Parry Sugars Refinery India Private Limited
Balance Sheet as at March 31, 2017

(Amounts in lakhs)

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
			INR	INR	INR
A	**ASSETS**				
1	**Non-current assets**				
	(a) Property, Plant and Equipment	4	42,192.53	44,452.57	41,214.87
	(b) Capital Work-In-Progress	4	355.92	196.84	63.53
	(c) Financial Assets				
	(i) Deferred Tax Assets(Net)	5	-	-	-
	(ii) Other Financial Assets	6A	118.68	105.17	186.41
	(d) Other Non Current Assets	11A	1,233.85	1,282.10	2,287.85
	Total Non - Current Assets		43,900.98	46,036.68	43,752.66
2	**Current assets**				
	(a) Inventories	7	106,288.60	81,735.87	40,605.02
	(b) Financial Assets				
	(i) Investments	8	3,043.99	3,302.90	-
	(ii) Trade receivables	9	292.45	11,779.76	77.20
	(iii) Cash and Cash equivalents	10	7,494.87	2,071.05	27.59
	(iv) Other Financial Assets	6B	15,252.70	22,414.58	3,528.43
	(c) Other Current Assets	11B	7,574.14	3,350.59	1,057.69
	Total Current Assets		139,946.75	124,654.75	45,295.93
	Total Assets (1+2)		**183,847.73**	**170,691.43**	**89,048.59**
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity Share capital	12	27,072.57	16,628.12	11,628.12
	(b) Other Equity	13	(22,692.66)	(27,843.42)	(21,821.51)
	Total equity		4,379.91	(11,215.30)	(10,193.39)
	LIABILITIES				
2	**Non-current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	14	27,000.00	42,271.35	38,956.81
	(b) Non-Financial Liabilities				
	(i) Long term provisions	16A	64.17	46.46	34.31
	(ii) Other Non Financial Liabilities	19A	2.30	4,028.11	4,061.69
	Total Non - Current Liabilities		27,066.47	46,345.92	43,052.81
3	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	17	41,475.25	81,990.19	22,150.39
	(ii) Trade payables	18	97,422.03	48,519.17	31,937.38
	(iii) Other Financial Liabilities	15	13,447.79	4,956.60	2,017.48
	(b) Non-Financial Liabilities				
	(i) Short term provisions	16B	1.67	1.17	21.39
	(ii) Other Non Financial Liabilities	19B	54.61	93.68	62.53
	Total Current Liabilities		152,401.35	135,560.81	56,189.17
	Total Equity and Liabilities (1+2+3)		**183,847.73**	**170,691.43**	**89,048.59**
	See accompanying notes to the financial statements				

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Chairman **Director**

M.K. Ananthanarayanan
Partner
Place : Chennai
Date : May 11, 2017

Chief Financial Officer

Parry Sugars Refinery India Private Limited
Statement of Profit and Loss for the year ended March 31, 2017

(Amounts In lakhs)

	Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
			INR	INR
I	Revenue from operations	20	184,686.04	114,536.33
II	Other Income	21	3,157.40	4,732.70
III	**Total Revenue (I + II)**		**187,843.44**	**119,269.03**
IV	**EXPENSES**			
	(a) Cost of materials consumed	22	161,590.53	102,721.79
	(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	23	(5,854.39)	(1,354.63)
	(c) Employee benefits expense	24	643.87	485.24
	(d) Finance costs	25	5,341.24	6,295.04
	(e) Depreciation and amortisation expense	4	2,798.46	2,585.10
	(f) Other expenses	26	21,908.07	14,089.68
	Total Expenses		**186,427.78**	**124,822.22**
V	**Profit/(loss) before tax (III - IV)**		**1,415.66**	**(5,553.19)**
VI	**Tax Expense**			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total tax expense	28.01	**-**	**-**
VII	**Profit/(Loss) for the year (V-VI)**		**1,415.66**	**(5,553.19)**
VIII	**Other comprehensive income**			
	(i) Items that will not be recycled to profit or loss			
	(a) Exchange differences in translating the financial statements to Presentation Currency		78.45	(472.61)
	(b) Remeasurements of the defined benefit liabilities / (asset)		1.10	3.89
	Total other comprehensive income ((i) a+b)		**79.55**	**(468.72)**
IX	**Total comprehensive income for the year (VII + VIII)**		**1,495.21**	**(6,021.91)**
X	**Earnings per equity share (Face value of Rs 10 per share):**			
	Basic and diluted (Rupees per share)	30	**0.86**	**(3.93)**

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Chairman **Director**

M.K. Ananthanarayanan
Partner

Chief Financial Officer

Place : Chennai
Date : May 11, 2017

Parry Sugars Refinery India Private Limited
Statement of Cashflows for the year ended March 31, 2017

(Amounts in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
	INR	INR
A. Cash flows from operating activities		
Profit for the year	1,415.66	(5,553.19)
Adjustments for:		
Finance costs recognised in profit or loss	5,341.24	6,295.04
Depreciation and amortisation expenses	2,798.46	2,585.10
Profit on Sale of Assets	(1.11)	-
Marked to Market loss/(gain) on Forward and Swap Contract	(1,669.82)	1,781.54
Marked to Market loss on Commodity Contracts	4,244.99	1,468.07
Interest Income	(17.86)	(99.17)
Liabilities no longer required written back		(187.45)
Deferred Expense (Net of Interest Income) arising from Interest free deposits carried at amortised cost	35.16	(250.77)
Interest on zero coupon debentures	528.52	480.95
Operating Profit before working capital changes	12,675.23	6,520.12
Movements in working capital:		
(Increase)/decrease in trade and other receivables	11,487.31	(11,702.56)
(Increase)/decrease in inventories	(23,577.12)	(44,142.10)
(Increase)/decrease in Other Financial Assets (Current)	7,663.74	(19,582.88)
(Increase)/decrease in Other Current Assets	(4,223.55)	(2,292.91)
(Increase)/decrease in other Non Financial Assets (Non Current)	(0.42)	1,510.14
Increase /(decrease) in Trade payables	48,902.86	16,769.24
Increase /(decrease) in Long term and Short term provisions	18.21	(8.08)
Increase/(decrease) in Other Non Financial Liabilities	(37.96)	35.04
Increase/(decrease) in Other Financial Liabilities	(289.91)	228.22
	39,943.17	(59,185.89)
Cash generated from / (used in) operations	52,618.40	(52,665.77)
Income taxes paid		(172.40)
Net cash generated from / (used in) operating activities	52,618.40	(52,838.17)
B. Cash flows from investing activities		
Payments to acquire Property, Plant and Equipment	(1,595.25)	(3,417.46)
Interest received	15.73	98.79
Dividends received		
Proceeds from sale of fixed Assets	1.66	
Bank balances not considered as Cash and cash equivalents - Placed	(5,800.00)	(0.93)
Net cash (used in)/generated by investing activities	(7,377.86)	(3,319.60)
C. Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	-	5,000.00
Proceeds from issue of preference shares	-	2,800.00
Proceeds from short term borrowings(net) including bank overdrafts	(40,503.05)	59,506.07
Finance costs	(5,360.71)	(6,136.60)
Net cash used in financing activities	(45,863.76)	61,169.48
Net increase in cash and cash equivalents	(623.22)	5,011.71
Cash and cash equivalents at the beginning of the year	5,345.26	333.56
Cash and cash equivalents at the end of the year	4,722.05	5,345.26
	(623.21)	5,011.70

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
	INR	INR
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and Cash Equivalents (Note No 10)	7,494.87	2,071.05
Less: Bank Balances not considered as Cash and Cash Equivalents as defined in AS 3 Cash Flow Statements	(5,816.80)	(16.80)
Add: Bank Overdraft included in Current borrowings (Note 17)	-	(11.89)
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 7 Statement of Cashflows)	3,043.99	3,302.90
Net Cash and Cash Equivalents (as defined in AS 3 Cash Flow Statements)	4,722.05	5,345.26

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Chairman **Director**

M.K. Ananthanarayanan
Partner

Chief Financial Officer

Place : Chennai
Date : May 11, 2017

Parry Sugars Refinery India Private Limited
Statement of changes in equity for the year ended March 31, 2017
All amounts are in INR Lakhs unless otherwise stated)

a. Equity

Particulars	Amount
Issued, subscribed and Paid up Capital	
Balance at April 1, 2015	**11,628.12**
Issue of Equity shares to Holding Company	5,000.00
Balance at March 31, 2016	**16,628.12**
Conversion of Preference shares to Equity shares	10,444.45
Balance at March 31, 2017	**27,072.57**

b. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Securities premium reserve	Debenture redemption Reserve	Retained earnings	Foreign Currency Translation Reserve	Other Items of other comprehensive income	
	INR	INR	INR	INR	INR	INR
Balance as at 01 April 2015	30,741.44	-	(52,562.95)			(21,821.51)
2015-16						
Loss for the year			(5,553.19)			(5,553.19)
Remeasurement of defined benefit plans					3.89	3.89
Exchange differences in translating the financial statements to Presentation Currency				(472.61)		(472.61)
Balance as at 31 March 2016	30,741.44	-	(58,116.14)	(472.61)	3.89	(27,843.42)
2016-17						
Premium on conversion of preference shares into equity shares	3,655.56					3,655.56
Profit for the year			1,415.66			1,415.66
Transfer to Debenture Redemption Reserve		1,415.66	(1,415.66)			-
Exchange differences in translating the financial statements to Presentation Currency				78.45		78.45
Remeasurement of defined benefit plans				-	1.10	1.10
Balance as at 31 March 2017	**34,397.00**	**1,415.66**	**(58,116.14)**	**(394.16)**	**4.99**	**(22,692.66)**

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Chairman **Director**

M.K. Ananthanarayanan
Partner

Place : Chennai
Date : May 11, 2017

Chief Financial Officer

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

1 Corporate Information

Parry Sugars Refinery India Private Limited (‘the Company’) is a private company limited by shares, incorporated on 13 January 2006 and having its Registered Office at Chennai, Tamilnadu. The company is primarily engaged in the manufacturing of refined Sugar in its factory located in Kakinada. The plant was originally constructed to run on Natural Gas as its fuel and the company had a firm allocation of Natural gas from Government of India. . However gas supplies to the plant was stopped due to unexpected drop in overall gas production, due to which the Company's operations were discontinued from 1 November 2011. The Company assessed the suitability of alternative fuels and concluded that coal would be a viable substitute for running the plant. The Company also commissioned Coal fired boiler and Power Plant and re-commenced its operations from 16 July 2014.

2 Statement of compliance

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

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31st March 2017 are the first financials, the Company has prepared in accordance with Ind AS. The date of transition to Ind AS is April 1, 2015. Refer Note 3.21 for details of first time adoption exemptions availed by the company.

3 Significant Accounting Policies

3.1 Basis of preparation and presentation

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) which comprises of Indian Accounting Standards (Ind-AS) as specified in Section133 of the Act, read with Rule 4 of Companies (Indian Accounting Standards) Rules 2015 and Rule 4 of Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable to the Company and other provisions of the Act. The Balance Sheet and the Statement of Profit and Loss, including related notes, are prepared and presented as per the requirements of the Schedule III to the Companies Act, 2013 amended vide MCA notification G.S.R. 404(E) dated the 6th April 2016. The financial statements for the year ended 31st March 2017 have been prepared in accordance with these Rules, and the financial statements for the comparative year ended 31st March 2016 have been restated accordingly.

All assets and liabilities have been classified and disclosed as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III. Based on the nature of operations and the time between the acquisition of assets for sale of goods and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

Accounting policies have been consistently applied to all the periods presented, except where a newly issued accounting standard is initially adopted, or a revision to existing accounting standards require requires a change in the accounting policy hitherto in use.

