI Trusteeship Services Limited against this issue.

c. 1000- 10.25% Secured, Redeemable Non-convertible debentures 2013-14 series of ₹ 10 Lakh each aggregating to ₹ 10,000 Lakh has are secured by Pari passu first charge by way of registered mortgage deed on the Parent Company's immovable properties/fixed assets both present and future situated at Pugalur and Nellikuppam and were fully redeemed during the year.

d. 2000- 8.97% Secured, Redeemable Non-convertible debentures 2013-14 series of ₹ 10 Lakh each aggregating to ₹ 20,000 Lakh which was secured by Pari passu first charge by way of registered mortgage deed on the Parent Company's immovable properties/fixed assets both present and future situated at Pugalur,and were fully redeemed during the year.

e. 1000- 9.25% Secured, Redeemable Non-convertible debentures 2012-13 series of ₹ 10 Lakh each aggregating to ₹ 10,000 Lakh which was secured by pari passu first charge by way of registered mortgage deed on the Parent Company's specific immovable properties were fully redeemed in 2015-16.

f. 600- 9.15% Secured, Redeemable Non-convertible debentures 2012-13 series of ₹ 10 Lakh each aggregating to ₹ 6,000 Lakh which was secured by pari passu first charge by way of registered mortgage deed on the Parent Company's immovable properties/fixed assets both present and future situated at Pugalur and were fully redeemed in 2015-16.

19.4. Secured Term loan from banks primarily consists of those of Parent company secured by pari passu first charge on movable fixed assets of (both present and future) of the Parent Company and further ,these are secured by second charge on the Parent Company's current assets. Term loans from bank loans including unsecured carries interest rates ranging 8.20% -11.90%.

19.5. Loan from Sugar Development Fund is secured by way of a bank guarantee from State Bank of India, Indusind Bank Ltd., which carries interest rate of 4% -8.25% and repayable over 6 to 14 Years

Breach of Loan agreement

There is no breach of loan agreement

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 20

SHORT TERM BORROWINGS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured - at amortised cost (refer note 20.1)			
a. Loan repayable on demand			
- from banks	63,050	1,34,771	1,37,865
b. Term loan from banks	52,984	72,878	-
c. Others	16,925	9,903	57,160
Secured - at amortised cost			
a. Loan repayable on demand			
- from banks (refer note 20.2)	68,736	1,03,902	1,29,048
b. Term loan from banks (refer note 20.3)	80,400	-	-
c. Amount payable on securitisation of financial assets (refer note 20.4)	864	39,538	-
Total	**2,82,959**	**3,60,992**	**3,24,073**

20.1 Unsecured loans repayable on demand comprises of buyers credit denominated in foreign currency and cash credit. Unsecured short term loan and others includes foreign currency loans from bank and commercial papers.

20.2 Secured loans repayable on demand comprises buyer's credit denominated in foreign currency and cash credit. Buyer's Credit is secured by first pari passu charge on all current asset of the PSRIPL as well as second pari passu charge on all movable fixed assets of the PSRIPL. Cash credit facilities are primarily secured on the current assets of the Parent company and Coromandel International Limited (CIL), supplemented by second charge on movable and immovable properties primarily of the Parent company and CIL.

20.3 Secured short term borrowing consists of commercial papers and working capital loan. Commercial paper is secured by a pari-passu charge on current assets of CIL and working capital loans are primarily secured by way of specific subsidy receivable, letter of comfort from Government of India or Letter of credit from Banks.

20.4 Amount payable on securitisation of financial assets is secured by way of charge over certain trade receivables and subsidy receivables of CIL.

NOTE 21

TRADE PAYABLES

₹ in Lakh

Particulars	Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables	3,24,885	3,09,658	2,49,580
Employee related payables	3,597	2,898	(638)
Due to MSME	656	421	310
Others	91,307	1,09,757	1,20,158
Total	**4,20,445**	**4,22,734**	**3,69,410**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22

OTHER FINANCIAL LIABILITIES

₹ in Lakh

Particulars	Non-Current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
At amortised cost						
(a) Current maturities of long-term debt	-	-	-	25,045	50,699	47,339
(b) Interest accrued but not due on borrowings & acceptance	-	-	-	8,090	9,185	8,231
(c) Interim Dividend payable	-	-	-	-	-	2,282
(d) Unclaimed dividends	-	-	-	1,667	1,778	1,891
(e) Security deposit	4	2	1	10,294	9,811	9,457
(f) Other Liabilities						
- Due to Directors	-	-	-	137	-	136
- Advances and Deposits repayable in cash	-	-	-	89	551	585
- Cane Bill due payable to Banks	-	-	-	57,455	47,387	22,642
- Unclaimed debentures	-	-	-	708	714	726
- Payable on purchase of fixed assets	-	-	-	218	516	1,759
- Financial guarantee	-	-	-	109	219	70
- Others*	-	-	-	11,853	11,761	13,047
Mandatorily measured at fair value through profit or loss (FVTPL)						
- Foreign currency forward contracts	-	-	-	5,548	5,582	1,276
- Commodity futures	-	-	-	5,639	1,394	-
- Currency and interest rate swaps	-	53	183	-	1,341	713
- Option contracts	-	-	-	2,177	332	-
Total	**4**	**55**	**184**	**1,29,029**	**1,41,270**	**1,10,154**

*includes amount payable on contractual terms ₹ 9,779 Lakh (2016: ₹ 10,208 Lakh; 2015: ₹ 11,538 Lakh)

NOTE 23

OTHER LIABILITIES

₹ in Lakh

Particulars	Non-Current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
a. Excise Duty on undespatched stock	-	-	-	3,794	4,636	4,335
b. Statutory remittances (Contributions to PF and ESIC, Withholding Taxes Excise Duty, VAT, Service Tax, etc.)	-	-	-	4,234	6,094	6,251
c. Advances and Deposits from Customers/Other Liabilities*	-	-	-	5,929	5,261	5,581
d. Deferred revenue arising from interest free deposit	1,113	1,206	1,290	-	-	-
e. Gratuity payable	-	-	-	932	551	327
Total	**1,113**	**1,206**	**1,290**	**14,889**	**16,542**	**16,494**

* Other liabilities include indemnity amounts aggregating ₹ Nil (2016: ₹ 122 lakh, 2015 : ₹ 2,021 lakh) held back in accordance with the share purchase agreements in respect of acquisitions

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24
PROVISIONS

₹ in Lakh

Particulars	Non-Current			Current		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for employee benefits	1,439	1,786	1,678	2,939	2,256	1,971
Provision for decommissioning liability	44	39	34	-	-	-
Total	**1,483**	**1,825**	**1,712**	**2,939**	**2,256**	**1,971**

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued and compensation claims made by employees.

NOTE 25
REVENUE FROM OPERATIONS

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Sales of Products (including excise duty)		
- Manufactured products	12,11,014	12,12,648
- Traded products	1,212	2,175
	12,12,226	**12,14,823**
(b) Other operating revenues		
- Government subsidy	2,46,802	3,30,756
- Duty Drawback	2,853	4,737
- Liabilities/ Provisions no longer required written back	1,251	2,400
- Insurance claim	681	645
- Scrap sales	413	567
- Service Income	284	167
- Others	2,201	5,693
Total	**14,66,711**	**15,59,788**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26
OTHER INCOME

₹ in Lakh

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
(a) Interest income earned on financial assets that are not designated as at fair value through profit or loss				
On asset at amortised cost	5,230	5,230	5,518	5,518
(b) Dividend Income				
- equity investments	314		113	
- Mutual funds	232	546	-	113
(c) Other gains or losses				
- Profit on sale of fixed assets (Net)		551		24
- Net gain arising on financial assets designated as at FVTPL		873		207
- Net gain on foreign currency transaction and translation		2,285		2,421
- Others		1,913		3,219
(d) Other non-operating income				
- Operating lease rental from investment property		1,645		1,610
- Services		524		634
- Insurance claim received		149		433
- Government grant income		711		803
- Others		1,432		551
Total		**15,859**		**15,533**

NOTE 27
COST OF MATERIAL CONSUMED

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Farm inputs	558,523	676,741
(b) Sugarcane	289,100	232,651
(c) Others	23,909	31,692
Total	**871,532**	**941,084**

NOTE 28
PURCHASES OF STOCK-IN-TRADE

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Farm inputs	123,013	206,901
(b) Bio Products	75	139
(c) Nutra Products	849	1,169
Total	**123,937**	**208,209**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 29

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

₹ in Lakh

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Opening Stock:				
Work-in-process	10,132		14,411	
Finished goods	1,78,695		2,05,680	
Stock-in-trade	44,529	233,356	45,209	2,65,300
Closing Stock:				
Work-in-process	8,254		10,132	
Finished goods	1,65,601		1,78,695	
Stock-in-trade	28,662		44,529	
FCTR	486	2,03,003	(738)	232,618
Decrease in Stocks		**30,353**		**32,682**

NOTE 30

EMPLOYEE BENEFIT EXPENSE

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Salaries, Wages and Bonus	39,185	37,722
(b) Contribution to Provident and Other Funds	3,305	3,067
(c) Workmen and Staff Welfare Expenses	4,948	4,727
(d) Share-based payments to employees	190	9
Total	**47,628**	**45,525**

