

Parry Sugars Refinery India Private Limited
Balance Sheet as at March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
A	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	4	41,279.87	42,192.53
	(b) Capital Work-In-Progress	4	4.29	355.92
	(c) Investment in subsidiary	5	17.74	-
	(d) Financial Assets			
	(i) Other Financial Assets	7A	130.58	118.68
	(e) Deferred Tax Assets(Net)	6	-	-
	(f) Other Non Current Assets	12A	1,194.63	1,233.85
	Total Non - Current Assets		42,627.11	43,900.98
2	Current assets			
	(a) Inventories	8	70,424.08	106,288.60
	(b) Financial Assets			
	(i) Investments	9	2,762.07	3,043.99
	(ii) Trade receivables	10	12,403.54	292.45
	(iii) Cash and Cash equivalents	11A	9,440.08	1,678.06
	(iv) Bank balances other than (iii) above	11B	-	5,816.81
	(v) Other Financial Assets	7B	8,396.01	15,252.70
	(c) Other Current Assets	12B	1,042.08	7,574.14
	Total Current Assets		104,467.86	139,946.75
	Total Assets (1+2)		147,094.97	183,847.73
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share capital	13	30,125.00	27,072.57
	(b) Other Equity	14	(27,616.27)	(22,692.66)
	Total equity		2,508.73	4,379.91
	LIABILITIES			
2	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	13,500.00	27,000.00
	(b) Non-Financial Liabilities			
	(i) Long term provisions	17A	78.11	64.17
	(ii) Other Non Financial Liabilities	20A	30.23	2.30
	Total Non - Current Liabilities		13,608.34	27,066.47
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	44,746.44	41,475.25
	(ii) Trade payables	19	69,132.94	97,422.03
	(iii) Other Financial Liabilities	16	16,755.39	13,447.79
	(b) Non-Financial Liabilities			
	(i) Short term provisions	17B	53.91	1.67
	(ii) Other Non Financial Liabilities	20B	289.22	54.61
	Total Current Liabilities		130,977.90	152,401.35
	Total Equity and Liabilities (1+2+3)		147,094.97	183,847.73

The accompanying notes are an integral part of these financial statements

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Baskar Pannerselvam

Partner

Membership No.: 213126

Place : Chennai

Date : May 2, 2018

For and on behalf of the Board of Directors

 S. Suresh
Managing Director

 P. Nagarajan
Chairman

 S. Ganesh
Chief Financial Officer

 B. Satish Krishnan
Company Secretary

Parry Sugars Refinery India Private Limited
Statement of Profit and Loss for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

Particulars		Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	21A	241,819.75	184,686.04
II	Other Net gains - Derivative sugar contracts	21B	11,127.95	-
III	Other Income	22	1,138.11	3,157.40
IV	Total Revenue (I + II)		254,085.81	187,843.44
V	EXPENSES			
	(a) Cost of materials consumed	23	205,041.23	161,590.53
	(b) Purchase of Stock in Trade		25,503.76	-
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	24	8,195.96	(5,854.39)
	(d) Employee benefits expense	25	846.80	643.87
	(e) Finance costs	26	4,401.55	5,341.24
	(f) Depreciation and amortisation expense	4	2,799.40	2,798.46
	(g) Other expenses	27	14,891.66	21,908.07
	Total Expenses		261,680.36	186,427.78
VI	Profit/(loss) before tax (III - IV)		(7,594.55)	1,415.66
VII	Tax Expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total tax expense	29	-	-
VIII	Profit/(Loss) for the year (V-VI)		(7,594.55)	1,415.66
IX	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		(61.75)	78.45
	(b) Remeasurements of Defined Benefit Plans		(14.51)	1.10
	Total other comprehensive income ((i) a+b)		(76.26)	79.55
X	Total comprehensive income for the year (VII + VIII)		(7,670.81)	1,495.21
X	Earnings per equity share (Face value of Rs 10 per share):			
	Basic and diluted (Rupees per share)	31	(2.80)	0.86

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

For and on behalf of the Board of Directors

S. Suresh
Managing Director

P. Nagarajan
Chairman

Baskar Pannerselvam
Partner
Membership No.: 213126
Place : Chennai
Date : May 2, 2018