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.

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.

3.2 Going Concern Assumption

The Company has accumulated loss of Rs. 58,116 lakhs resulting in substantial erosion of net worth. The Management is confident that the Company will be able to generate profits in future years to meet its financial obligation as may arise.The Company's financial statements have been prepared on a going concern basis based on cumulative impact of the following mitigating factors:-

A. Company has not defaulted in payment of any statutory dues including interest on bank borrowings.

B. In order to strengthen the financial position, the Company has restructured its high cost bank borrowings with low cost debentures, with support of corporate guarantee from holding Company during the year 2014-15.

C. E.I.D Parry (India) Ltd - Holding Company infused Rs.5,000 lakhs and Rs. 2,800 lakhs in the form of Equity Shares and Preference Shares respectively during the year 2015-16.

D. To overcome the operational issues arising out of non-availability of gas, the Company has invested in Coal based boiler and operations commenced during July 2014. The power plant has also been synchronized with AP grid and the plant is exporting the surplus power.

E. The company's production volumes have increased in 2015-16 and 2016-17. From Feb 2015, the Company has commenced the locking of raw sugar and white sugar prices in the international commodity exchanges.

Besides the above, the Company has also taken several Strategic initiatives, cost reduction and efficiency improving measures to improve profitability .

3.3 Functional and presentation currency

As mentioned in Note 1 above, the company recommenced its operation on 16 July 2014 with coal fired boilers. During the period July 2014 to March 2015, the refining plant faced initial teething issues. Production and Sales have stabilised in January to March 2015. During 2015-16, the production and sale have increased and volumes have stabilised. Being in an SEZ location, the company imports raw sugar and exports white sugar, consequently exposing the company to the risks in the international market. From February 2015, the company starting locking the premium/margins for its refining business using USD denominated sugar commodity futures and option contracts. With almost all the company's revenues in USD, the company has swapped its INR denominated debentures to USD to achieve a natural hedge.

Owing to the above, the management has assessed that the currency of the Company's primary economic environment is USD since the significant portion of its revenue and cost (and consequently margins) are affected by the USD. The functional currency has been changed from INR to USD on 1 April 2015 since during 2014-15 the company completed the capitalisation, recommenced operations and the volumes have stabilised.

Accordingly, items included in the financial statements are measured using USD as the functional currency. The financial statements are presented in Indian Rupees (INR) ("the presentation currency ") being the common currency in which consolidated financial statements of its holding company are presented, and has been rounded up to the nearest lakh except where otherwise indicated.

3.4 Revenue recognition

Sale of goods

The main activity of the Company is refinement of raw-sugar. Revenue from sale of refined sugar is measured at the fair value of the consideration received or receivable, less returns (if any), trade discounts, volume rebates and value added taxes. Revenue from the sale of goods is recognised when the goods are dispatched 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;

Dividend and interest income

a). Dividend income from investments is recognised when right to receive it is established.

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.

3.5 Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement. Lease in which significant portion of the risks and rewards of ownership are not transferred to the lessee are classified as operating lease. Lease other than operating lease is finance lease.

As a lessee

The Company'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.

The Company has taken 'Land' on an operating lease. Lease payments thereon are recognised in the Statement of Profit and Loss, on straight-line basis over the lease period. 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.

3.6 Foreign currency transactions and translations

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 arising on translation are recognised in the income statement for determination of net profit or loss during the period.

For the purpose of presenting these financial statements, the assets and liabilities of the company are translated into Indian Rupee using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

3.7 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised as expenses in the period in which they are incurred.

To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

3.8 Employee Benefits

(I) *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.

The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India (LIC).

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 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.

(c) Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

Gratuity for certain employees is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized 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.

3.9 Earnings Per Share

The Company presents basic and diluted earnings / (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. To the extent that partly paid shares are not entitled to participate in dividends during the period they are treated as the equivalent of warrants or options in the calculation of diluted earnings per share.

3.10 Income taxes

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

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.

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.

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.

Current and Deferred tax

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.

3.11 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:

Description of assets	**Estimate of Useful Lives (yrs.)**
Buildings	10-60
Plant and machinery (Continuous process)	18
Plant and equipment (General)	3-5
Furniture and fittings	10
Office equipment	5
Motor vehicles	4

An item of property, plant and equipment is derecognized 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.

Useful lives, residual value and the method of depreciation charged on Property, Plant and Equipment are reviewed at each reporting date and adjusted where necessary.

3.12 Impairment of Non-Financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible 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 company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 the statement of 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.

3.13 Inventories

Inventories comprise raw sugar, white sugar, work in progress, and white sugar in finished condition. Inventories of raw-materials are generally measured at cost, unless the white-sugar of finished goods does not have adequate realizable value to meet the cost. Finished goods of white sugar are measured at lower of cost (determined using specific identification method) and net realizable value. Cost comprises cost of purchase, and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories of by-products are valued at estimated net realisable value.

3.14 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.

Asset retirement obligation:

The Company recognizes the estimated liability for future costs to be incurred in the remediation of site restoration in regards to plant and equipment removal and disposal thereof, only when a present legal or constructive obligation has been determined and that such obligation can be estimated reliably. Upon initial recognition of the obligation, the corresponding costs are added to the carrying amount of the related items of property, plant and equipment and amortized as an expense over the economic life of the asset, or earlier if a specific plan of removal exists. This obligation is reduced every year by payments incurred during the year in relation to these items. The obligation might be increased by any required remediation to the owned assets that would be required through enacted legislation.

3.15 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.

3.16 Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognized 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 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 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.

• the debt instruments carried at amortised cost include Deposits, Debtors, Loans and advances recoverable in cash.

For the impairment policy on financial assets measured at amortized cost, refer Note 3.16.d

b. Effective Interest Method

The effective interest method is a method of calculating the amortised 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 forms an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instruments, or, where appropriate a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest Income is recognized in Statement of profit or loss and is included in 'Other Income' line item.

c. Financial Assets measured 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.

d. 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.

e. 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.

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.

f. 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 recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

3.17 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 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.

Fair value is determined in the manner described in note 32.

A Financial liability is classified as held for trading if

i) It has been incurred principally for the purpose of repurchasing it in the near term; or

ii) 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

iii) it is a derivative that is not designated and effective as a hedging instrument.

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. 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.4. Derecognition of financial liabilities

The Company derecognizes 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 derecognized and the consideration paid and payable is recognised in profit or loss.

3.18 Derivative financial instruments

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.

a. Commodity Derivatives

Some of the company'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 recognized 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.

b. Other Financial Derivatives

All other financial 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.

3.19 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.

3.20 Fair Value Measurement

In a number of areas, accounting policies and disclosures being made by the Company require the determination of fair value, for both financial and non-financial assets and liabilities. 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.

For purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability, and the fair value hierarchy.

Fair values have been determined for measurement and disclosure purposes based on the following method:

Investments in Mutual Funds: The fair value of these financial assets is determined by reference to their quoted price at the reporting date. When the fair value of the financial asset cannot be measured reliably, it is measured at cost.

Derivatives: The fair value of forward exchange contracts is based on their quoted price. The fair value of cross currency swaps that involves interest is determined by using appropriate valuation models.

Non derivative financial liabilities: Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3.21 First-time adoption – mandatory exceptions, optional exemptions

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;

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

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.

Impairment of financial assets and financial liabilities

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.

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.

Decommissioning liabilities included in the cost of property, plant and equipment

Appendix ‘A’ to Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life., But being the first time adopter the Company has calculated decommissioning liability at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first acquired/constructed.

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.

3.22 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in above notes, 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making their judgement, the directors 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 Company had transferred to the buyer the significant risks and rewards of ownership of the goods.

Determination of functional currency

In making their judgement, the directors considered the detailed scenario for the determination of USD as functional currency on the basis of criteria laid down in Ind AS 21 and, in particular in which currency major purchases and sales are made.

Identifying non financial derivative instruments entered into and continued to be held for receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements

In making their judgement, the directors considered the past purchase and sale patterns, business plans of the company and also considers data from Hedge desk team to evaluate the contracts that are scoped out.

Key sources of estimation uncertainty

The following are the key assumptions 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.

Fair value measurements and valuation processes

Some of the Company’s assets and liabilities are measured at fair value for financial reporting purpose.

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 CFO 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 32.

Useful life of Property, Plant and Equipments

As described in note 3.11 above, the company reviews the estimated useful lives of the property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of all the assets in the property, plant and equipment with respect to previous year shall remain unchanged.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

4 Tangible Assets

Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
	INR	INR	INR	INR	INR	INR
I. Cost or Deemed Cost						
Balance as at 1 April, 2015	11,002.17	30,170.55	7.11	31.67	3.37	41,214.87
Additions	2,728.82	647.58	2.54	1.26	-	3,380.20
Effect of foreign currency translation from functional currency to reporting currency	660.62	1,811.58	0.43	1.90	0.20	2,474.73
Balance as at 31 March, 2016	**14,391.61**	**32,629.71**	**10.08**	**34.83**	**3.57**	**47,069.80**
Additions	253.84	1,113.74	16.79	6.71	0.24	1,391.32
Disposals	-	-	(0.54)	-	(0.35)	(0.89)
Effect of foreign currency translation from functional currency to reporting currency	(304.68)	(690.79)	(0.75)	(0.74)	(0.36)	(997.32)
Balance as at 31 March, 2017	**14,340.77**	**33,052.66**	**25.58**	**40.80**	**3.10**	**47,462.91**
II. Accumulated depreciation and impairment for the						
Balance as at 1 April, 2015	-	-	-	-	-	-
Depreciation / amortisation expense for the year	450.97	2,123.48	2.94	5.11	2.60	2,585.10
Effect of foreign currency translation from functional currency to reporting currency	5.60	26.40	0.04	0.06	0.04	32.14
Balance as at 31 March, 2016	**456.57**	**2,149.88**	**2.98**	**5.17**	**2.64**	**2,617.24**
Depreciation / amortisation expense for the year	559.84	2,221.85	11.07	5.53	0.17	2,798.46
Depreciation on disposals during the year	-	-	(0.29)	-		(0.29)
Effect of foreign currency translation from functional currency to reporting currency	(25.07)	(111.61)	(8.05)	(0.29)	-	(145.02)
Balance as at 31 March, 2017	**991.34**	**4,260.12**	**5.71**	**10.41**	**2.81**	**5,270.39**
III.Carrying Amount						
Balance as at 1 April, 2015	11,002.17	30,170.55	7.11	31.67	3.37	41,214.87
Additions	2,728.82	647.58	2.54	1.26	-	3,380.20
Depreciation	(450.97)	(2,123.48)	(2.94)	(5.11)	(2.60)	(2,585.10)
Effect of foreign currency translation from functional currency to reporting currency	655.02	1,785.19	0.39	1.84	0.17	2,442.60
Balance as at 31 March, 2016	**13,935.04**	**30,479.84**	**7.10**	**29.66**	**0.93**	**44,452.57**
Additions	253.84	1,113.74	16.79	6.71	0.24	1,391.32
Disposals	-	-	(0.25)	-	(0.35)	(0.60)
Depreciation	(559.84)	(2,221.85)	(11.07)	(5.53)	(0.17)	(2,798.46)
Effect of foreign currency translation from functional currency to reporting currency	(279.61)	(579.18)	7.30	(0.45)	(0.36)	(852.30)
Balance as at 31 March, 2017	**13,349.43**	**28,792.54**	**19.87**	**30.39**	**0.29**	**42,192.53**

4.01 Refer to note 14 and 17 for details of charge on fixed assets.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

4.02 Property, Plant and Equipment and Capital Work In Progress

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
Carrying amounts of:			
Buildings	13,349.43	13,935.04	11,002.17
Plant and equipment	28,792.54	30,479.84	30,170.55
Furniture and Fixtures	30.39	29.66	31.67
Office Equipments	19.87	7.10	7.11
Vehicles	0.29	0.93	3.37
	42,192.53	**44,452.57**	**41,214.87**
Capital Work in Progress	**355.92**	**196.84**	**63.53**

5 Deferred tax assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
Deferred Tax Liability:			
Depreciation	6,568.07	6,562.08	5,976.34
Total	**6,568.07**	**6,562.08**	**5,976.34**
Deferred Tax Asset:			
Tax losses	6,366.30	5,964.76	5,385.57
Employee benefit obligations	7.56	12.50	5.95
Allowance for doubtful debts – trade receivables	180.71	362.58	362.58
Provision for decommissioning liability	13.50	222.24	222.24
Total	**6,568.07**	**6,562.08**	**5,976.34**
Set-off of deferred tax liabilities pursuant to set-off provisions	**6,568.07**	**6,562.08**	**5,976.34**
Net deferred tax assets	-	-	-

5.01 The unabsorbed business loss and depreciation as at the balance sheet dates have given rise to deferred tax asset aggregating to Rs. 23,525.61 Lakhs (Previous Year.:Rs 21,549.95 Lakhs) However since the entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity, accordingly the same has been recognised only to the extent of deferred tax liability (net) resulting in "Nil" deferred tax asset/ liability as on 31st March, 2017 .