NOTE 31

FINANCE COST

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(i) Interest costs;		
(a) Debentures	2,439	5,038
(b) Loans	36,614	36,508
(c) Interest on Government loans	741	803
(ii) Other borrowing costs	1,831	2,665
(iii) Unwinding of discounts on provisions	107	106
Total	**41,732**	**45,120**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 32
DEPRECIATION AND AMORTISATION EXPENSE

₹ in Lakh

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation/amortisation on		
a. Property, plant and equipment	24,225	24,597
b. Investment property	28	28
c. Intangible assets	551	336
Total	**24,804**	**24,961**

NOTE 33
OTHER EXPENSES

₹ in Lakh

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
(a) Consumption of Stores, Spares and Consumables		15,587		12,913
(b) Power and Fuel		28,211		29,336
(c) Rent		5,435		5,268
(d) Repairs and Maintenance				
- Buildings	1,101		811	
- Plant and Machinery	9,755		7,573	
- Others	6,272	17,128	5,894	14,278
(e) Insurance		2,219		1,946
(f) Rates and Taxes		2,314		3,507
(g) Packing, Despatching and Freight		89,766		89,630
(h) Net loss on foreign currency transactions and translation		10,251		20,646
(i) Auditors' Remuneration		54		48
(j) Directors' Fees and Commission		160		16
(k) Sales Promotion and Publicity		991		1,077
(l) MTM losses on commodity futures		5,436		1,394
(m) Professional Charges		4,157		3,543
(n) Provision for Doubtful Debts and Advances		2,912		4,650
(o) Bad Debts/Advances written off		1,167		517
(p) Goodwill write off on sale of stake in subsidiary		-		25
(q) General Manufacturing, Selling and Administration Expenses		36,092		34,224
(r) Corporate Social Responsibility expenditure		1,184		1,158
Total		**223,064**		**224,176**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 34

INCOME TAXES

34.1 Deferred Taxes Liabilities (net)

Deferred tax liabilities/(assets) in relation to:

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Property, plant and equipment	47,117	47,193	46,201
Investments at FVTOCI	414	1,691	2,334
Provision for doubtful debts and advances	(7,142)	(6,337)	(4,742)
Cash flow hedges	75	(10)	-
Employees separation and retirement costs	(1,075)	(905)	(854)
Tax losses	(23,948)	(21,194)	(17,304)
Total	**15,441**	**20,438**	**25,635**

34.2 Deferred Taxes Assets (net)

₹ in Lakh

Deferred tax assets in relation to	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
MAT credit entitlement	6,752	3,494	3,494
Total	**6,752**	**3,494**	**3,494**

34.3 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
-long-term capital loss	74	290	290
-short-term capital loss	4	4	4
-unused tax losses	1,111	1,093	1,237
Total	**1,189**	**1,387**	**1,531**

34.4 Income tax recognised in profit or loss

₹ in Lakh

Particulars	2016-17	2015-16
Current tax		
In respect of current year	27,740	18,959
Deferred tax		
In respect of current year	(3,347)	(4,592)
MAT credit availed	(3,258)	-
Total income tax expense /(gain) recognised in the current year	**21,135**	**14,367**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

34.5 The income tax expense for the year can be reconciled to the accounting profit as follows:

₹ in Lakh

Particulars	2016-17	2015-16
Profit before tax from continuing operations	91,960	31,889
Income tax expense calculated at 34.608% (2015-16 - 34.608%)	31,826	11,036
Effect of difference in tax rates of subsidiaries operating in other jurisdiction	(150)	(312)
Effect of income that is exempt from taxation	(1,153)	817
Effect of concession	(1,595)	(1,599)
Effect of expenses that are not deductible in determining taxable profit	(1,001)	1,061
Effect of unused tax losses and tax offsets not recognised as deferred tax asset	(4,406)	6,974
Effect of temporary differences now recognised as DTL	(2,772)	(3,665)
Effect of change in tax rate	-	341
Others	386	(286)
Income tax expense recognised in profit or loss	**21,135**	**14,367**

The tax rate used for the financial years 2016-17 and 2015-16 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

34.6 Income tax recognised in other comprehensive income

₹ in Lakh

Particulars	2016-17	2015-16
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	1,577	517
Net gain on designated portion of hedging instruments in cash flows hedges	(85)	10
Remeasurement of defined benefit obligation	159	73
Total income tax recognised in other comprehensive income	**1,651**	**600**

NOTE 35

RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED BY THE APPROVED INHOUSE R&D CENTRES

₹ in Lakh

Particulars	2016-17	2015-16
(i) Revenue Expenses (excluding depreciation and fixed assets scrapped):-		
a) Employee benefit expense	760	796
b) Power and Fuel	64	70
c) Repairs and Maintenance	115	126
d) Miscellaneous expenses	380	288
e) Other Income relating to Research and Development	(15)	(11)
Net Revenue expenses on Research and Development	**1,304**	**1,269**
(ii) Fixed Assets additions in R & D Centre made during the year	**94**	**55**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 36

₹ in Lakh

Particulars	2016-17	2015-16
Expenditure incurred for Corporate social responsibility	**1,184**	**1,158**

NOTE 37

PAYMENT TO AUDITORS

₹ in Lakh

Particulars	2016-17	2015-16
(i) Audit Fees	27	27
(ii) Fees for other services	26	20
(iii) Reimbursement of out of pocket expenses	1	1
Total	**54**	**48**

NOTE 38

₹ in Lakh

Particulars	2016-17	2015-16
Amounts contributed to political parties during the year to Triumph Electoral Trust	**100**	**-**

NOTE 39

DIRECT OPERATING EXPENSES ARISING FROM INVESTMENT PROPERTY

₹ in Lakh

Particulars	2016-17	2015-16
Direct operating expenses arising from investment property that generated rental income during the year	488	479
Direct operating expenses arising from investment property that did not generate rental income during the year	49	39
Total	**537**	**518**

NOTE 40

DIRECTOR'S REMUNERATION:

40.1 Whole time Directors remuneration:

₹ in Lakh

Particulars	2016-17	2015-16
Short-term benefits	182	127
Post-employment benefits	26	17
Total	**208**	**144**

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.

40.2 Non Whole time Directors remuneration :

₹ in Lakh

Particulars	2016-17	2015-16
Commission to Non Whole Time Directors	138	-
Directors' sitting Fees	22	16
Total	**160**	**16**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 41
OPERATING LEASE ARRANGEMENTS

41.1 Company as as Lessee

a. The parent company has entered into a non cancellable operating lease agreement with Shri Dhanalaxmi Sahakari Sakkare Karkhane Niyamit,Ramdurg for the lease of sugar factory together with the specified assets on Built,Own,Operate and Transfer basis (BOOT) for a period of 25 years till 2032.

b. Coromandel International Limited, a subsidiary of EID, has entered into operating lease agreements. 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.

NOTE 41.2
PAYMENTS RECOGNISED AS EXPENSE

₹ in Lakh

Particulars	2016-17	2015-16
Minimum Lease payments	5,435	5,268

NOTE 41.3
NON-CANCELLABLE OPERATING LEASE COMMITMENTS

₹ in Lakh

Particulars	2016-17	2015-16	2014-15
Not later than 1 year	892	866	841
Later than 1 year and not later than 5 years	3,846	3,734	3,625
Later than 5 years	5,413	6,417	7,393
Total	**10,151**	**11,017**	**11,859**

NOTE 41.4
COMPANY AS LESSOR

Payments recognised as Income

₹ in Lakh

Particulars	2016-17	2015-16
Rental income	1,645	1,610

NOTE 42
DISCLOSURE ON SPECIFIED BANK NOTES

₹ in Lakh

Particulars	SBNs	Other Notes	Total
Closing cash on hand as on November 08, 2016	274	30	304
(+) Permitted receipts	331	6,571	6,902
(-) Permitted payments	1	36	37
(-) Amount deposited in Banks	604	6,285	6,889
Closing cash on hand as on December 30, 2016	-	280	280

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 43

SEGMENT INFORMATION

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the following segments tabulated below. The directors of the Group have chosen to organise the Group around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Group. Specifically the Group's reportable segments under Ind AS 108 are as follows.

Operating Segment :							
Nutrient and allied business	Crop protection	Sugar	Co-generation	Distillery	Bio Pesticides	Nutraceuticals	Others

Geographical information:			
The Company operates in the following principal geographical areas -			
North America	Europe	Rest of the world	India (Country of domicile)

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses and income which are not attributable or allocable to segments have been disclosed as net unallocable expenses/income.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

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.