5.02 The Company is registered as a unit under SEZ and shall claim 50% exemption from income tax under Section 10AA of the Income Tax Act, 1961 (IT Act) from FY 2015-16 and such exemption is available only up to financial year ending March 31, 2020.

6 Other Financial Assets

A. Non Current:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
Carried at amortised cost:			
Security Deposits with related parties*			
- Unsecured, considered good	118.68	105.17	186.41
Unsecured deposit			
considered doubtful			
Other Deposits	46.87	46.87	46.87
Less : Allowance for bad and doubtful deposits	(46.87)	(46.87)	(46.87)
TOTAL	**118.68**	**105.17**	**186.41**

* The security deposit is against land taken on operating lease from "Parry Infrastructure Company Private Limited" (A fellow subsidiary).

B. Current:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
At amortised cost			
Unsecured deposit (considered good)			
Other Deposits	140.39	48.61	37.63
Advances (unsecured, considered good)			
Funds available with commodity exchange brokers	14,609.30	22,364.81	2,792.92
Others			
Interest accrued on deposits	3.28	1.16	0.73
At Fair Value through profit or loss			
(i) Derivatives			
Marked to market gain on Commodity Futures	-	-	73.97
Marked to market gain on forward contract	-	-	-
Marked to market gain on Swap Contract	499.73	-	623.18
TOTAL	**15,252.70**	**22,414.58**	**3,528.43**

7 Inventories

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
Raw materials	85,825.26	66,908.91	28,478.29
Work-in-process	959.08	517.46	-
Finished and semi-finished goods	18,186.08	13,259.11	11,702.43
Consumables stores and spares	1,318.18	1,050.39	424.30
Total	**106,288.60**	**81,735.87**	**40,605.02**

The cost of inventories recognised as an expense includes Nil (2015-16: Rs.79 lakh) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs.79 lakh (2015-16: Nil) in respect of reversal of such write downs. The mode of valuation has been stated in Note 3.13

8 Current Investment

Particular	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
Designated as Fair Value Through Profit and Loss			
Quoted Investment			
Investments in Mutual Funds	3,043.99	3,302.90	-
Total current investments	**3,043.99**	**3,302.90**	**-**

Note:
Current investments includes investments in the nature of "Cash and cash equivalents" (as defined in Ind AS 7 Statement of Cashflows) amounting to Rs.3043.99 lakhs as at 31 March 2017(As at 31 March 2016 Rs-3,302.90 lakhs), considered as part of Cash and cash equivalents in the Cash Flow Statement.

9 Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
(i) Trade receivables outstanding for a period of more than 6 months			
(a) Unsecured, considered good	1.65	1.80	77.20
(b) Unsecured, considered Doubtful	222.24	222.24	222.24
Less: Provision for doubtful debts	(222.24)	(222.24)	(222.24)
(ii) Other trade receivables			
Unsecured, considered good	290.80	11,777.96	-
TOTAL	**292.45**	**11,779.76**	**77.20**

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

9.01 Movement in the allowance for doubtful debts

Particulars	For the year ended March 31, 2017 (INR)	For the year ended March 31, 2016 (INR)
Balance at beginning of the year	(222.24)	(222.24)
Foreign exchange translation gains and losses	-	-
Balance at end of the year	**(222.24)**	**(222.24)**

9.02 The maximum credit period on sale of goods is 60 days. No interest is charged on trade receivable beyond 60 days. The company mostly deals with the commodity exchange registered dealers. Before accepting any new customer for sales other than mentioned above, the company uses publicly available financial information and its own trading records to assess the potential customer's credit quality .

10 Cash and Cash Equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	**INR**	**INR**
Cash and bank balances			
Cash in hand	0.20	0.23	0.20
Balances with banks			
In current account	1,677.87	2,054.02	11.52
In deposit accounts with original maturity of less than 3 months	-	-	-
Total Cash and and Cash equivalents (As per Ind AS 7: Statement of Cash flows)	**1,678.07**	**2,054.25**	**11.72**
Other bank balances			
Deposit accounts with original maturity period of more than three months	5,816.80	16.80	15.87
Total Cash and cash equivalent	**7,494.87**	**2,071.05**	**27.59**

Note:

10.01 Cash and cash equivalents here includes cash in hand and in banks excluding overdraft.

10.02 Details of Specified Bank Notes held and transacted during the period from 08/11/2016 to 30/12/2016:

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308€ dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank Notes	Other denomination notes
	INR Lakhs	INR Lakhs
Closing cash in hand as on 08.11.2016	0.08	0.01
(+) Permitted receipts		0.15
(-) Permitted payments	0.08	0.08
(-) Amount deposited in Banks		
Closing cash in hand as on 30.12.2016	-	0.07

10.03 Non-cash transactions

During the current year, the Company has converted 10% 11,300,000 cumulative redeemable preference shares of Rs. 100/- and 8% 2,800,000 cumulative redeemable preference shares of Rs.100/- each respectively aggregating to Rs. 14,100 lakhs into 104,444,445 equity shares of Rs.10/- each at premium of Rs.3.50/- per share. Refer Note 12.04

11 Other non-current and current assets

Particulars	As at March 31, 2017 INR	As at March 31, 2016 INR	As at April 1, 2015 INR
A. NON CURRENT			
(a) Security deposit			
Deferred Expense arising from Interest free deposits carried at amortised cost	1,021.99	1,070.66	2,238.65
(b) Balances with government authorities (other than income taxes)			
Deposits with Government Authorities	26.51	26.51	21.22
(c) Loans and Advances			
Advance income tax(net of provision for income tax - Nil (Previous Year - Nil)	185.35	184.93	27.98
Total	**1,233.85**	**1,282.10**	**2,287.85**
B. CURRENT			
(a) Advances to suppliers			
- Unsecured, considered good	814.00	484.38	1,043.32
- Unsecured and considered doubtful	315.71	315.71	315.71
Less : Provision for doubtful advances	(315.71)	(315.71)	(315.71)
(b) Deferred losses on Commodity future contracts	6,711.21	2,826.60	-
(b) Balances with government authorities (other than income taxes)			
Service Tax Recoverable	36.40	21.60	10.74
VAT Recoverable	0.93	-	-
(c) Prepayments			
Prepaid expenses	11.60	18.01	3.63
Total	**7,574.14**	**3,350.59**	**1,057.69**

11.01 Advances to suppliers (unsecured, considered good) as at 31, March 2017 includes INR 42.27 lakhs dues from the holding company E.I.D Parry (India) Limited.

12 Equity

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amount INR	No. of shares	Amount INR	No. of shares	Amount INR
Authorised Share capital:						
Equity Shares of Rs.10 each	320,000,000	32,000.00	170,000,000	17,000.00	120,000,000	12,000.00
Redeemable Preference Shares of Rs.100 each	-	-	15,000,000	15,000.00	17,000,000	17,000.00
Issued, Subscribed and Fully Paid:						
Equity Shares of Rs.10 each	270,725,670	27,072.57	166,281,225	16,628.12	116,281,225	11,628.12
Total	**270,725,670**	**27,072.57**	**166,281,225**	**16,628.12**	**116,281,225**	**11,628.12**

Notes:

12.01 Increase in Authorised Share Capital

During the year ended March 2016, the authorised share capital of the Company was reclassed and increased in the case of equity shares and decreased in the case of preference shares as follows:

a) 120,000,000 Equity Shares of Rs.10 each to 170,000,000 Equity Shares of Rs 10 each.

b) 17,000,000 Preference Shares of Rs 100 each to 15,000,000 Preference shares of Rs 100 each.

12.02 Reclassification of Authorised Share Capital

During the year ended March 2017, the authorised share capital of the company was reclassed as follows:

170,000,000 Equity shares of Rs 10 each amounting to Rs 1,700,000,000 and 15,000,000 Preference shares of Rs 100 each amounting to Rs 1,500,000,000 has been reclassified into 320,000,000 equity shares of Rs 10 each amounting to Rs 3,200,000,000.

12.03 Issue of Equity Shares

During the year ended March 2016, the Company has issued 50,000,000 equity shares of Rs. 10 at par each aggregating to Rs 5,000 lakhs through private placement to E.I.D. Parry (India) Limited, the holding Company.

12.04 Conversion of Preference shares in to Equity shares

During the year ended March 2017, the Company has converted 10% 11,300,000 cumulative redeemable preference shares of Rs. 100/- and 8% 2,800,000 cumulative redeemable preference shares of Rs.100/- each respectively aggregating to Rs. 14,100 lakhs into 104,444,445 equity shares of Rs.10/- each at premium of Rs.3.50/- per share, vide board resolution dated 20th March 2017 and approved by the members in the extra ordinary general meeting held on the same date. The dividend payable on these preference shares have been waived by EID Parry (India) Limited, the holding company.

12.05 Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Conversion of Preference Shares	Closing Balance
Equity Shares with Voting rights				
Year Ended March 31, 2017				
No. of Shares	166,281,225	-	104,444,445	270,725,670
Amount in INR (Lakhs)	16,628.12	-	10,444.45	27,072.57
Year Ended March 31, 2016				
No. of Shares	116,281,225	50,000,000	-	166,281,225
Amount in INR (Lakhs)	11,628.12	5,000.00	-	16,628.12
Year Ended April 1, 2015				
No. of Shares	116,281,225	-	-	116,281,225
Amount in INR (Lakhs)	11,628.12	-	-	11,628.12

12.05 Rights, Preferences and restrictions attaching to each class of shares

Equity shares

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

12.06 Details of shares held by the holding Company:

Particulars	No. of Shares	Amount (INR)
As at March 31, 2017		
Equity Shares of Rs. 10 each fully paid up, held by E.I.D. Parry (India) Limited	270,725,670	27,072.57
As at March 31, 2016		
Equity Shares of Rs. 10 each fully paid up, held by E.I.D. Parry (India) Limited	166,281,225	16,628.12
As at April 1, 2015		
Equity Shares of Rs. 10 each fully paid up, held by E.I.D. Parry (India) Limited	116,281,225	11,628.12

12.07 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares of Rs. 10 each fully paid up: E.I.D. Parry (India) Limited	270,725,670	100%	166,281,225	100%	116,281,225	100%

12.08 No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back during the period of 5 years immediately preceding the balance sheet date.