NOTE 43.1

SEGMENT REPORTING

Operating Segments revenue and results:

₹ in Lakh

	Nutrient and allied business		Crop protection		Sugar		Co-generation		Distillery		Bio Pesticides		Nutraceuticals		Others		Elimination		Overall	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from operations :																				
External Customers	8,91,342	10,45,190	1,28,166	1,18,192	3,62,527	3,12,119	17,709	20,732	31,447	28,379	12,336	10,736	22,780	24,022	404	418	-	-	14,66,711	15,59,788
Inter-segmental Sales	-	-	12,654	9,965	1,576	1,540	2,350	5,013	-	-	-	-	-	-	-	-	(16,580)	(16,518)	-	-
Total	8,91,342	10,45,190	1,40,820	1,28,157	3,64,103	3,13,659	20,059	25,745	31,447	28,379	12,336	10,736	22,780	24,022	404	418	(16,580)	(16,518)	**14,66,711**	**15,59,788**
Results :																				
Operating Profit/(Loss)	73,048	59,508	26,154	16,415	21,775	(16,196)	3,107	7,367	7,691	4,793	2,396	3,217	1,150	1,605	-	-	-	-	**1,35,321**	**76,709**
Interest income																			5,230	5,518
Dividend Income																			546	113
Other Unallocated Income																			(7,431)	(7,671)
Finance Costs																			(41,732)	(45,120)
Share of profit of Associate																			97	58
Share of profit of Joint ventures																			(71)	(218)
Exceptional items																			-	2,500
Profit/(Loss) before Tax																			91,960	31,889
Income Tax																				-
- Current																			27,740	18,959
- Deferred																			(6,605)	(4,592)
Net Profit After Tax																			**70,825**	**17,522**
Other Information :																				
Segment Assets	6,56,367	7,05,712	97,507	91,392	3,35,353	3,46,195	47,141	51,025	25,717	27,567	11,672	9,783	25,600	25,799	2,520	2,831	-	-	12,01,877	12,60,304
Unallocated Corporate Assets																			1,41,252	1,56,292
Total Assets																			**13,43,129**	**14,16,596**
Segment Liabilities	2,94,267	3,29,658	28,021	25,118	2,66,915	2,77,865	1,217	1,621	1,814	1,415	2,558	2,900	5,599	5,611	33	40	-	-	6,00,424	6,44,228
Unallocated Corporate Liabilities																			3,53,905	4,29,684
Total Liabilities																			**9,54,329**	**10,73,912**
Depreciation	7502	8107	2569	2505	8,476	8,428	3,260	3,265	1,611	1,469	118	132	1,104	873	-	-	-	-	24,640	24,779
Unallocated Depreciation																			164	182
Total Depreciation																			**24,804**	**24,961**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

43.2 Geographical information

₹ in Lakh

Particulars	North America		Europe		Rest of the World		India		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Revenue	6,620	6,235	5,911	13,099	1,650	4,784	14,52,530	15,35,670	14,66,711	15,59,788
Non-current asset	3,558	3,712	-	-	2,627	2,397	3,36,245	3,50,595	3,42,430	3,56,704

Non-current assets exclude those relating to Investments, Deferred tax assets and non-current financial assets.

43.3 Revenue from major products

₹ in Lakh

Particulars	For the year ended	
	March 31, 17	March 31, 16
Phosphatic Fertilisers	4,58,636	5,50,558
Urea	50,583	35,922
Muriate of Potash	18,827	14,840
Single Super Phosphate	27,136	35,689
Others	89,358	77,425
Government subsidies	2,46,802	3,30,756
Nutrient and other allied business	**8,91,342**	**10,45,190**
Crop protection	1,40,820	1,28,157
Sugar	3,64,103	3,13,659
Co-generation	20,059	25,745
Distillery	31,447	28,379
Bio-Pesticide	12,336	10,736
Nutraceuticals	22,780	24,022
Others	404	418
Total	**14,83,291**	**15,76,306**
Less: Inter-segment revenue	(16,580)	(16,518)
Revenue from operations	**14,66,711**	**15,59,788**

NOTE 44

EMPLOYEE BENEFIT PLANS

A. Defined contribution plans

The Group has recognised ₹ 2,568 lakh (March 31, 2016: ₹ 2,382 lakh) as expense in Statement of Profit or Loss towards defined contribution plans. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

B. Defined benefit plans :

Gratuity -

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2017. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Group and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Group provides the gratuity benefit through annual contributions to insurer managed funds.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Particulars	Gratuity (Funded)	
	2016-17	2015-16
Present Value of obligations at the beginning of the year	5,967	5,494
Current service cost	586	565
Interest Cost	455	414
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	46	-
- Actuarial gains and losses arising from experience adjustment	417	168
Benefits paid	(678)	(674)
Present Value of obligations at the end of the year	**6,793**	**5,967**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	4,862	5,056
Interest Income	418	393
Return on plan assets	5	(40)
Contributions from the employer	949	127
Benefits Paid	(678)	(674)
Fair Value of plan assets at the end of the year	**5,556**	**4,862**
Amounts recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	6,793	5,967
Fair value of plan assets at end of the year	5,556	4,862
Funded status of the plans – Liability recognised in the balance sheet	**1,237**	**1,105**
Components of defined benefit cost recognised in profit or loss		
Current service cost	586	565
Net Interest Expense	37	21
Net Cost in Profit or Loss	**623**	**586**
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	46	-
- Actuarial gains and losses arising from experience adjustment	417	168
Return on plan assets	(5)	40
Net Cost in Other Comprehensive Income	**458**	**208**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31,2017	As at March 31,2016	As at April 01,2015
Assumptions			
Discount rate	7.25-7.70%	8.00%	7.72-8.00%
Expected rate of salary increases	5-7%	5-7%	5-7%
Expected rate of attrition	5.00%	5.00%	5.00%
Mortality (IALM (2006-2008) Ultimate)	100%	100%	100%

The Group has generally 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.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at March 31,2017	As at March 31,2016	As at April 01,2015
Discount rate			
- 1% increase	4,532	4,063	3,781
- 1% decrease	(5,068)	(4,519)	(4,205)
Salary growth rate			
- 1% increase	(5,032)	(4,492)	(4,211)
- 1% decrease	4,551	4,078	3,815
Attrition rate			
- increase of 50% of attrition rate	(4,656)	(4,185)	(3,873)
- decrease of 50% of attrition rate	4,631	4,138	3,856

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Group generally purchases insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)

The Group's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 1135 lakh (2016: ₹ 1598 lakh).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

C. Note on Provident Fund:

With respect to employees,who are covered under Provident Fund Trust administered by the companies in the Group,the respective companies shall make good deficiency,if any in the interest rate declared by Trust over statutory Limit. Having regards to the assets of the Fund and the return on the investments, the Group 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	2016-17	2015-16
Discount rate	7.25-7.70%	8.00%
Attrition Rate	5.00%	5.00%
Expected rate of salary increases	5-7%	5-7%

NOTE 45
Earnings per Share:

₹

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Basic Earnings per share	29.44	1.95
Diluted Earnings per share	29.41	1.93

45.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Profit after Taxation (₹ in Lakh)	52,081	3,451
Earnings used in the calculation of basic earnings per share	**52,081**	**3,451**
Number of equity shares of ₹ 1 each outstanding at the beginning of the year	17,68,89,745	17,58,14,884
Add: Equity shares to be issued pursuant to the scheme of amalgamation.		10,74,861
Revised number of equity shares of ₹ 1 each outstanding at the beginning of the year	17,68,89,745	17,68,89,745
Add : Number of shares issued pursuant exercise of Employees Stock option	56,014	-
(a) Number of equity Shares of ₹ 1 each outstanding at the end of the year	17,69,45,759	17,68,89,745
(b) Weighted Average number of Equity Shares	17,69,32,177	17,68,89,745

45.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.

₹ in Lakh

Earnings used in the calculation of basic earnings per share	**52,081**	**3,451**
Adjustments	**(35)**	**(35)**
Earnings used in the calculation of diluted earnings per share	**52,046**	**3,416**

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Weighted average number of equity shares used in the calculation of basic earnings per share	17,69,32,177	17,68,89,745
Shares deemed to be issued for no consideration in respect of		-
- employee options	31,297	10,037
Weighted average number of equity shares used in the calculation of diluted earnings per share	17,69,63,474	17,68,99,782

NOTE 46
SHARE BASED PAYMENTS

46. 1 Employee share option plan of the Company

46.1.1 Details of the employee share option plans of the Company

The Company has share option scheme for senior employees of the Company. As approved by the shareholders, ESOP schemes are being administered by the Nomination and Remuneration committee of the Board of Directors.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangement were in existence during the current and prior years

S.No	Description	Date of grant	Number of Options granted	Expiry date	Fair value on the date of grant as per Black Scholes option pricing model (₹)	Exercise price (₹)
1	Details of options granted	31.08.2007	18,58,200	31.08.2017	29.46	64.80
		29.10.2007	2,32,400	29.10.2017	26.32	75.70
		24.01.2008	4,60,600	28.02.2015	21.98	94.15
		24.04.2008	1,52,200	24.04.2018	24.59	103.60
		28.07.2008	1,30,000	28.07.2018	26.63	92.98
		24.09.2008	3,87,000	31.10.2012	24.11	106.30
		29.10.2008	1,13,600	29.10.2018	30.73	74.95
		20.03.2009	47,800	30.06.2011	32.26	69.13
		28.01.2011	3,29,600	28.01.2021	90.05	225.15
		28.01.2011	36,700	01.04.2014	87.86	225.15
		29.04.2011	41,400	29.04.2015	92.46	240.90
		29.04.2011	34,500	29.04.2015	58.18	240.90
		27.07.2011	1,15,000	27.07.2015	105.80	269.10
		24.10.2011	75,700	24.10.2021	80.86	220.90
		24.10.2011	19,300	30.09.2014	30.21	220.90
	Total		**40,34,000**			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

46.1.2 Fair value of share options granted during the year

The weighted average fair value of the share options granted during the financial year is ₹ 107.85. Options were priced using Black Scholes model of option pricing. Expected volatility is based on the historical share price volatility. Inputs into the model is as follows

Particulars	Vest 1	Vest 2	Vest 3	Vest 4
Grant date share price ₹	289.50	289.50	289.50	289.50
Exercise price ₹	289.50	289.50	289.50	289.50
Expected volatility %	36.61	35.32	33.69	33.58
Expected life (years)	3.50	4.50	5.51	6.51
Dividend yield %	1.38	1.38	1.38	1.38
Risk free interest rate %	6.40	6.52	6.62	6.71

46.1.3 Movements in share options during the year

S.No	Particulars		Options (Numbers) 2015-16	Weighted Average exercise price per option (₹)	Options (Numbers) 2014-15	Weighted average exercise price per option (₹)
a	Balance at the beginning of the year	Options vested and exercisable	1,92,026	170.64	1,88,144	163.51
		Options unvested	-	-	33,480	248.19
		Total	1,92,026	170.64	2,21,624	176.30
b	Options granted during the year		8,43,220	289.50	-	-
c	Options vested during the year		-	-	15,210	248.39
d	Options exercised during the year		56,014	91.18	-	-
e	Options lapsed/cancelled during the year		28,644	249.85	29,598	213.02
f	Options outstanding at the end of the year	Options vested and exercisable	1,07,368	190.97	1,92,026	170.64
		Options unvested	8,43,220	289.50	-	-
		Total (a+b-d-e)	**9,50,588**	**278.37**	**1,92,026**	**176.30**

Weighted Average remaining contractual life for option outstanding as at March 31, 2017 was 2551 days (March 31, 2016: 859 days)

46.1.4. Share options exercised during the year

Grant date	Numbers exercised	Exercise date	Share price at exercise date (₹)
31.08.2007	11414	18-Aug-16	252.10
29.10.2007	9072	12-Sep-16	239.83
24.04.2008	18528	17-May-16	236.85
24.04.2008	17000	19-May-16	242.35

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

46. 2 Employee share option plan of the Coromandel International Limited (CIL) (subsidiary)

46.2.1 Details of the employee share option plans

Particulars	Employee Stock Option Scheme 2007 ('ESOP 2007 Scheme')	Employee Stock Option Scheme 2016 ('ESOP 2016 Scheme'):
Approval of shareholders	24th July 2007	11th January 2017
Administration	Remuneration and Nomination Committee of the Board of Directors	
Eligibility	The committee determines which eligible employees will receive options	
Number of equity shares reserved under the scheme	1,27,85,976	1,45,81,000
Number of equity shares per option	1	1
Vesting period	1-5 years	1-4 years
Exercise period	Within 3* years from date of vesting	Within 5 years from date of vesting
Exercise Price Determination	Latest available closing market price of the shares on the stock exchange where there is highest trading volume prior to the date of the Remuneration and Nomination Committee approving the grant.	

* In partial modification of the special resolution passed for establishing ESOP 2007, the shareholders in their meeting held on 23 July 2012 decided to approve the extension of the exercise period of options granted under the ESOP 2007 from three years to six years.

Employee Stock Option Scheme 2007 ('ESOP 2007 Scheme'):

a) Pursuant to the ESOP 2007 Scheme, CIL granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	10,85,924	175.64	12,12,288	174.96
Granted	-	-	-	-
Exercised	3,48,662	54.07	70,108	45.68
Cancelled	76,080	305.46	14,424	322.76
Lapsed	-	-	41,832	323.03
At the end of the year	6,61,182	224.81	10,85,924	175.64

b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 0.05 years (2016: 0.50 years; 2015: 1.39 years). The exercise price of the outstanding options range from ₹ 44.58 to ₹ 334.35 (2016: ₹ 44.58 to ₹ 334.35; 2016: ₹ 44.58 to ₹ 334.35). The weighted average share price during the year is ₹ 263 (2016: ₹ 208).

c) Number of options exercisable at the end of the year 6,61,182 (2016: 10,85,924; 2015: 11,40,168)

The fair values of the option with modified terms were determined using a Black Scholes' model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 3-4 years.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Following assumptions were used for calculation of fair value of grants:

Particulars	For the Year ended March 31, 17	For the Year ended March 31, 16
Dividend yield (%)	700	700
Expected volatility (%)	0.39-0.47	0.39-0.47
Risk free interest rate (%)	8	8
Expected term (in years)	4 to 6	4 to 6

Employee Stock Option Scheme 2016 ('ESOP 2016 Scheme'):

a) Pursuant to the ESOP 2016 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

Particulars	For the year ended March 31, 2017	
	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	-	-
Granted*	21,74,500	319.65
Exercised	-	-
Cancelled	-	-
Lapsed	-	-
At the end of the year	21,74,500	319.65

*the weighted average fair value of options granted during the year is ₹ 118.53

b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 5.1 years (2016: Nil; 2015: Nil). The weighted average share price during the year is ₹ 263.

c) Number of options exercisable at the end of the year Nil (2016: Nil; 2015: Nil).

d) The fair values of the option were determined using a Black Scholes' model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5-6 years.

Following assumptions were used for calculation of fair value of grants:

Particulars	For the Year ended March 31, 17
Dividend yield (%)	400
Expected volatility (%)	0.32
Risk free interest rate (%)	7
Expected term (in years)	5 to 6

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 47

SUBSIDIARIES

Details of the Group's subsidiaries at the end of reporting period are as follows.

Name of the company	Country of incorporation	% of voting power (directly/indirectly) held on		
		March 31, 17	March 31, 16	April 1, 15
Parry Chemicals Limited (PCHL)	India	60.74	60.81	60.83
Parry America Inc. (PAI)	USA	100.00	100.00	100.00
Coromandel International Limited (CIL)	India	60.74	60.81	60.83
Sabero Europe BV (Sabero Europe)	Netherlands	60.74	60.81	60.83
Sabero Australia Pty.Ltd (Sabero Australia)	Australia	60.74	60.81	60.83
Sabero Organics America Ltda (SOAL)	Brazil	60.73	60.77	60.79
Sabero Argentina SA (Sabero Argentina)	Argentina	57.70	57.77	57.79
Coromandel Agronegocios de Mexico, S.A de C.V (Coromandel Mexico)	Mexico	60.74	60.81	60.83
Parry Infrastructure company Pvt Ltd (PICPL)	India	100.00	100.00	100.00
Parrys Investments Limited (PIL)	India	100.00	100.00	100.00
Parrys Sugar Limited (PSL)	India	100.00	100.00	100.00
CFL Mauritius Limited (CML)	Mauritius	60.74	60.81	60.83
Coromandel Brasil Limitada (CBL)	Brazil	60.74	60.81	60.83
US Nutraceuticals LLC (USN)	USA	100.00	100.00	100.00
Parry Sugars Refinery India Private Limited (PSRIPL)	India	100.00	100.00	100.00
Parry Agrochem Exports Limited (PAEL)	India	100.00	100.00	100.00
La Belle Botanics LLC (LBBL)	USA	49.00	49.00	51.00
Liberty Pesticides and Fertilisers Limited (LPFL)	India	60.74	60.81	60.83
Dare Investments Limited (DIL)	India	60.74	60.81	60.83
Alimtec SA (ASA)	Chile	100.00	100.00	100.00

Pursuant to the scheme of amalgamation of Parrys Sugar Industries Limited- a subsidiary ("transferor company") with the Company, as sanctioned by the National Company Law Tribunal vide their order dated April 21, 2017, the assets and liabilities of the transferor company were transferred to and vested with the Company with effect from the appointed date, April 1, 2016. The effective date of amalgamation is April 25, 2017 on which date, the copy of the order of the court sanctioning the scheme has been filed with the Registrar of Companies. The amalgamation being a common control transaction has been accounted for under the 'Pooling of interest' method as prescribed by Ind AS 103 on Business Combinations. Accordingly, the scheme amalgamation has been given effect to retrospectively from April 1,2015.