12.09 There are no calls unpaid/ forfeited shares issued during the year ended 31 March 2017 or in previous year.

Parry Sugars Refinery India Private Limited
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13 Other Equity

Particulars	As at March 31, 2017	As at March 31, 2016
	INR	INR
(a) Securities Premium Account		
Opening balance	30,741.44	30,741.44
Add :Addition on Conversion of Preference shares (Refer Note 12.04)	3,655.56	-
Closing balance	**34,397.00**	**30,741.44**
(b) Debenture Redemption Reserve		
Opening balance	-	-
Add Transfer from Retained Earnings	1,415.66	-
Closing balance	**1,415.66**	-
(c) Retained Earnings		
Opening Balance	(58,116.14)	(52,562.95)
Add: (Loss) / Profit for the year	1,415.66	(5,553.19)
Less: Transfer to Debenture Redemption Reserve	(1,415.66)	
Closing Balance	**(58,116.14)**	**(58,116.14)**
(d) Foreign Currency Translation Reserve		
Opening balance	(472.61)	-
Add :Addition during the period	78.45	(472.61)
Closing balance	**(394.16)**	**(472.61)**
(e) Other Items of other comprehensive income		
Opening balance	3.89	-
Remeasurements of post-employment benefit obligation, net of tax	1.10	3.89
Closing balance	**4.99**	**3.89**
Total Other Equity (a+b+c+d+e)	**(22,692.66)**	**(27,843.42)**

Note:

(i) *Securities Premium Reserve*
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

(ii) *Debenture Redemption Reserve*
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 payment of the debenture liability.

(iii) *Retained Earnings*
The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013.

(iv) *Foreign Currency Translation Reserve*
Exchange differences relating to the translation of the assets and liabilities, Income or expenses from functional currency in to presentation currency is recognised directly in the foreign currency translation reserve.

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14 Non Current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
	INR	INR	INR
Measured at amortised cost			
Secured Borrowings:			
(a) Privately placed, redeemable, Non Convertible, Debentures	27,000.00	32,199.46	31,718.50
(b) Preference shares (Refer Notes 14.01 to 14.07)	-	10,071.89	7,238.31
Total Non Current Borrowings	**27,000.00**	**42,271.35**	**38,956.81**
The details of the above debentures are as follows:			
N.C.D - ISIN: INE082O07018 - IndusInd Bank (Note (i) and (ii))	13,500.00	13,500.00	13,500.00
N.C.D - ISIN: INE082O07026 - IndusInd Bank (Note (i) and (ii)	13,500.00	13,500.00	13,500.00
N.C.D - ISIN: INE082O07034 - IndusInd Bank (Note (iii))	-	5,199.46	4,718.50
Total	**27,000.00**	**32,199.46**	**31,718.50**

Note :

(i) 1,350 10.05% Series A Secured, Unlisted, Redeemable Non - Convertible Debentures and 1,350 10.05% Series B Secured Redeemable Non - Convertible Debentures of Rs. 10,00,000 each aggregating to Rs.2,70,00,00,000 have been allotted by the Board of Directors in its meeting held on 16th July 2014. This is secured by exclusive charge on the fixed assets of the Company. Debentures are redeemable in full at par on 16 July 2018 and 16 July 2019 in equal installments of Rs 1,350,000,000 each. The Holding Company EID Parry (India) Ltd has given corporate guarantee to the Debenture Trustee IDBI Trusteeship Services Limited against this issue.

(ii) The Principal INR liability of Debentures mentioned in the above table aggregating to Rs.2,700,000,000 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.

(iii) The Secured Unlisted Redeemable Non-convertible Debentures with Zero Coupon with a yield of 10.20% p.a, are due to redeem on 19th September 2017, accordingly it has been classified under Other Financial Liabilities for the year ended 31 March 2017 .Refer Note 15.01 and 15.02.

(iv) The Company has not defaulted in repayment of debentures and interest thereon.

Parry Sugars Refinery India Private Limited
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14.01 Details of Issued, Subscribed and Fully paid Preference Shares

Particulars	As at March 31, 2017	As at March 31, 2016		As at April 1, 2015	
		No. of shares	Amount INR	No. of shares	Amount INR
Issued, Subscribed and Fully Paid:					
10% Redeemable Cumulative Preference shares of Rs.100 each	-	11,300,000	11,300.00	11,300,000	11,300.00
8% Redeemable Cumulative Preference shares of Rs.100 each (Refer Note 14.02)	-	2,800,000	2,800.00	-	-
Total		**14,100,000**	**14,100.00**	**11,300,000**	**11,300.00**

14.02 During the year ended March 2016, the Company has issued 8% Cumulative Redeemable Preference Shares of Rs. 100 each aggregating to Rs 280,000,000 to E.I.D-Parry (India) Limited, the holding Company. These shares along with the pro rata dividend (if any) shall be redeemed on expiry of 36 months from the date of allotment. These redeemable preference shares do not contain any equity component.

14.03 During the year 8% Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs 280,000,000 , and 10% 1,13,00,000 cummulative redeemable preference shares of Rs. 100/- each respectively aggregating to Rs. 141,00,00,000 were converted in to 10,44,44,445 equity shares of Rs.10/- each issued at premium of Rs.3.50/- per share during the year ended on March 2017.These redeemable preference shares do not contain any equity component.

14.04 Reconciliation of Issued, subscribed and paid up Preference Shares

Particulars	**As at March 31, 2017 (INR)**	**As at March 31, 2016 (INR)**	**As at April 1, 2015 (INR)**
Total Issued, subscribed and paid up preference shares as per Note 14.01	-	14,100.00	11,300.00
Shown in Balance sheet as:			
Non Current Borrowings (At amortised cost)	-	10,071.89	7,238.31
Other Non Financial Liabilities Deferred Revenue arising from Preference shares carried at amortised cost (Note 19)	-	4,028.11	4,061.69
Total	**-**	**14,100.00**	**11,300.00**

14.05 Reconciliation of the number of preference shares outstanding at the beginning and at the end of the period.

Particulars	**Opening Balance**	**Fresh Issue**	**Conversion to Equity (Note 12.04)**	**Closing Balance**
Redeemable, Cumulative Preference Shares				
Year Ended March 31, 2017				
No. of Shares	14,100,000		(14,100,000)	-
Amount in INR (Lakhs)	14,100.00		(14,100.00)	-
Year Ended March 31, 2016				
No. of Shares	11,300,000	2,800,000		14,100,000
Amount in INR (Lakhs)	11,300.00	2,800.00		14,100.00
Year Ended April 1, 2015				
No. of Shares	11,300,000	-		11,300,000
Amount in INR (Lakhs)	11,300.00	-		11,300.00

14.06 Rights, Preference and restrictions attaching to each class of shares

(i) 10% Redeemable Cumulative Preference shares of Rs.100 each - These shares shall confer the holders thereof, the right to a fixed preferential dividend (cumulative in nature and payable in arrears) from the date of allotment at a rate of 10 %, on the capital being paid up. These shares are redeemable at par at the end of 5 years from the date of allotment. However the right to receive dividend has been waived by EID Parry (India) Limited, the holding company.

(ii) 8% Redeemable Cumulative Preference shares of Rs.100 each - These shares shall confer the holders thereof, the right to a fixed preferential dividend (cumulative in nature and payable in arrears) from the date of allotment at a rate of 8 %, on the capital being paid up. These shares are redeemable at par at the end of 3 years from the date of allotment. However the right to receive dividend has been waived by EID Parry (India) Limited, the holding company.

14.07 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	**As at March 31, 2016**		**As at April 01, 2015**	
	Number of shares held	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**
Preference Shares of Rs. 100 each fully paid up:				
E.I.D. Parry (India) Limited	14,100,000	100%	11,300,000	100%

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15 Other Financial Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
	INR	INR	INR
Current			
(i) Other Financial Liabilities Measured at amortised cost			
(a) Current Maturities of Long-term debt (Note 15.01 and 15.02)	5,727.98	-	-
(b) Interest accrued but not due on borrowings	2,079.73	2,099.20	1,940.75
(c) Payables on purchase of Fixed Assets	-	293.21	64.99
(d) Other Payables	1.00		
(ii) Other Financial Liabilities Measured at FVTPL			
(a) Derivatives			
Marked to Market Liability on Swap Contracts	-	1,170.09	-
Marked to Market Liability on Commodity Contracts	5,639.08	1,394.10	-
Marked to Market Liability on Forward Contracts	-	-	11.74
Total Current other financial liability	**13,447.79**	**4,956.60**	**2,017.48**

15.01 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 Rs. 4,482.19 lakhs has been approved by the Board of Directors in its meeting held on 19th September 2014. The debenture has been discounted for Rs. 1,517.80 lakhs It is secured by First Charge on the fixed assets of the Company 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 Holding Company EID Parry (India) Ltd has given corporate guarantee to the Debenture Trustee IDBI Trusteeship Services Limited against this issue.

15.02 The Principal INR liability of Debentures mentioned in the above table aggregating to Rs.4,482.19 lakhs (Carried at amortised cost Rs 5,727.98 lakhs) has been swapped for USD 72.76 lakhs. The swap trade is effective from 19th September 2014 and maturity date is 19th September 2017. Interest liability of 10.20% p.a. in Indian Rupees has been swapped for 3.84% fixed per annum on Effective USD Notional.

16 Provisions

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2016
	INR	INR	INR
A. Long term provisions:			
Provision for employee benefits			
Provisions for compensated absences (Also refer note 29 c)	20.48	7.74	-
Provision for decommissioning liability	43.69	38.72	34.31
Total Long term Provisions	**64.17**	**46.46**	**34.31**
B. Short term provisions:			
Provision for employee benefits			
Provisions for compensated absences(Also refer note 29 c)	1.67	1.17	5.95
Provision for tax	-	-	15.44
Total Short term Provisions:	**1.67**	**1.17**	**21.39**

Movement in provisions

Particulars	As at March 31, 2017	As at March 31, 2016
	INR	INR
Provisions for compensated absences (Current and Non current)		
Opening Balance	8.91	5.95
Current Service Cost	5.69	1.91
Interest Expense or Cost	0.71	0.46
Re-measurement (or Actuarial) (gain)/loss	7.99	0.98
Benefits paid	(1.16)	(0.39)
Closing Balance	22.15	8.91
Provision for tax (Current)		
Opening Balance	-	15.44
Utilisation during the year	-	(15.44)
Closing Balance	-	-
Provision for decommissioning liability (Non Current)		
Opening Balance	38.72	34.31
Addition during the year	4.97	4.41
Closing Balance	43.69	38.72

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17 Current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
A. Secured Borrowings			
Loans repayable on demand			
From Banks	41,475.25	55,412.39	15,240.92
Bank Overdraft	-	11.89	321.84
Others			
Total Secured Borrowings	**41,475.25**	**55,424.28**	**15,562.76**
B. Unsecured Borrowings			
Loans repayable on demand			
From Banks	-	25,065.91	587.62
From other parties	-	1,500.00	6,000.00
Total Unsecured Borrowings	**-**	**26,565.91**	**6,587.62**
Total Current Borrowings	**41,475.25**	**81,990.19**	**22,150.39**

Break up of current borrowings:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
Secured Borrowings			
Buyers Credit			
Yes Bank (refer note 17.01)	13,972.95	11,117.18	7,499.40
IDFC Bank (refer note 17.02)	12,969.00	-	-
RBL Bank (refer note 17.03)	14,533.30	-	6,341.52
ICICI Bank	-	11,375.49	-
Axis Bank	-	20,938.21	-
IndusInd Bank	-	3,278.21	-
Rupee Loan from Banks			
ING Vysya Bank - WCDL	-	-	1,400.00
Packing Credit in Foreign Currency (PCFC)			
HDFC Bank Ltd	-	8,704.26	-
Bank Over-draft facility			
HDFC Bank Ltd	-	-	321.84
Unsecured loan			
Buyers credit from Kotak Mahindra Bank	-	3,746.50	587.62
Over-draft facility from Deustche Bank Ltd	-	11.89	-
Packing credit in Foreign Currency from Deustche Bank Ltd	-	21,318.45	-
Rupee Loan from Aditya Birla Finance Limited	-	1,500.00	6,000.00
Total	**41,475.25**	**81,990.19**	**22,150.39**

Note:

17.01 The Buyers Credit facility from Yes Bank is secured by first pari passu charge on all current asset of the borrower by way of hypothecation of Company's current asset viz. stock of raw materials, stock -in-process, finished goods, consumable stores, spares, receivables etc., second pari passu charge on all movable fixed assets of the Company. The Interest rate on these foreign currency loans range from 1.51% p.a to 1.53% p.a.