NOTE 48

FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL:

a. Joint venture

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Group's share of profit/ (loss)	(71.00)	(218.00)
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	(71.00)	(218.00)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Aggregate carrying amount of the Group's interests in these joint ventures	1,680	1,466	1,291

b. Associate

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Group's share of profit/ (loss)	97.00	58.00
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	97.00	58.00

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Aggregate carrying amount of the Group's interests in these associates	817	740	-

NOTE 49
DISPOSAL OF SUBSIDIARY

On April 02, 2015, 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 Group. The details of sale are as follows

Particulars	₹ In lakh
a. Total consideration received (fully in cash and cash equivalent)	12
b. Cash and cash equivalent in Labelle Botanics LLC over which the control is lost.	(203)
c. Loss on sale of stake in subsidiary	25
d. Analysis of assets and liabilities over which control was lost	
i. Current assets	481
ii. Non-current assets	245
iii. Current liabilities	(17)
iv. Non-current liabilities	(83)
Net assets over which control was lost	**626**

NOTE 50
50.1 Capital management

The Group's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Group through the optimization of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

For the purpose of capital management, capital includes issued equity capital, securities premium, all other reserves attributable to the equity shareholders and non-controlling interest of the Group. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following table summarises the capital of the Group:

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity	**3,88,800**	**3,42,684**	**3,29,043**
Debt	3,92,269	5,14,360	4,84,752
Cash and cash equivalents	(23,145)	(25,248)	(22,908)
Net debt	**3,69,124**	**4,89,112**	**4,61,844**
Total capital (equity + net debt)	**7,57,924**	**8,31,796**	**7,90,887**
Net debt to capital ratio	0.49	0.59	0.58

50.2 Categories of financial instruments

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
(i) Equity investments (including mutual funds)	9,796	6,236	1,608
(ii) Derivative instruments	3,384	1,115	1,398
Measured at amortised cost			
(a) Cash and bank balances	25,716	33,259	36,866
(b) Other financial assets at amortised cost	5,11,486	5,18,769	3,95,066
Measured at FVTOCI			
(a) Investments in equity instruments designated upon initial recognition	44,632	56,700	53,829
Measured at equity method			
(a) Investments in equity instruments in joint ventures and associate	2,497	2,206	1,291
Financial liabilities			
Measured at amortised cost	9,03,338	10,19,018	9,14,989
Measured at FVTPL	13,364	8,702	2,172

50.3 Financial risk management objectives

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the policies of the companies in the Group approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity. The Group does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Item	Primarily affected by	Risk management policies	Refer
Market risk - currency risk	USD balances and exposure towards trade payables, exports, and long-term borrowings	Mitigating foreign currency risk using foreign currency forward contracts, option contracts and swap contracts	Note 50.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies	Note 50.4.2
Market risk - Price risk	Change in prices of commodity and value of equity instruments	Monitoring forecasts of cash flows; diversification of portfolio; commodity future contracts	Note 50.4.3
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 50.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cashflows; cash management policies; multiple-year credit and banking facilities	Note 50.6

50.4 Market risk

The Group's financial instruments are exposed to market rate changes. The Group is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

50.4.1 Foreign currency risk management

The Group is exposed to foreign exchange risk on account of following:

1. Exports and imports
2. foreign currency borrowings in the form of Foreign Currency Non-Repatriable (B) loans (FCNRB), packing credit etc. availed for meeting its funding requirements

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

The Group has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward covers and options) and also by maintaining reasonable open exposures within approved parameters depending on the future outlook on currencies.

Companies in the group had entered into the swap contracts to hedge the interest and currency risks on the external commercial borrowings.

a. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities			Assets		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
USD (₹ in lakh)	454,744	520,452	412,382	210,156	198,889	117,335
EURO (₹. in lakh)	97	117	3,950	1,397	1,924	1,231
GBP (₹. in lakh)	-	-	-	121	123	47
INR (₹. In lakh) *	39,173	38,506	45,368	10,988	5,771	404
CLP (₹. in lakh)	122	132	87	323	331	594

* Indian Rupee (INR) liabilities and assets relates to Parry Sugars Refinery India Private Limited, whose functional currency is determined as US Dollars and accordingly INR is disclosed as foreign currency.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

b. Foreign currency forward and current and interest rate swaps outstanding as at the Balance Sheet date:

₹ in Lakh

Currency	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Buy	Sell	Buy	Sell	Buy	Sell
Forward contracts						
i. Cash flow hedges						
USD/INR	-	867	104	24,997	-	13,390
EURO/INR	-	893	-	7,102	-	3,803
ii. Others						
USD/INR	1,65,540	38,640	2,57,124	14,575	2,55,337	20,668
EURO/INR	-	3,904	-	-	-	-
Option contracts						
USD/INR	60,639	-	39,756	-	43,128	-
Currency and interest rate swaps						
USD/INR	-	14,234	9,059	34,463	30,421	32,536

The forward and option contracts have been entered into to hedge highly probable forecast sale transactions and trade receivables. The swap contracts have been entered into to hedge the currency and interest rate risks on the external commercial borrowings of the Company.

At March 31, 2017, the aggregate amount of gains under forward foreign exchange contracts recognised in other comprehensive income and accumulated in the cash flow hedging reserve relating to the exposure on these anticipated future transactions is ₹ 143 lakh (March 31, 2016: losses ₹ 19 lakh and April 01, 2015: losses of ₹ 146 lakh). It is anticipated that the sales will take place over the next two year period, at which time the amount deferred in equity will be reclassified to profit or loss.

c. Foreign currency sensitivity analysis

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a 10% increase and decrease against the US Dollar. 10% is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by 10% against the US Dollar. For a 10% weakening against the US Dollar, there would be a comparable impact on the profit or equity.

₹ in Lakh

Currency USD impact on	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Profit or loss	10,446	12,145
Other comprehensive income	(3,231)	(3,189)
Equity	7,215	8,956

In management's opinion the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of reporting period does not reflect the exposure during the year.

50.4.2 Interest rate risk management

The Group issues commercial papers, draws working capital demand Loans, cash credit, foreign currency borrowings, Packing Credit etc. for meeting its funding requirements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Group manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

a. Interest rate swap contract

Swap contracts were entered into to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Group agrees to exchange floating interest rate in USD to INR fixed rate on agreed notional principal amounts. Such contracts enable the Group to mitigate the interest rate risk. Refer details of the principal and interest rate swaps under Note 50.4.1(b). There are no outstanding external commercial borrowing as on March 31, 2017.

Further, PSRIPL had entered into a Swap contracts to exchange fixed interest rate in INR to USD fixed rate on agreed notional principal amounts. Such contracts enable the Group to reduce the interest cost. Details of the fixed to fixed interest rate swap is given below.

₹ in Lakh

Particulars	Weighted average interest rate	As at 31, March 2017	As at 31, March 2016	As at 01, April 2015
Fixed Interest Rate Swap carried at FVTPL (Fair value)	3.46%	500	(1,170)	74

b. Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Group's profit for the year ended 31 March 2017 would decrease/ increase by ₹ 771 lakh (31 March 2016: ₹ 819 lakh)

50.4.3 Price risks

a. Commodity price risk

Commodity Price Risk arises from commodity future contracts undertaken by Parry Sugars Refinery India Private Limited, a subsidiary, for procurement of white sugar and sale of refined sugar and the consequent exposure to changes in market prices. Exposure to the market prices of the raw sugar procured and white sugar sold is managed through the use of commodity futures and other hedging instruments, including options primarily to convert floating or indexed prices to fixed prices. The use of such contracts to hedge commodity exposures is governed by the Group's risk management policies and continuously monitored by the Trade desk team. Commodity derivatives also provides a way to meet customer's pricing requirements whilst achieving a price structure consistent with the Group's over all pricing strategy.

Some of the PSRIPL's commodity derivatives are treated as own use contracts, since they are both entered into, and continue to be held in accordance with the entity's purchase, sale or usage requirements, and the Company takes physical delivery of the commodity concerned. 'Own use' contracts are scoped out from the requirements under Ind AS 109. Hence such contracts have been identified and are not recognised in books. Contracts other than 'own use' contracts i.e. where there is no physical delivery involved are treated as 'held for trading' and marked to market through income statement. The majority of forward physical contracts and commodity derivatives have original maturities of less than three years.

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Disclosure of Commodity Exchange positions outstanding as of March 31, 2017

₹ in Lakh

Particulars	Booking Price at Exchange		Fair value at the end of reporting period	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Raw sugar				
Less than 1 year	49,933	20,206	5,464	(2,046)
In 1 to 2 year	3,047	-	165	-
In 2 to 3 year	446	-	10	-
White sugar				
Less than 1 year	-	34,477	-	3,440

The table below illustrates the sensitivity of the Group's commodity pricing contracts as at 31 March to the price movement of commodities:

₹ in Lakh

Particulars	Impact on INR (-10% change)		Impact on INR (+10% change)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Impact on Profit or loss for the year	(4,624)	1,567	4,624	(1,567)
Impact on total Equity as at the end of the reporting period	(4,624)	1,567	4,624	(1,567)

b. Equity price sensitivity analysis

The Group is exposed to equity price risks arising from equity investments. Certain of the Group's equity investments are held for strategic rather than trading purposes. The Group also holds certain other equity investments for trading purposes. The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower other comprehensive income/ equity for the year ended 31 March 2017 would increase/ decrease by ₹ 446 Lakh (₹ 567 Lakh for the year ended 31 March 2016) as a result of the changes in fair value of equity investments measured at FVTOCI. The impact of change in equity price on profit or loss is not significant

50.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken up on case to case basis. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets. There is no material expected credit loss based on the past experience. However, the Group assesses the impairment of trade receivable on case to case basis and creates loss allowance except in Coromandel International Limited provision is created for past due receivables beyond 180 days ranging between 25%-100% after reckoning the underlying collaterals and provides upto 0.50% for receivables less than 180 days on expected credit loss model.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

50.6 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities including estimated interest payments as at 31 March 2017:

₹ in Lakh

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	4,20,445	4,21,178	-	-	4,21,178
Borrowings including interest	4,00,359	3,17,851	80,398	16,141	4,14,390
Other financial liabilities	82,534	82,534	-	-	82,534
Total	**9,03,338**	**8,21,563**	**80,398**	**16,141**	**9,18,102**

The table below provides details of non-derivative financial assets as at 31 March 2017:

₹ in Lakh

Particulars	Carrying amount
Trade and Subsidy receivables	4,40,980
Other financial assets	1,52,647
Total	**5,93,627**

The table below provides details regarding the contractual maturities of non-derivative financial liabilities including estimated interest payments as at 31 March 2016:

₹ in Lakh

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	4,22,734	4,23,428	-	-	4,23,428
Borrowings including interest	5,23,545	4,26,064	87,684	36,502	5,50,250
Other financial liabilities	72,739	72,739	-	-	72,739
Total	**10,19,018**	**9,22,231**	**87,684**	**36,502**	**10,46,417**

The table below provides details of non-derivative financial assets as at 31 March 2016:

₹ in Lakh

Particulars	Carrying amount
Trade and Subsidy receivables	4,41,457
Other financial assets	1,72,714
Total	**6,14,171**

The table below provides details regarding the contractual maturities of non-derivative financial liabilities including estimated interest payments as at 1 April 2015:

Particulars	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	3,69,410	3,69,814	-	-	3,69,814
Borrowings including interest	4,92,983	3,84,036	82,361	52,080	5,18,477
Other financial liabilities	52,596	52,596	-	-	52,596
Total	**9,14,989**	**8,06,446**	**82,361**	**52,080**	**9,40,887**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

The table below provides details of non-derivative financial assets as at 1 April 2015:

₹ in Lakh

Particulars	Carrying amount
Trade and Subsidy receivables	3,35,100
Other financial assets	1,45,037
Total	**4,80,137**

The following table details the Group's maturity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted estimated cash flows determined by reference to the projected market rates at the end of the reporting period. A positive amount represents an anticipated cash inflow and a negative amount represents an anticipated cash outflow.

31 March 2017

₹ in Lakh

Particulars	Less than 1 year	1-3 year	above 3 years
Net settled			
- foreign exchange forward contracts	(2,618)	454	-
- option contracts	(2,177)	-	-
- currency and interest rate swaps	500	-	-
- commodity futures	(5,639)	-	-

31 March 2016

₹ in Lakh

Particulars	Less than 1 year	1-3 year	above 3 years
Net settled			
- foreign exchange forward contracts	(4,631)	164	-
- option contracts	(332)	-	-
- currency and interest rate swaps	74	1,531	-
- commodity futures	(1,394)	-	-

1 April 2015

₹ in Lakh

Particulars	Less than 1 year	1-3 year	above 3 years
Net settled			
- foreign exchange forward contracts	(11)	133	-
- option contracts	184	-	-
- currency and interest rate swaps	4718	2,651	-
- commodity futures	74	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

50.7 Financial guarantee contract

Coromandel International Limited (CIL), a subsidiary, has provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of installment due to the lenders and delayed the payment. The same was not agreed to by the Lenders and the acceleration notice was served on TIFERT by lenders on 28 March 2017. The loan instalment was immediately paid on 30 March 2017 by TIFERT however, on 4 April 2017 the lenders followed up with call notice on shareholders towards guaranteed amount (CIL's share USD 35.4 million outstanding as on date). CIL alongwith other shareholders of TIFERT are in discussion with the Lenders to resolve the matter with regard to liquidity situation and operational improvements of TIFERT and also to find a solution for meeting the future debt obligations of TIFERT.

Based on communication exchanged with Lenders and operational improvement initiatives taken by TIFERT, CIL reasonably considers that TIFERT would be in a position to meet the debt obligations and it is unlikely that such an event of payment under guarantee amount will arise. CIL's obligation under this financial guarantee if that amount is claimed by the counterparty to the guarantee is subject to a maximum of ₹ 22,959 Lakh (31 March 2016: ₹ 27,233 Lakh; 1 April 2015: ₹ 32,346 Lakh). Carrying amount of the financial guarantee contract in the books is as under:

₹ in Lakh

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial guarantee contract	109	219	70

50.8 Financing facilities

The Group has access to financing facilities of which ₹ 3,47,967 Lakh (as at 31 March 2016: ₹ 2,16,300 Lakh) were unused at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

50.9 Fair value measurements

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

₹ in Lakh

Financial assets/financial liabilities	Fair Value as at*			Fair value hierarchy	Valuation techniques & key inputs used
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015		
1) Foreign currency forward contracts	(2,164)	(4,467)	122	Level 2	Refer Note 3(a)
2) Currency and Interest rate swap contracts	500	1,605	7,369	Level 2	Refer Note 3(a)
3) Commodity future contracts	(5,639)	(1,394)	74	Level 1	Refer Note 2
4) Option contracts	(2,177)	(332)	184	Level 2	Refer Note 3(a)
5) Investments in quoted equity instruments at FVTOCI	2,223	3,034	2,355	Level 1	Refer Note 2
6) Investments in quoted equity instruments at FVTPL	9,382	5,764	1,134	Level 1	Refer Note 2
7) Investments in unquoted equity instruments at FVTOCI	42,405	53,660	48,731	Level 3	Refer Note 4(a) & 4(c)
8) Investments in unquoted equity instruments at FVTPL	414	472	474	Level 3	Refer Note 4(b)

*positive value denotes financial asset (net) and negative value denotes financial liability (net)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Notes:

1. There were no transfers between Level 1 and 2 in the period.
2. The Level 1 financial instruments are measured using quotes in active market
3. The following table shows the valuation technique and key input used for Level 2:

Financial Instrument	Valuation Technique	Key Inputs used
(a) Foreign currency forward contracts, currency and interest rate swaps	Discounted Cash Flow	Forward exchange rates, contract forward and interest rates, observable yield curves.
(b) Option contracts.	Black Scholes model	The significant valuation inputs considered are the option exercise price, currency spot rates, tenure, risk-free interest rates and the anticipated volatility in the underlying currency.

4. The following table shows the valuation technique and key input used for Level 3:

Financial Instrument	Valuation Technique	Key Inputs used	Sensitivity
(a) Investments in unquoted equity instruments at FVTOCI	Market Multiple Approach	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from 30% to 50% (as at 31 March 2016: 30% to 50%; as at 1 April 2015: 30% to 50%)	A 5% increase/ decrease in the discount for lack of marketability used in isolation would decrease/increase the carrying amount by ₹ 172 lakh (as at 31 March 2016: Nil; as at 1 April 2015: ₹ 200 lakh)
(b) Investments in unquoted venture capital fund at FVTPL	Net Asset Value (NAV) method	The Group uses net asset value (NAV) as reported by the venture capital fund for its valuation purpose.	A 10% increase/ decrease in the value of unquoted investments of the fund would increase/ decrease the carrying amount of investment by ₹ 24 Lakh (31 March 2016: ₹ 30 Lakh; 1 April 2015: ₹ 26 Lakh).
(c) Investments in unquoted equity instruments at FVTOCI	Discounted Cash Flow Method	Long-term growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 2% (as at 31 March 2016: 2%; as at 1 April 2015: 0% to 2%)	If the long-term growth rates used were 100 basis points higher/lower while all the other variables were held constant, the carrying amount would increase/decrease by ₹ 4,747 lakh (as at 31 March 2016: ₹ 3,898 lakh; as at 1 April 2015: ₹ 4,639 lakh)
		Weighted average cost of capital (WACC) as determined ranging from 12% to 15% (as at 31 March 2016: 13% to 15%; as at 1 April 2015: 11% to 15%)	A 100 basis points increase/decrease in the WACC or discount rate used while holding all other variables constant would decrease/ increase the carrying amount by ₹ 5,167 lakh (as at 31 March 2016: ₹ 5,031 lakh; as at 1 April 2015: ₹ 6,109 lakh)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

₹ in Lakh

Particulars	Fair value hierarchy	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
Financial assets at amortised cost:							
- Trade receivables	Level 2	1,85,277	1,85,277	2,04,751	2,04,751	1,56,160	1,56,160
- Cash and cash equivalents	Level 2	23,145	23,145	25,248	25,248	22,908	22,908
- Bank balances other than cash and cash equivalents	Level 2	2,571	2,571	8,011	8,011	13,958	13,958
- Loans	Level 2	52,225	52,225	48,000	48,000	47,000	47,000
- Government subsidies receivable	Level 2	2,55,703	2,55,703	2,36,706	2,36,706	1,78,940	1,78,940
- Other financial assets	Level 2	17,781	17,781	26,313	26,313	4,443	4,443