17.02 The Buyers Credit facility from IDFC Bank is secured by first pari passu charge on all current asset of the borrower by way of hypothecation of Company's current asset viz. stock of raw materials, stock -in-process, finished goods, consumable stores, spares, receivables etc., both present and future and second pari passu charge on all movable fixed assets of the Company . The Interest rate on these foreign currency loans is 1.5788%

17.03 The Buyers Credit facility from RBL Bank is secured by first pari passu charges on all current assets and second pari passu charges on all fixed assets. The Interest rate on these foreign currency loans ranges from 1.43544% to 1.72% .

17.04 The Company has not defaulted in repayment of any loans or interest thereon.

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18 Trade Payables

Current:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
Trade payable for goods and services	97,327.54	48,426.31	31,888.79
Trade payable (Employee related)	94.49	92.86	48.59
Total trade payables	**97,422.03**	**48,519.17**	**31,937.38**

18.01 Trade payable for goods and services includes INR 76.19 lakhs due to the holding company E.I.D Parry India Ltd.

18.02 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2017, March 31, 2016 and March 31, 2015 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

18.03 The average credit period is 30 days and there is no interest outstanding on amount outstanding for more than 30 days. The company has financial risk management policies in place to ensure that all payables are paid within the pre agreed credit terms.

19 Other Non Financial Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	INR	INR	INR
A. Non Current			
Deferred Revenue arising from Preference shares carried at amortised cost	-	4,028.11	4,061.69
Gratuity payable (Also refer note 29 b)	2.30	-	-
Total Non Current other Non financial liability	**2.30**	**4,028.11**	**4,061.69**
B. Current			
Statutory remittances (Contributions to PF, Withholding Taxes, VAT)	54.61	90.09	55.82
Gratuity payable (Also refer note 29 b)	-	3.59	6.71
Total Current other Non financial liability	**54.61**	**93.68**	**62.53**

20 Revenue from Operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Revenue from sale of goods	184,132.19	110,610.99
Other operating income	553.85	3,925.34
Total Revenue from Operations	**184,686.04**	**114,536.33**

20.01

Classes of Products-Sales	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Export Sales:		
Sugar	182,064.64	109,392.65
PP Bags	75.29	39.07
Domestic Sales:		
Molasses	1,595.29	644.32
Power	396.97	534.95
	184,132.19	**110,610.99**

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

20.02

Other operating income	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Realised Gains on commodity futures	-	3,432.74
Despatch Money earnings	260.77	274.18
Scrap Sales	0.06	33.27
Liabilities no longer required written back	-	185.15
Contract cancellation charges	293.02	-
	553.85	**3,925.34**

21 Other Income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Interest Income		
On Financial Assets at Amortised Cost	17.86	99.17
Dividend Income		
On Financial Assets at FVTPL (Mutual Funds)	231.87	36.86
Net Gain on derecognition of financial assets measured at amortized cost	-	305.09
Net gain on foreign currency transactions and translations	441.55	1,971.62
Profit on sale of assets	1.11	-
Gain on Swap Interest and Principal Settlement	2,419.52	1,590.62
Interest Income recognized on Redeemable preference shares carried at amortised cost	-	729.34
Net gain arising on financial assets designated as at FVTPL	45.49	-
Total Other Income	**3,157.40**	**4,732.70**

22 Cost of materials consumed

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Material consumed comprises of :		
Raw Sugar	158,379.73	100,035.19
Coal	3,210.80	2,686.60
Total	161,590.53	102,721.79

23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Inventories at the end of the year:		
Finished goods	18,186.08	13,259.11
Work-in-progress	959.08	517.46
	19,145.16	13,776.57
Inventories at the beginning of the year:		
Finished goods	13,259.11	11,702.43
Work-in-progress	517.46	-
	13,776.57	11,702.43
Foreign currency translation	(485.80)	719.51
Net Increase	**(5,854.39)**	**(1,354.63)**

24 Employee Benefits Expense

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Salaries and wages, including bonus	473.17	358.65
Contribution to provident and other funds (Refer note 29 a)	37.85	25.41
Staff welfare expenses	132.85	101.18
Total Employee Benefit Expense	**643.87**	**485.24**

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

25 Finance Cost

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Interest Expenses:		
- On Borrowings	4,053.23	4,468.75
- On zero coupon debentures	528.98	475.05
Interest Expense recognized on Redeemable preference shares carried at Amortised cost	-	729.34
Other borrowing costs	759.03	621.90
Total finance costs	**5,341.24**	**6,295.04**

25.01 Note

Other borrowing costs includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.

26 Other Expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Consumption of Stores, Spares and Consumables	4,102.33	2,827.81
Freight and Forwarding	1,865.64	434.95
Power and Fuel	226.15	268.93
Water Charges	519.43	361.80
Repairs and Maintenance - Machinery	1,949.19	1,309.51
Repairs and Maintenance - Buildings	450.32	323.52
Repairs and Maintenance - Others	749.58	680.19
Audit Fee (Refer note:27)	7.35	7.74
Communication Expenses	14.16	10.36
Insurance	91.70	68.09
Professional and Outsourcing Expenses	1,000.56	767.00
Printing and Stationery	11.81	4.55
Rates and Taxes	298.58	109.58
Rent	1,314.67	1,727.68
Material Handling Expenses	857.92	1,635.67
Selling Expenses	2,893.70	2,040.61
Travelling Expense	90.93	90.02
Unwinding of Decommissioning costs	4.98	4.35
Net realised losses on commodity futures	1,013.95	-
Marked to Market losses on commodity futures	4,422.36	1,394.10
Miscellaneous expenses	22.76	23.22
Total Other Expenses	**21,908.07**	**14,089.68**

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Payments to the statutory auditors comprises of (net of service tax):	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Statutory audit	4.50	4.50
Tax audit	0.75	0.50
Other services	2.10	2.74
Total	**7.35**	**7.74**

28.01 Reconciliation of tax expense and the accounting profit multiplied

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Profit from operations before income tax expense	1,415.66	(5,553.19)
Tax at the Indian tax rate of 30.90% (2015-2016 – 30.90%)	**437.44**	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(437.44)	-
Income tax expense	-	-

28.02 Tax losses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	INR	INR
Unused tax losses for which no deferred tax asset has been recognised	68,352.69	70,169.90
Potential tax benefit @ 30.9%	21,120.98	21,682.50

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

29 Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund and Superannuation Fund 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 contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

During the year the following amounts have been recognised in the Profit and loss Statement on account of defined contribution

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	INR	INR
Employers contribution to Provident Fund	20.69	14.36
Employers contribution to Superannuation Fund	17.16	11.15

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the Company gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

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.

Defined benefit plans – as per actuarial valuation on 31st March, 2017

Particulars	Gratuity - Funded Plan	
	March 31,2017	March 31,2016
	INR	INR
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	15.44	11.67
2. Fair value of plan assets as at 31st March	13.14	8.09
3. Surplus/(Deficit)	2.30	3.59
4. Current portion of the above	-	3.59
5. Non current portion of the above	2.30	-
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	11.67	12.37
2. *Expenses Recognised in Profit and Loss Account*		
- Current Service Cost	4.32	3.34
- Interest Expense (Income)	0.93	0.92
3. Benefit payments	(0.38)	(1.63)
4. Remeasurement or Actuarial (gain)/loss arising from:		
'-change in financial assumption	1.18	-
'- experience variance	(2.28)	(3.33)
5. Present value of defined benefit obligation at the end of the year	**15.44**	**11.67**

III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	8.09	5.66
2. Investment Income	0.65	0.42
4. Contributions by employer	4.78	3.08
5. Benefit payments	(0.38)	(1.63)
6. Return on plan assets excluding amount recognised in net interest expense	-	0.56
Fair value of plan assets at the end of the year	**13.14**	**8.09**
IV.Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	4.32	3.34
Net interest expense	0.29	0.50
Expenses recognised in the income statement	**4.60**	**3.84**
Actuarial gains/ (losses)		
-Changes in financial assumptions	1.18	-
-experience variance	(2.28)	(3.33)
Return on plan assets, excluding amount recognised in net interest expense	-	(0.56)
Expenses recognised in other comprehensive income	**(1.10)**	**(3.89)**
Total expenses recognised during the period	**3.50**	**(0.04)**
V. The Major categories of plan assets		
- LIC Trusts		
VI. Actuarial assumptions		
1. Discount rate	7.25%	8%
2. Expected rate of return on plan assets	7.25%	8%
3. Attrition rate	5%	5%
4. Salary escalation rate	6%	6%
5. Mortality rate	IALM (2006-2008) Ultimate	
VII. Experience Adjustments :		
1. Defined Benefit Obligation	15.44	11.67
2. Fair value of plan assets	13.14	8.09
3. Surplus/(Deficit)	(2.30)	(3.59)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(1.10)	(3.33)
5. Experience adjustment on plan assets [Gain/(Loss)]	-	(0.56)

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

VIII. Sensitivity Analysis :

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	**INR (Lakhs)**	
	March 31,2017	**March 31,2016**
Discount rate (-/+1%)		
- 1% increase	13.88	10.51
- 1% decrease	17.26	13.04
Salary growth rate		
- 1% increase	16.93	12.82
- 1% decrease	14.13	10.48
Attrition rate		
- increase of 50% of attrition rate	15.40	11.75
- decrease of 50% of attrition rate	15.32	11.45
Mortality rate		
- increase of 10% of mortality rate	15.44	11.68
- decrease of 10% of mortality rate	15.43	11.67

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. Fair value of plan assets is determined on the basis of their market prices.

IX. Effect of Plan on Entity's Future Cash Flows:

a) *Funding arrangements and Funding Policy*

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) *Expected Contribution during the next annual reporting period*

The Company's best estimate of the contribution expected to be paid to the plan during the next year is Rs. 8.31 lakhs which is equivalent as per exchange rate existing on the end of reporting period.

c) *Maturity Profile of Defined Benefit Obligation*

Weighted average duration (based on discounted cashflows) - 11 years

d)

Expected cash flows over the next (valued on undiscounted basis):	INR
1 year	0.52
2 to 5 years	3.92
6 to 10 years	6.76
More than 10 years	29.28

(c) Long Term Compensated Absences

The assumption used for computing the accumulated compensated absences on actuarial basis are as follows:

Particulars	**2016-17**	**2015-16**
Discount rate	8%	8%
Attrition Rate	5%	5%
Expected rate of salary increases	6%	6%
Mortality	IALM (2006-2008) Ultimate	

30 Basic earnings per share

Particulars	**For the year ended 31 March, 2017**	**For the year ended 31 March, 2016**
Profit / (loss) for the year attributable to owners of the Company (INR Lakhs)	1,415.66	(5,553.19)
Number of Equity Shares of Rs.10 each outstanding at the beginning of the year (Nos)	166,281,225	116,281,225
Number of Equity Shares of Rs.10 each outstanding at the end of the year (Nos)	270,725,670	166,281,225
Weighted average number of equity shares (b) (Nos)	164,632,244	141,281,225
Basic and Diluted Earnings Per Share (a/b) (INR)	**0.86**	**(3.93)**

Note:

30.01 The Basic earnings per share are computed by dividing the net loss attributable to equity shareholders for the year by the weighted average number of equity shares during the year. There are no potential equity shares hence the Basic and Diluted earnings per share are the same.