₹ in Lakh

Particulars	Fair value hierarchy	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities							
Financial liabilities at amortised cost:							
Borrowings	Level 2	4,00,359	4,01,440	5,23,545	5,24,602	4,92,983	4,89,290
Trade payables	Level 2	4,20,445	4,20,445	4,22,734	4,22,734	3,69,410	3,69,410
Other financial liabilities	Level 2	82,534	82,534	72,739	72,739	52,596	52,596

1. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Reconciliation of Level 3 fair value measurements for the year ended 31 March 2017:

₹ in Lakh

Particulars	Investments in unquoted equity instruments at FVTOCI	Investments in unquoted venture capital fund at FVTPL	Total
Opening balance	53,660	472	54,132
Total gains or losses:			
- in profit or loss	-	23	23
- in other comprehensive income	(10,920)	-	(10,920)
Exchange differences	(335)	-	(335)
Sold	-	(81)	(81)
Closing balance	**42,405**	**414**	**42,819**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of Level 3 fair value measurements for the year ended 31 March 2016:

₹ in Lakh

Particulars	Investments in unquoted equity instruments at FVTOCI	Investments in unquoted venture capital fund at FVTPL	Total
Opening balance	48,731	474	49,205
Total gains or losses:			
- in profit or loss	-	-	-
- in other comprehensive income	952	-	952
Exchange differences	1,179	-	1,179
Purchases	2,798	-	2,798
Sold	-	(2)	(2)
Closing balance	**53,660**	**472**	**54,132**

NOTE 51

RELATED PARTY DISCLOSURE FOR THE YEAR ENDED MARCH 31, 2017

(a) Investing Party & its Group
- i) Murugappa Holdings Limited (Investing Party)
- ii) Parry Enterprises India Limited
- iii) Parry Agro Industries Limited

(b) Joint Venture Entites
- i) Coromandel Getax Phospates Pte Ltd
- ii) Coromandel SQM India Pvt Limited
- iii) Yanmar Coromandel Agrisolutions Private Limited

(c) Associate Entity
Labelle Botanics LLC (subsidiary upto April 1, 2015)

(d) Key Management Personnel
- i) Mr. V. Ramesh, Managing Director
- ii) Mr. S. Suresh, Deputy Managing Director, w.e.f 01.07.2016
- iii) Mr. S. Govindarajan, Manager in Coromandel International Limited as per the Companies Act, 2013, w.e.f 01.08.2015 to 30.09.2015
- iv) Mr. Sameer Goel, Managing Director in Coromandel International Limited, w.e.f 01.10.2015

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
i) Sale of Finished Goods / Raw Materials / Services		
Coromandel SQM India Private Limited	341	142
Parry Enterprises India Limited	36	-
Parry Agro Industries Limited	37	-
ii) Purchase of Finished Goods and Services		
Coromandel SQM India Private Limited	2,911	2,175
Labelle Botanic LLC	1,458	94
Parry Enterprises India Limited	782	725
Yanmar Coromandel Agrisolutions Private Limited	2	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
iii) Purchase of Assets and Spare Parts		
Yanmar Coromandel Agrisolutions Private Limited	124	154
iv) Commission on sales		
Sabero Philippines	12	-
v) Expenses Reimbursed to		
Yanmar Coromandel Agrisolutions Private Limited	-	1
vi) Expenses Reimbursed by		
Coromandel SQM India Private Limited	3	4
Yanmar Coromandel Agrisolutions Private Limited	*	-
Parry Enterprises India Limited	2	1
vii) Payment of Dividend		
Murugappa Holdings Limited	2,349	-
viii) Investment made		
Equity shares of Yanmar Coromandel Agrisolutions Private Limited	400	400
ix) Deposit paid and received back		
Coromandel SQM India Private Limited	1	-
x) Closing Balances - Debit / (Credit)		
Coromandel SQM India Private Limited	(1,522)	(1,205)
Yanmar Coromandel Agrisolutions Private Limited	(1)	(2)
Labelle Botanic LLC	(375)	140
Sabero Philippines	5	6
Parry Agro Industries Limited	3	-
Parry Enterprises India Limited	(72)	(13)

* - Less than a lakh

NOTE 52

CONTINGENT LIABILITIES

₹ in Lakh

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
a. Commitments			
1. Capital expenditure commitment	3,170	1,553	3,912
2. Commitment towards investment	332	732	1,132
3. Maximum obligation on long term lease of land	1,343	370	378
b. Other monies for which the Company is contingently liable			
1 Letters of Credit and Bank Guarantees established for Purchases of Raw Materials, Spares and Capital Goods / Supply of Goods	1,00,390	5,120	8,553
2 Income tax demands contested for which no provision has been made	7,608	6,022	5,013
3 Claims against the Group for Sales tax, Excise Duty and others including Industrial Disputes not acknowledged as Debt and not provided for.	9,178	9,619	15,229

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
4 Cane cost subsidy (Refer Note 52.1)	-	898	-
5 Cane price (Refer Note 52.2)	19,887	16,154	10,873
6 Certain Industrial Disputes are pending before Tribunal / High Courts. The liability of the Group in respect of these disputes depends upon the final outcome of such cases and the quantum of which is not currently ascertainable.			
7 Other claims against the Company not acknowledged as debts	1,956	1,380	1,775

52.1 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 had not met the said conditions.

52.2 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.

52.3 Future cash outflows in respect of the above referred matters are determinable only on receipt of judgements / decisions pending at various forums / authorities

52.4 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 53

EXCEPTIONAL ITEMS

During the year ended March 31, 2016, in respect of the 'Hudhud' cyclone which impacted the Group's operations at Visakhapatnam in the earlier years, the Group has recognised the business interruption claim amounting to ₹ 2,500 lakh received from the Insurance company.

NOTE 54

FIRST-TIME IND AS ADOPTION RECONCILIATION

54.1 Reconciliation of total equity as at March 31, 2016 and April 01, 2015

₹ in Lakh

Particulars	Notes	As at March 31, 2016 (End of last period Presented under Previous GAAP)	As at April 01, 2015 Date of Transition
Total Equity (shareholder's funds) under previous GAAP		**2,22,608**	**2,22,700**
Impact of amalgamation of common control entities	a	145	175
Impact of change in functional currency of a subsidiary	b	2,144	-
Fair valuation of investments under Ind AS (net of tax)	e	12,899	11,629
Dividend not recognised as liability until declared under Ind AS	c	1,433	2,660
Effect of measuring guarantees at fair value	f	(133)	(43)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakh

Particulars	Notes	As at March 31, 2016 (End of last period Presented under Previous GAAP)	As at April 01, 2015 Date of Transition
Effect of measuring derivatives at FVTPL	g	(150)	789
On account of Fixed Asset restatement and recognition of decommissioning liability	h	30	30
Effect of accounting Long term asset/borrowing under effective interest rate	i	(44)	(162)
Effect of alignment of revenue recognition practise	j	(385)	(262)
Effect of change in depreciation recognised as change in estimate	k	-	(493)
Deferred tax impact on account of Ind AS adjustments	r	186	(150)
Total adjustment to equity		**16,125**	**14,173**
Total equity under Ind AS		**2,38,733**	**2,36,873**

54.2 Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ in Lakh

Particulars	Notes	Year ended March 31, 2016 (Latest period presented under previous GAAP)
Profit as per previous GAAP		**15,545**
Adjustments		
Effect of measuring guarantee issued at fair value	f	109
Effect of change in functional currency	b	2,613
Effect of measuring derivatives at FVTPL	g	(1,096)
Effect of alignment of revenue recognition practise	j	(203)
Transfer of actuarial loss to Other Comprehensive income	d	212
Effect of accounting Long term borrowings under Effective interest rate	**i**	**25**
Effect of measuring investment at fair value through profit and loss account	l	(43)
Effect of transfer of forex fluctuation from Profit and Loss to Other comprehensive income	m	83
Effect of Accounting Long term deposit under amortised cost model	n	(11)
Share of profit/(loss) from Associate	*o*	*58*
Recognition of fair value cost of unvested options	p	(9)
Deferred tax adjustments	r	239
Total effect of transition		**1,977**
Profit for the year as per Ind AS		**17,522**
Other comprehensive income for the year (net of tax)	g	2,413
Total comprehensive income under Ind AS		**19,935**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

54.3 Effect of Ind AS adpotion on the statement of cashflows for the year ended March 31, 2016

₹ in Lakh

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from operating activities	83,279	(39,577)	43,702
Net cash flow from / (used in) investing activities	(15,576)	(3,427)	(19,003)
Net cash flow used in financing activities	(61,601)	39,483	(22,118)
Net (decrease) / increase in cash and cash equivalents.	**6,102**	**(3,521)**	**2,581**
Cash and cash equivalents as at beginning of the Year	23,665	(757)	22,908
Less: Cash & Cash Equivalent de-recognised on discontinuing line by line consolidation of Labelle Botanics LLC	(203)	-	(203)
Exchange gain/(loss) on cash and cash equivalents	(509)	471	(38)
Cash and cash equivalents as at end of the Year	**29,055**	**(3,807)**	**25,248**

54.4 Notes to the reconciliations

a. Amalgamation of Subsidiaries

Two subsidiaries Parry Phytoremedies Private Limited and Parrys Sugar Industries Limited was amalgamated with the Company with the appointed date of April 01, 2014 and April 01, 2016. This amalgamation would get covered as part of the common control transactions as provided in Ind AS 103 - Business Combinations. Ind AS 103 requires that the amalgamation should be accounted as if it was there on the earliest period reported being April 01, 2015.

b. Change in Functional currency of PSRIPL

Under Ind AS, there was a change in functional currency from Indian rupee to US dollar with respect to subsidiary, Parry Sugars Refinery India Private Limited (PSRIPL). Accordingly, the entire books of accounts have been reworked in USD for 2015-16. While under previous GAAP books of accounts were maintained in INR, due to this change all items in the Statement of Profit or Loss will be affected since the entries are initially booked in USD and translated into INR for the purpose of preparation and presentation of financial statements using a yearly average rate.

c. Proposed Dividend

Under previous GAAP, dividend on equity shares recommended by the board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a general meeting.

d. Actuarial gains and losses

Under previous GAAP, actuarial gains and lossed were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in the other comprehensive income under Ind AS instead of profit or loss.

e. Long term investments as FVTOCI

Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified as FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP and the corresponding deferred tax has been accounted.

f. Financial guarantee recognised at fair value

Under Ind AS, financial guarantee contracts are accounted as financial liabilities and measured at fair value at inception and subsequently measured at the higher of the amortised value or the obligation amount in case it is probable that the guarantee amount is payable. Accordingly, liability has been recognised with a corresponding charge to profit or loss. The consequential tax effect has also been recognised. Under Indian GAAP, guarantee issued were not recognised in the Balance Sheet unless it is probable that the guarantee amount is payable.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

g. Derivatives recognised as FVTPL

Under Ind AS, derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately. Under Indian GAAP, foreign exchange forward contracts were restated and premium or discount associated with such instruments were recorded as exchange differences over the period of the contract. In respect of currency options/ swap contracts outstanding as at the Balance Sheet date were marked to market and net loss was charged to profit or loss.

h. Property, plant and equipment

Under the measurement principles of Ind AS 16, cost of Plant and Equipment also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. The Group has estimated such costs as of the transition date pertaining to fixed assets accordingly Plant and equipment is capitalised and a provision of the equivalent amount has been created. The Interest unwind for decommissioning liability for the year 2015-16 has been done. Further, capital expenditure incurred on developing the land taken under operating lease has been added to the cost of buildings. There is a net charge to retained earnings to the extent of ₹ 31 lakh due to the difference in depreciation as per previous GAAP and as per Ind AS on account of this. During the year ended 31st March 2016, there is a decrease in depreciation by ₹ 4 lakh as compared to previous GAAP. This difference is pursuant to computation of depreciation in the functional currency (USD) instead of INR as per previous GAAP with respect to subsidiary PSRIPL.

i. Upfront fee in Borrowings

Under Ind AS, Borrowings under amortised cost are to be accounted under effective interest rate method under Ind AS 109. Accordingly, the processing fee and other upfront fees paid for obtaining loans should be considered for effective interest calculation and not to be charged to Profit and loss account. The consequent tax effect has also been accounted.

j. Alignment of revenue recognition practise

Under Ind-AS, cash discounts are considered part of the overall consideration receivable and is recognised on an estimated basis at the time of sales. Under Indian GAAP cash discounts are recognised at the time of collection from debtors.

k. Change in depreciation recognised as change in estimate

As per the transitional provisions prescribed in Schedule II to the Act, the Group had 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 (1 April 2015) and has adjusted against the opening retained earnings.

l. Current investments at fair value

Under Indian GAAP, the Company accounted for certain investments in quoted equity shares as investment measured at lower of cost and fair value. Under Ind AS, the Group has designated such investments as FVTPL.

m. Foreign currency translation reserve

Under previous GAAP, foreign subsidiaries are classified as integral and non-integral operations. Accordingly, translation difference for integral subsidiaries are to be routed through the profit and loss account. Whereas, Ind AS requires that the translation difference with respect to all foreign subsidiaries will be accumulated in Other Comprehensive Income under Foreign currency translation reserve. Accordingly, the translation difference for subsidiaries Alimtec and Parry America, which were treated as integral operations, has been routed through other comprehensive income.

n. Long term financial assets at amortised cost

Under Indian GAAP, long-term financial assets such as interest free deposit were recognised at the contractual amount and were not discounted. Under Ind AS, where the effect of time value of money is material, the amount of asset should be recognised at the present value of amount expected to receive the asset. These assets are subsequently measured at amortised cost method.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

o. Foreign currency translation reserve

Under previous GAAP, foreign subsidiaries are classified as integral and non-integral operations. Accordingly, translation difference for integral subsidiaries are to be routed through the profit and loss account. Whereas, Ind AS requires that the translation difference with respect to all foreign subsidiaries will be accumulated in Other Comprehensive Income under Foreign currency translation reserve. Accordingly, the translation difference for subsidiaries Alimtec and Parry America, which were treated as integral operations, has been routed through other comprehensive income.

p. Share based payments in Fair value

Under previous GAAP, the cost of equity settled employee share-based payments was recognised using the intrinsic value method. This did not result in recognising any expense in profit or loss in respect of these share-based payments because the fair value of the shares on the grant date equaled the exercise price. Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date.

q. Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

r. Deferred Taxes

Under previous GAAP, deferred taxes were to be accounted on timing differences arising between the accounting profit and tax profit. However, such method has been replaced with balance sheet approach in Ind AS, wherein deferred taxes are to be accounted for the differences arising between the accounting balance sheet and tax balance sheet. Accordingly, deferred taxes has been accounted for such temporary differences.

55. Disclosure of additional information as required by the Schedule III

a) As at and for the year ended March 31, 2017

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the entity in the Group	Net Asset		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Lakh	As % of consolidated profit or loss	Amount ₹ in Lakh	As % of consolidated other comprehensive income	Amount ₹ in Lakh	As % of consolidated total comprehensive income	Amount ₹ in Lakh
Parent Company								
E.I.D.Parry (India) Limted	21%	81,973	30%	21,167	18%	(1,928)	32%	19,239
Subsidiaries - Indian								
Coromandel International Limited	43%	1,61,671	41%	28,994	19%	(1,905)	45%	27,089
Liberty Pesticides and Fertilisers Limited (LPFL)	*	147	*	7	-	-	*	7
Parry Chemicals Limited (PCL)	*	968	*	21	-	-	*	21
Dare Investments Limited (DIL)	*	527	*	(1)	2%	(215)	*	(216)
Parry Infrastructure Company Private Limited	*	1,934	*	33	4%	(445)	(1)%	(412)
Parrys Sugar Limited	*	284	*	21	-	-	*	21
Parrys Investments Limited	*	237	*	9	*	1	*	10
Parry Agrochem Exports Limited	*	28	*	2	-	-	*	2
Parry Sugars Refinery India Private limited	1%	4,380	2%	1,415	(1)%	81	2%	1,496
Subsidiaries - Foreign								
Sabero Organics America S.A.	*	197	*	(7)	*	22	*	15
Sabero Australia Pty Ltd, Australia	*	(2)	*	18	*	(14)	*	4
Sabero Europe B.V.	*	(1)	*	-	-	-	-	-
Sabero Argentina S.A.	*	1	*	1	-	-	*	1
Coromandel Agronegocios de Mexico, S.A de C.V (Coromandel Mexico)	*	69	*	23	*	(11)	*	12
CFL Mauritius Limited	3%	11,057	*	(15)	27%	(2,928)	(5)%	(2,943)
Coromandel Brasil Limitada, Limited Liability Partnership	*	(69)	*	(27)	*	(5)	*	(32)
Parry America Inc	*	1,546	1%	458	*	(17)	1%	441
US Nutra	2%	5,902	*	172	*	*	*	172
Alimtec S.A.	1%	2,398	*	(264)	*	*	*	(264)
Joint Ventures - Indian								
Coromandel SQM (India) Private Limited	*	580	*	108	-	-	*	108
Yanmar Coromandel Agrisolutions Private Limited	*	440	*	(151)	-	-	*	(151)
Joint Ventures - Foreign								
Coromandel Getax Phosphates Pte Ltd.,	*	-	*	-	-	-	*	-
Associate - Foreign								
Labelle Botanics LLC	*	764	*	97	-	-	*	97
Minority Interest in all subsidiaries	29%	1,13,769	26%	18,744	31%	(3,286)	26%	15,458
Total	**100%**	**3,88,800**	**100%**	**70,825**	**100%**	**(10,650)**	**100%**	**60,175**

* Less than a lakh

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

56 Based on and to the extent of information available with the Group under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

₹ in Lakh

Sl.No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	656	421	310
(ii)	Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-	-
(iv)	Interest paid to suppliers under MSMED Act (other than Section 16)	-	-	-
(v)	Interest paid to suppliers under MSMED Act (Section 16)	-	-	-
(vi)	Interest due and payable to suppliers under MSMED Act, for payments already made	-	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-	-

57 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 18, 2017.

For and on behalf of the Board of Directors

V. Ramesh
Managing Director

A Vellayan
Chairman

Chennai
May 18, 2017

G Jalaja
Company Secretary

V Suri
Chief Financial Officer

NOTES

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