30.02 During the year ended March 2017, the Company's preference shares have been converted in to 10,44,44,445 equity shares of Rs.10/- each (Refer note: 12.04) there by increasing the issued capital by that amount.

31 Financial Instruments

31.01 Capital Management

The Company manages its capital to ensure that it will able to continue as going concern while maintaining the return to stakeholders through the optimization of the debt and equity balance. The Company is not subject to any externally imposed capital requirements. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios at the end of reporting period were as follows :

Particulars	**As at 31, March 2017**	**As at 31, March 2016**	**As at 01, April 2015**
	INR	**INR**	**INR**
Debt*	68,475.25	124,261.54	61,107.20
Cash and Cash equivalents	7,494.87	2,071.05	27.59
Net debt	60,980.38	122,190.49	61,079.61
Total equity**	4,379.91	(11,215.30)	(10,193.39)
Net debt to equity ratio	13.92	(10.89)	(5.99)

* Debt includes all long term and short term borrowings (excluding derivatives).

** Equity includes equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company.

(All amounts in lakhs unless otherwise stated)

31.02 Categories of financial instruments

Particulars	As at 31, March 2017	As at 31, March 2016	As at 01, April 2015
	INR	INR	INR
Financial Asset			
Measured at amortised costs			
a) Cash and Bank Balances	7,494.87	2,071.05	27.59
b)Other financial asset	15,164.10	34,299.51	3,094.89
Measured at Fair value through Profit or Loss(FVTPL)			
a) Designated as at FVTPL (Investments in Mutual Funds)	3,043.99	3,302.90	-
b) Derivative Instruments designated as at FVTPL	499.73	-	697.15
Financial Liabilities			
Measured at amortised costs			
a) Trade payables	97,422.03	48,519.17	31,937.38
b) Current Borrowings	41,475.25	81,990.19	22,150.39
c) Long term Borrowings	27,000.00	42,271.35	38,956.81
d) Other Financial liabilities	7,808.71	2,392.41	2,005.74
Measured at Fair value through Profit or Loss(FVTPL)			
a) Derivative Instruments designated as at FVTPL	5,639.08	2,564.19	11.74

Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including price risk, currency risk, interest rate risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as commodity futures, 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 price risk, 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.

The Company's risk management is carried out by a central treasury department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit Risk

Most of the sales are made to registered dealers with commodity exchange. Credit sales are only made to trusted parties/dealers and credit risk for each customer is established based on past experience with the customer. Based on the management's evaluation of customer credit risks, the company may opt for securing sales through letter of credits. Hence the credit risk is very minimal. The company has reviewed its collection patterns in the past and there has been no bad debt experience. Accordingly no provision has been made in books.

Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company enters into variety of derivatives to manage market risk including:

i) Non Financial Derivatives such as commodity futures to mitigate the price risks associated with movement in sugar prices.

ii) Forward foreign exchange contracts and Cross Currency Swaps to hedge the exchange rate risks

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.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	As at 31, March 2017	As at 31, March 2016	As at 01, April 2015
		INR	INR	INR
Trade Payables	INR	4,364.52	2,398.51	66.90
Trade Payables	EUR	15.64	15.64	3,855.51
Secured Borrowings	INR	32,727.98	32,199.46	31,718.50
Preference Share Capital	INR	-	10,071.89	7,238.31
Unsecured Borrowings	INR	-	1,500.00	7,721.84
Other financial liabilities	INR	2,080.73	2,392.41	2,005.74
Trade Receivables	INR	186.42	242.33	77.20
Cash and Cash Equivalents	INR	7,494.87	2,071.05	27.59
Current Investment	INR	3,043.99	3,302.90	-
Advances and other financial assets	INR	262.35	154.94	298.74

Note: The secured borrowings are hedged to protect against foreign currency fluctuation risk through a cross currency swap contract. Refer Note 14(ii) and 17.05 for details of swap contract. All other foreign currency assets and liabilities are not hedged as at the year end. During the year ended 31 March 2017, there is partial closure of swap, however the same will not have any adverse impact on the financial position of the entity.

(All amounts are in Rupees lakhs unless otherwise stated)

As at the end of the reporting period, the company had the following fixed rate borrowings hedged against interest rate swap contracts :

Particulars	Weighted average interest rate	As at 31, March 2017	As at 31, March 2016	As at 01, April 2015
		INR	INR	INR
Debentures carried at amortised cost	10.07%	32,727.98	32,199.46	31,718.50
Fixed Interest Rate Swap carried at FVTPL (Marked to Market value)	3.46%	499.73	(1,170.09)	73.97

Sensitivity Analysis

The Company's currency exposures in respect of foreign currency monetary items at each period end presented that result in net currency gains and losses in the income statement and equity arise principally from movement in INR exchange rates. At each period end, if INR had weakened by 10% against the functional currency (USD), with all other variables held constant, the changes in profit or loss will be as summarised in the following table. 10% is the sensitivity rate used when reporting to foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

Particulars	Impact on INR (-10% change)			Impact on INR (+10% change)		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Impact on Profit or loss for the year	(7.76)	17.79	N.A	(6.35)	14.56	N.A
Impact on total Equity as at the end of the reporting period	(7.76)	17.79	N.A	(6.35)	14.56	N.A

This sensitivity analysis is without considering hedged items.

This is mainly attributable to the exposure outstanding on INR receivables and payables in the Company at the end of the reporting period.

The Company's sensitivity to foreign currency has changed due to decrease in financial liability and increase in financial asset denominated in foreign currency with respect to previous period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Commodity Price Risk

Commodity Price Risk arises from the 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 company'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 company's over all pricing strategy.

Some of the company'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 recognized 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.

The company does not have significant sensitivities in respect of accounting for it on-balance sheet commodity contracts.

Disclosure of Commodity Exchange positions outstanding as of March 31, 2017

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
	INR	INR	INR	INR
Raw sugar				
Less than 1 year	49,933.06	20,206	5,463.84	(2,046)
In 1 to 2 year	3,047.15	-	165.55	-
In 2 to 3 year	446.37	-	9.69	-
White Sugar				
Less than 1 year	-	34,477	-	3,440

The table below illustrates the sensitivity of the Company's commodity pricing contracts as at 31 March to the price movement of commodities:

Particulars	Impact on INR (-10% change)			Impact on INR (+10% change)		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Impact on Profit or loss for the year	(4,623.95)	1,566.53	N.A	4,623.95	(1,566.53)	N.A
Impact on total Equity as at the end of the reporting period	(4,623.95)	1,566.53	N.A	4,623.95	(1,566.53)	N.A

Other price risk

Other price risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. However the management believes that the such risk is minimal with nil or insignificant impact on Company's performance.

(All amounts are in Rupees lakhs unless otherwise stated)

Interest Rate risk

The Company has availed the borrowings (both Short term and Long Term) at the fixed rates and hence the company is not exposed to interest rate risk.

Sensitivity analysis

The changes in interest rates which may be due to revision in base lending rates in case of fixed rate short term borrowings very rare and minimal. Hence there is no significant impact due to changes in interest rates for short term borrowings. Long term borrowings are not subject to interest rate risk being debentures at fixed interest which are further swapped against its cash flow exposures.

Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables. For receivables; the Company mostly deals with exchange registered dealers. The exchange clearing house used is one of the world's largest capitalized financial institutions with excellent long-term credit ratings. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The group treasury maintains flexibility in funding by maintaining availability under committed credit lines. 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 following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average interest rate	Less than 1 Year	1 to 3 years	More than 3 years
	%	INR	INR	INR
31-Mar-17				
Non-interest bearing				
- Trade payables		97,422.03	-	-
Fixed interest rate instruments				
-Current borrowings		47,475.25	-	-
-Non current borrowings	10.08%	2,713.50	31,070.25	-
-Preference Share Capital		-	-	-
Other financial liabilities		162.69		-
Total		**147,773.47**	**31,070.25**	**-**
31-Mar-16				
Non-interest bearing				
- Trade payables		48,519.17	-	-
Fixed interest rate instruments				
-Current borrowings		81,990.19	-	-
'-Non current borrowings	10.08%	2,713.50	24,927.00	14,856.76
-Preference Share Capital		-	1,100.00	13,000.00
Other financial liabilities		474.37	-	-
Total		**133,697.24**	**26,027.00**	**27,856.76**
01-Apr-15				
Non-interest bearing				
- Trade payables		31,937.38	-	-
Fixed interest rate instruments				
-Current borrowings		22,150.39	-	-
'-Non current borrowings	10.08%	2,713.50	11,427.00	31,070.25
-Preference Share Capital				11,300.00
Other financial liabilities		2,005.74	-	-
Total		**58,807.01**	**11,427.00**	**42,370.25**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 year	1 to 3 years	More than 3 years
	INR	INR	INR
31-Mar-17			
Non-interest bearing			
-Trade receivables	292.45	-	-
-Cash and Bank balances*	1,678.07	-	-
-Investments	3,043.99	-	-
-Other Financial asset(Deposits)	14,752.97		118.68
Interest bearing			
- Fixed deposit(interest rate: 6.46%)	5,816.80	-	-
Total	**25,584.28**	**-**	**118.68**
31-Mar-16			
Non-interest bearing			
-Trade receivables	11,779.76	-	-
-Cash and Bank balances*	2,054.25	-	-
-Investments	3,302.90	-	-
-Other Financial asset(Deposits)	22,414.58		105.17
Interest bearing			
- Fixed deposit(interest rate:)	2,070.82		
Total	**41,622.31**	**-**	**105.17**
01-Apr-15			
Non-interest bearing			
-Trade receivables	77.20	-	-
-Cash and Bank balances*	11.73	-	-
-Investments	-	-	-
-Other Financial asset(Deposits)	2,831.28		186.41
Interest bearing			
- Fixed deposit(interest rate:)	15.87	-	-
Total	**2,936.08**	**-**	**186.41**

* Cash and Bank Balances here excludes Fixed deposits

Note:

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Particulars	Less than 1 year	1 to 3 years	More than 3 years
	INR	INR	INR
As at 31, March 2017			
Net settled:			
– Cross Currency Interest Rate swaps	-	499.73	
– Currency exchange forward contracts	-	-	
– Commodity futures	(5,639.08)	-	
Total	**(5,639.08)**	**499.73**	
As at 31, March 2016			
Net settled:			
– Cross Currency Interest Rate swaps	-	(1,170.09)	
– Currency exchange forward contracts	-	-	
– Commodity futures	(1,394.10)	-	
Total	**(1,394.10)**	**(1,170.09)**	
As at 01, April 2015			
Net settled:			
– Cross Currency Interest Rate swaps	-	623.18	
– Currency exchange forward contracts	(11.74)	-	
– Commodity futures	73.97	-	
Total	**62.23**	**623.18**	

The Company has access to financing facilities of which Rs. 104341 Lakhs (PY : Rs. 36438 Lakhs) were unused at the end of the reporting period ended 31st March 2017. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognized amounts and the Company intends to either settle on a net basis, or to realize enforceable right to set off recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability, simultaneously.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

32 Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31, March 2017	31, March 2016	01,April 2015				
	INR	INR	INR				
Fair value hierarchy -Level 1							
1) Commodity derivatives	(5,639.08)	(1,394.10)	73.97	Level 1	Quoted bid prices in an active market.	NA	NA
2) Investment in Mutual funds	3,043.99	3,302.90	-	Level 1	Quoted bid prices in an active market.	NA	NA
Sub-total	**(2,595.09)**	**1,908.80**	**73.97**				
Fair value hierarchy -Level 2							
3) Foreign currency forward contracts		-	(11.74)	Level 2	Refer Note 3(a)	NA	NA
4) Cross Currency Interest rate swaps	499.73	(1,170.09)	623.18	Level 2	Refer Note 3(b)	NA	NA
Sub-total	**499.73**	**(1,170.09)**	**611.44**				

Note:

1. Derivatives value here represents Marked to Market value.
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.
(b) Currency and interest rate swap contracts	Discounted Cash Flow	These are swaps where the Company has fixed its interest obligation and converted the foreign currency interest and principal obligations to its functional currency (`USD). Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties. Forward exchange rates, contract forward and interest rates, observable yield curves are key inputs used.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

32 Fair Value Measurement ..continued
Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	As at 31, March 2017		As at 31, March 2016		As at 01, April 2015		Level
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	
	INR	INR	INR	INR	INR	INR	
Financial assets carried at Amortised Cost							
Security deposit	118.68	158.98	105.17	109.13	186.41	186.41	Level 2
Trade receivables	292.45	292.45	11,779.76	11,779.76	77.20	77.20	Level 2
Cash and cash equivalents	7,494.87	7,494.87	2,071.05	2,071.05	27.59	27.59	Level 1
Other Financial Assets	14,752.97	14,752.97	22,414.58	22,414.58	2,831.28	2,831.28	Level 2
Total	**22,658.97**	**22,699.27**	**36,370.56**	**36,374.52**	**3,122.48**	**3,122.48**	
Financial liabilities carried at Amortised Cost							
Non Convertible Debentures	32,727.98	32,871.65	32,199.46	32,207.52	31,718.50	32,146.96	Level 2
Preference shares	-	-	10,071.89	10,054.22	7,238.31	7,366.54	Level 2
Trade payables	97,422.03	97,422.03	48,519.17	48,519.17	31,937.38	31,937.38	Level 2
Short term borrowings	41,475.25	41,475.25	81,990.19	81,990.19	22,150.39	22,150.39	Level 2
Others	2,080.73	2,080.73	2,392.41	2,392.41	2,005.74	2,005.74	Level 2
Total	**173,705.99**	**173,849.66**	**175,173.12**	**175,163.52**	**95,050.33**	**95,607.01**	

Note:

1. In case of trade receivables, cash and cash equivalents, trade payables, 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 categorisation of fair value measurements into the different levels of the fair value hierarchy depends 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.

(All amounts are in Rupees lakhs unless otherwise stated)

32 Fair Value Measurement ..continued

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds, call options, put options, and commodity derivatives that have quoted price. The fair value of all commodity derivatives which are traded in the commodity exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

33 Segment information

The company is engaged in the business of refining sugar which is the only business segment determined in accordance with the IndAS 108, "Operating segment". Hence there are no reportable business segments to be disclosed as required by the said standard. The entire sales are made outside India and hence there are no reportable geographical segments to be disclosed as required under the said standard.

34 Leases

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	INR	**INR**
As Lessee		
Future Non-Cancellable minimum lease commitments		
not later than one year	94.94	94.94
later than one year and not later than five years	483.40	474.70
later than five years	1,560.01	1,663.65
Expenses recognised in the Statement of Profit and Loss		
Minimum Lease Payments	143.99	223.91
Liabilities in respect of Operating Leases	-	-

Details of leasing arrangements : Operating lease

The Company has entered into operating lease arrangements for land for its manufacturing activities in SEZ unit, for a period of 30 years commencing from 31 March 2008. The leases are non-cancellable in nature. The lease agreements has a schedule which provides lease payments for specific period.

(All amounts are in Rupees lakhs unless otherwise stated)

35 Related Party Transactions

Name of the parent Company E.I.D. Parry (India) Limited

List of Fellow Subsidiaries with whom transactions taken place during the year
Coromandel International Limited
Parrys Sugar Industries Limited
Parry Infrastructure Company Private Limited

Key Management Personnel (KMP)
Mr S. Suresh (Managing Director)

Note : Related Party Relationships are as identified by the management and relied upon by the auditors.
Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	E.I.D. Parry (India) Limited	Coromandel International Limited	Parrys Sugar Industries Limited	Parry Infrastructure Company Private	Mr S. Suresh
		INR	INR	INR	INR	INR
Nature of transactions with Related Parties						
Sale of goods	31-Mar-17	319.93	-	-	-	-
	31-Mar-16	362.97	-	-	-	-
Purchase of goods	31-Mar-17	-	-	-	-	-
	31-Mar-16	3,328.03	-	185.41	-	-
Purchase of property and other assets	31-Mar-17	-	-	-	-	-
	31-Mar-16	19.06	-	-	-	-
Receipt of Services	31-Mar-17	245.91	-	-	-	-
	31-Mar-16	323.18	0.05	-	-	-
Lease expenses	31-Mar-17	-	-	-	98.45	-
	31-Mar-16	-	-	-	165.27	-
Commission paid for Gaurantee given by Holding Company	31-Mar-17	109.24	-	-	-	-
	31-Mar-16	179.16	-	-	-	-
Allotment of equity shares (Also Refer Note 12.03 and 12.04)	31-Mar-17	14,100.00	-	-	-	-
	31-Mar-16	5,000.00	-	-	-	-
Allotment of preference shares against receipt of cash	31-Mar-17	-	-	-	-	-
	31-Mar-16	2,800.00	-	-	-	-
Lease deposit refund	31-Mar-17	-	-	-	-	-
	31-Mar-16	-	-	-	1,500.00	-
Remuneration for Whole time director, reimbursed to EID Parry (India) Limited, the holding company	31-Mar-17	-	-	-	-	104.39
	31-Mar-16	-	-	-	-	68.76
Contract cancellation charges	31-Mar-17	293.02	-	-	-	-
	31-Mar-16	-	-	-	-	-

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

35 Related Party Transactions..continued

Details of closing balances with related parties :

Nature of Balances with Related Parties	Balance as on	E.I.D. Parry (India) Limited	Coromandel International Limited	Parrys Sugar Industries Limited	Parry Infrastructure Company Private Limited	Mr S. Suresh
Trade payables (Unsecured)	31-Mar-17	76.19	-	-	85.68	-
	31-Mar-16	186.30	-	-	48.74	-
Trade receivables (Unsecured, considered good)	31-Mar-17	-	-	-	-	-
	31-Mar-16	-	-	-	-	-
Loans and advances given (Unsecured, considered good)	31-Mar-17	42.27	-	-	1,500.00*	-
	31-Mar-16	-	-	-	1,500.00*	-
Guarantee given by Holding Company	31-Mar-17	36,000	-	-	-	-
	31-Mar-16	134,950	-	-	-	-

* The amount has been disclosed here at the actual monies given. The advance given is measured at amortised cost in the financial statements.

36 Contingent liabilities and commitments

Particulars	As at 31 March, 2017	As at 31 March, 2016
	INR	INR
Contingent liabilities		
Outstanding Bank Guarantee	45.90	99.90
Letter of Credit Outstanding	92,701.67	3.90
Stand By letter of credit	6,160.28	2,753.28
Disputed Income Tax demand which is under appeal at Income tax Appellate Tribunal (entire amount has been paid under protest).*	170.68	170.68
Disputed Customs Duty demand which is under appeal *	874.00	
* Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		
Commitments		
Arrears of dividend on cumulative redeemable preference shares and tax thereon	-	1,740.70

37 The financial statements were approved for issue by the board of directors on May 11, 2017

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

38 First-time Ind AS adoption reconciliation
Effect of Ind AS adoption on the balance sheet as at March 31, 2016

S.No	Particulars	As at March 31, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP	**Effect of Transition**	**IND AS**
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	42,023.42	2,429.14	44,452.57
	(c) Capital Work-In-Progress	196.30	0.54	196.84
	(d) Financial Assets		-	
	(i) Others	1,500.00	(1,394.83)	105.17
	(e) Other Non Current Assets	498.04	784.06	1,282.10
	Total Non - Current Assets	**44,217.76**	**1,818.92**	**46,036.68**
2	**Current assets**			
	(a) Inventories	81,966.04	(230.17)	81,735.87
	(b) Financial Assets		-	
	(i) Investments	3,302.90	-	3,302.90
	(ii) Trade receivables	11,780.20	(0.44)	11,779.76
	(iii) Cash and Cash equivalents	2,071.05	0.00	2,071.05
	(iv) Others	22,365.66	48.92	22,414.58
	(c) Other Current Assets	3,844.40	(493.81)	3,350.59
	Total Current Assets	**125,330.26**	**(675.50)**	**124,654.75**
	Total Assets (1+2)	**169,548.01**	**1,143.42**	**170,691.43**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share capital	30,728.12	(14,100.00)	16,628.12
	(b) Other Equity	(29,751.28)	1,907.86	(27,843.42)
	Total equity	**976.84**	**(12,192.14)**	**(11,215.30)**
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	33,000.00	9,271.35	42,271.35
	(ii) Others	-	-	-
	(b) Non-Financial Liabilities			
	(i) Long term provisions	-	46.46	46.46
	(ii) Other Non-Financial Liabilities	-	4,028.11	4,028.11
	Total Non - Current Liabilities	**33,000.00**	**13,345.93**	**46,345.93**
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	81,993.23	(3.04)	81,990.19
	(ii) Trade payables	48,518.74	0.43	48,519.17
	(iii) Others	4,956.60	(0.01)	4,956.60
	(b) Non-Financial Liabilities		-	
	(i) Short term provisions	8.91	(7.74)	1.17
	(ii) Others	93.68	0.00	93.68
	Total Current Liabilities	**135,571.17**	**(10.36)**	**135,560.80**
	Total Equity and Liabilities (1+2+3)	**169,548.01**	**1,143.42**	**170,691.43**

Reconciliation of total equity as at March 31, 2016

Particulars	**As at March 31, 2016**
	(End of last period presented under Previous GAAP)
	INR
Total Equity (shareholder's funds) under previous GAAP	**976.84**
Classification of preference share from equity to liability (Note 41(iv)(b))	(14,100.00)
Other adjustments	1,907.86
Security deposit measured at amortised cost (Note 41(iv)(c))	(324.17)
Debentures measured at amortised cost (Note 41(iv)(e))	57.55
Provision for decommissioning liability (Note 41(iv)(a))	(4.40)
Fixed Assets Reinstatement (Note 41(iv)(a))	34.86
Foreign currency translation (Note 41(iv)(h))	2,144.02
Total adjustment to equity	***1,907.86***
Total equity under Ind AS	**(11,215.30)**

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

39 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016

S.No	Particulars	For the Year ended March 31, 2016		
		Previous GAAP	**Effect of Transition**	**IND AS**
I	Revenues from Operations	115,182.95	(646.63)	114,536.33
II	Other Income	1,677.66	3,055.04	4,732.70
III	**Total Income (I+II)**	**116,860.61**	**2,408.41**	**119,269.03**
IV	**Expenses:**			
	Cost of materials consumed	100,821.84	1,899.95	102,721.79
	Changes in Inventories of finished goods, work-in-pr	(2,074.49)	719.86	(1,354.63)
	Employee benefits expense	481.32	3.93	485.24
	Finance costs	5,610.00	685.04	6,295.04
	Depreciation and amortisation expense	2,473.48	111.61	2,585.10
	Other expenses	17,293.37	(3,203.69)	14,089.68
	Total Expenses (IV)	**124,605.53**	**216.70**	**124,822.22**
V	**Profit before tax (III-IV)**	**(7,744.91)**	**2,191.72**	**(5,553.19)**
VI	**Tax Expense:**			
	(1) Current Tax			-
	(2) Deferred Tax	-		
		-	-	-
VII	**Profit for the year from continuing operations(V-**	**(7,744.91)**	**2,191.72**	**(5,553.19)**
VIII	Profit from discontinued operations before tax	-	-	-
IX	Tax expense of discontinued operations	-	-	-
X	**Profit from discontinued operations after tax (VII**	-	-	-
XI	**Profit for the year (VII + X)**	**(7,744.91)**	**2,191.72**	**(5,553.19)**
XII	**Other Comprehensive Income**	-	(468.72)	(468.72)
XIII	**Total Comprehensive Income (XI+XII)**	**(7,744.91)**	**1,723.00**	**(6,021.91)**

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	**For the year ended 31, March 2016**
	INR
Profit as per previous GAAP	(7,744.91)
Adjustments	
Effect of amortisation of Rental Deposit under EIR (Note 41(iv)(c))	250.77
Depreciation on building (Note 41(iv)(a))	4.33
Reversal of Marked to Market Gain on Commodity Futures and Cross Currency Swaps (Note 41(iv)(d))	(697.15)
Decommissioning Liability Unwinding Cost (Note 41(iv)(a))	(4.41)
Effect of debenture discount under EIR (Note 41(iv)(e))	25.44
Foreign currency translation(Note 41(iv)(h))	2,612.73
Total effect of transition	***2,191.72***
Profit for the year as per Ind AS	**(5,553.19)**
Other comprehensive income for the year (net of tax)	(468.72)
Total comprehensive income under Ind AS	**(6,021.91)**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2017
(All amounts are in Rupees lakhs unless otherwise stated)

40 First-time Ind AS adoption reconciliation

Effect of Ind AS adoption on the balance sheet as at April 01, 2015

S.No	Particulars	As at April 01, 2015 (Date of transition)		
		Previous GAAP	**Effect of Transition**	**IND AS**
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	41,117.28	97.59	41,214.87
	(b) Capital Work-In-Progress	63.53	-	63.53
	(c) Financial Assets			
	(i) Deferred Tax Assets(Net)			-
	(ii) Others	3,050.16	(2,863.75)	186.41
	(d) Other Non Current Assets	764.20	1,523.64	2,287.85
	Total Non - Current Assets	**44,995.18**	**(1,242.52)**	**43,752.65**
2	**Current assets**			
	(a) Inventories	40,637.75	(32.73)	40,605.02
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	77.20	-	77.20
	(iii) Cash and Cash equivalents	27.59	-	27.59
	(iv) Others	2,793.65	734.78	3,528.43
	(c) Other Current Assets	1,564.07	(506.39)	1,057.69
	Total Current Assets	**45,100.28**	**195.66**	**45,295.94**
	Total Assets (1+2)	**90,095.45**	**(1,046.86)**	**89,048.59**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share capital	22,928.12	(11,300.00)	11,628.12
	(b) Other Equity	(22,006.37)	184.86	(21,821.51)
	Total equity	**921.75**	**(11,115.14)**	**(10,193.39)**
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	33,000.00	5,956.81	38,956.81
	(ii) Others	-	-	-
	(b) Non-Financial Liabilities			
	(i) Long term provisions	-	34.31	34.31
	(ii) Other Non-Financial Liabilities	-	4,061.69	4,061.69
	Total Non - Current Liabilities	**33,000.00**	**10,052.81**	**43,052.81**
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	22,150.39	-	22,150.39
	(ii) Trade payables	31,937.38	-	31,937.38
	(iii) Others	2,017.48	-	2,017.48
	(b) Non-Financial Liabilities			
	(i) Short term provisions	5.95	15.44	21.39
	(ii) Others	62.52	-	62.53
	Total Current Liabilities	**56,173.72**	**15.44**	**56,189.16**
	Total Equity and Liabilities (1+2+3)	**90,095.47**	**(1,046.89)**	**89,048.59**

Reconciliation of total equity as at April 01, 2015 (Refer note 41)

41 First-time adoption of Ind-AS

These financial statements, for the year ended 31 March 2017, are the first financial statements which the Company has prepared in accordance with Ind-AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with statutory reporting requirement in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ending on or after 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Refer Note 3.21 for exemptions availed.

Estimates

The estimates at 1 April 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with previous GAAP.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS.

Reconciliation

. The entity's date of transition to Ind AS is April 1, 2015, with its first Ind AS financial statements prepared to March 31, 2017;

. The changes in accounting policies as a consequence of the transition to Ind AS are as described in the notes following the reconciliations;

Effect of Ind AS adoption for Balance Sheet

The effect of the Company's transition to IND AS is summarized in this note as follows:

(i) Reconciliation of equity as previously reported under Indian GAAP to IND AS;

(ii) Reconciliation of retained earnings as previously reported under Indian GAAP to IND

Reconciliation of equity , retained earnings and cash flows as previously reported under Indian GAAP to IND AS

(i) Reconciliation of equity

(Amount in lakhs)

Particulars	Amount in INR
Equity as reported under previous GAAP as on 01 April, 2015	**22,928.12**
Ind AS: Adjustments increase/ (decrease):	
Preference shares classified from equity to liability	(11,300.00)
Equity as reported under IND AS as on 01 April, 2015	**11,628.12**

(ii) Reconciliation of Other Equity

(Amount in lakhs)

Particulars	Amount - INR	Amount - INR
Balance as per previous GAAP as on 01 April 2015		(22,006.37)
Effect of debenture discount under Effective interest rate (Note (iv)(e))	32.11	
Effect of depreciation difference in Building (Note (iv)(a))	30.54	
Effect of amortisation of Lease Deposit under EIR (Note (iv)(c))	(574.27)	
Marked to Market Gain on Commodity Futures (Note (iv)(d))	73.97	
Marked to Market Gain on Cross Currency Interest Swap (Note (iv)(d))	623.18	184.86
Balance as per Ind As as on 01 April 2015		**(21,821.51)**

(iii) Analysis of Cash and Cash Equivalents as at March 31, 2016 and as at April 01, 2015 for the purpose of statement of cash flow under Ind AS.

(Amount in lakhs)

PARTICULARS	**As at 31 March, 2016**	**As at 01 April, 2015**
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	**5,357.16**	**11.72**
Bank Overdrafts which form an integral part of cash management system (Note (iv)(h))	(11.89)	321.84
Cash and cash equivalents as per Ind AS	**5,345.26**	**333.56**

(iv) Notes to the reconciliation .

a) <u>Property, Plant and Equipment</u>

As per previous GAAP critical spares pertaining to capital asset were added to the inventory.However under Ind AS 16 Property plant and Equipment, such items should be capitalised tand should be depreciated over the useful life of the asset. An amount of INR:32.72 lakhs has been capitalised to plant and machinery from inventory. However since the asset has not been put to use as of the year end, no depreciation has been charged till date. Hence there is no impact due to this reclassification in the retained earnings of the company.

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 company has estimated such costs as of the transition date pertaining to fixed assets accordingly Plant and equipment is capitalised by INR:34.31 lakhs and a provision of the equivalent amount has been created resulting in 'nil' impact on retained earnings for the year ended March 2015.The Interest unwind for decommissioning liability for the year 2015-16 is INR 4.41 lakhs and the equity position as of March 31, 2016 has reduced by INR 4.41 lakhs.

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 INR:30.54 lakhs 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 INR: 4.33 lakhs 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 and conversion of this amount back to INR using the average exchange rate for the year.. The net impact to equity as of March 31, 2016 is INR 34.86 lakhs.

b) <u>Preference Shares</u>

Under previous GAAP, redeemable preference shares were classified as part of total equity. However, under Ind AS, financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not it's legal form. These preference shares do not contain any equity component and hence, have been classified in their entirely as a financial liability under Ind AS.

c) <u>Rental deposit</u>

As per previous GAAP security deposit used to be recognised as an asset at the transaction value in the books of lessee, but Ind AS 109 requires the same to be measured at fair value at initial recognition and the difference between lease deposit and fair value shall be recognised as prepaid lease rentals which will then be recognised in the statement of profit or loss account on straight line basis over the lease term as additional expense for the lessee. Accordingly a net additional charge of INR: 574.27 lakhs has been debited to the retained earnings for the year ended 01 April 2015.

For the year ended 31 March 2016, the additional charge to Profit or loss due to prepaid lease rent amortisation is INR 77.05 lakhs, due to which there is a increase in loss by that amount as compared to previous GAAP. Also there is refund in security deposit during the year hence there is a reversal of prepaid rent amortised earlier resulting in increase in other income by INR: 308.8 lakhs. Interest income on lease deposit recognised pursuant to Ind AS transition for the year 31 March, 2016 ended is INR: 19.02 lakhs. This has lowered the equity as on March 31, 2016 by Rs 324.17 lakhs.

d) **Marked To Market Gain on Derivative Transactions**

As per previous GAAP it was optional to record gain on derivative transactions but as per Ind AS 109 it is mandatory to recognise gain on the derivatives which are marked to market. Accordingly retained earnings has been credited by the gain to the extent of Rs. 623.18 lakhs towards recognition of MTM on swap contracts where as Rs.73.97 lakhs towards MTM on sugar futures as at 01 April 2015.

Such MTM gain on swap and commodity contracts has been reversed during the year 31 March 2016 to the extent recognised earlier (total INR 697.15 lakhs) resulting in increase in the loss for the year then ended by that amount as compared to previous GAAP.

e) **Discount on issue of debentures**

Under previous GAAP debentures used to be recognised at the face value and the difference between face value and net proceeds were recognised as discount on issue of debentures. Whereas under Ind As 109 debentures being a financial liability are measured at amortised cost using EIR method at the end of each period if it meets the relevant criteria as specified therein. Accordingly retained earnings has been credited by the net impact of INR: 32.11 lakhs.

Pursuant to Ind As transition debenture discount for the year ended 31 March 2016 has been reduced by INR: 25.44 lakhs as compared to previous GAAP resulting in decrease in loss to that extent and the equity balance as on 31 March 2016 has reduced by Rs 57.55 lakhs.

f) **Acturial Gains and losses**

Under previous GAAP, acturial gains and losses were recognised in profit or loss. Under Ind AS, the acturial gains and losses form part of remeasurements of the net defined benefit liability/asset which is recognised in other comprehensive income. The acturial gains for the year ended March 31, 2016 were Rs 388,664. This does not affect the equity position of the company.

g) **Other Comprehensive Income**

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specific items of income, expense, gains, or losses are required to be presented in other comprehensive income.

h) **Change in Functional Currency**

Under Ind AS, the company needs to have an assesment of it's functional currency at the end of each reporting period. The books of accounts are to be prepared and maintained in the functional currency. Since the functional currency has been identified as US Dollars, 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. The loss for the year 2015-16 has come down by INR 2612.73 lakhs on account of this and equity as of March 31, 2016 has increased by INR 2144.02 lakhs.

h) **Bank Overdrafts**

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by INR :11.89 lakhs as at 31 March 2016 (1 April 2015 - INR:321.83 lakhs) and cash flows from financing activities for the year ended 31 March 2016 have also reduced by INR -309.94 lakhs to the effect of the movements in bank overdrafts.