S. Ganesh
Chief Financial Officer

B. Satish Krishnan
Company Secretary

Parry Sugars Refinery India Private Limited
Statement of Cashflows for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flows from operating activities		
Profit for the year	(7,594.55)	1,415.66
Adjustments for:		
Finance costs recognised in profit or loss	4,128.81	5,341.24
Unwinding of Interest on zero coupon debentures	272.74	528.52
Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss	34.65	-
Depreciation and amortisation expenses	2,799.40	2,798.46
Profit/(Loss) on Sale of Assets	0.11	(1.11)
Marked to Market loss/(gain) on Forward and Swap Contract	763.69	(1,669.82)
Marked to Market loss on Commodity Contracts	(4,759.27)	4,244.99
Interest Income	(64.22)	(17.86)
Dividend from Mutual Funds	(575.00)	-
Liabilities no longer required written back	(1,369.53)	-
Deferred Expense (Net of Interest Income) arising from Interest free deposits carried at amortised cost	44.07	35.16
Operating Profit before working capital changes	(6,319.10)	12,675.24
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(12,111.09)	11,487.31
(Increase)/decrease in inventories	35,864.52	(23,577.13)
(Increase)/decrease in Other Financial Assets (Current)	6,345.06	7,663.74
(Increase)/decrease in Other Current Assets	6,532.06	(4,223.55)
(Increase)/decrease in other Non Financial Assets (Non Current)	-	(0.42)
Increase /(decrease) in Trade payables	(26,981.30)	48,902.86
Increase /(decrease) in Long term and Short term provisions	66.18	18.21
Increase/(decrease) in Other Non Financial Liabilities	248.03	(37.98)
Increase/(decrease) in Other Financial Liabilities	(1.00)	(289.91)
Cash generated from / (used in) operations	9,962.46	39,943.13
Income taxes paid	(4.85)	-
Net cash generated from / (used in) operating activities	3,638.51	52,618.37
B. Cash flows from investing activities		
Payments to acquire Property, Plant and Equipment	(1,535.22)	(1,595.25)
Payments for investment in subsidiary	(17.74)	-
Interest received from fixed deposits	64.22	15.73
Dividends received from Mutual Funds	575.00	-
Current investments	(2,797.44)	-
Proceeds from sale of fixed Assets	-	1.66
Bank balances not considered as Cash and cash equivalents - Placed	5,816.81	(5,799.98)
Net cash (used in)/generated by investing activities	2,105.63	(7,377.84)
C. Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	5,799.62	-
Redemption of debentures	(6,000.00)	-
Proceeds from short term borrowings(net) including bank overdrafts	3,271.19	(40,503.03)
Finance costs	(4,096.92)	(5,360.71)
Net cash used in financing activities	(1,026.11)	(45,863.74)
Net increase in cash and cash equivalents	4,718.03	(623.21)
Cash and cash equivalents at the beginning of the year	4,722.05	5,345.26
Cash and cash equivalents at the end of the year	9,440.08	4,722.05
	4,718.03	(623.21)

Parry Sugars Refinery India Private Limited
Statement of Cashflows for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and Cash Equivalents (Note No 11A)	9,440.08	1,678.06
Add: Current investments considered as part of Cash and cash equivalents (as defined in Ind AS 7 - Statement of cash flows)	-	3,043.99
Net Cash and Cash Equivalents (as defined in Ind AS 7 - Statement of cash flows)	9,440.08	4,722.05

In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

For and on behalf of the Board of Directors

S. Suresh

Managing Director

P. Nagarajan

Chairman

Baskar Pannerselvam

Partner

Membership No.: 213126

Place : Chennai

Date : May 02,2018

S. Ganesh

Chief Financial Officer

B. Satish Krishnan

Company Secretary

Parry Sugars Refinery India Private Limited
Statement of changes in equity for the year ended March 31, 2018
All amounts are in Rupees Lakhs unless otherwise stated)

a. Equity

Particulars	Amount
Issued, subscribed and Paid up Capital	
Balance at April 1, 2016	16,628.12
Conversion of Preference shares to Equity shares	10,444.45
Balance at March 31, 2017	27,072.57
Issue of Equity shares to Holding Company	3,052.43
Balance at March 31, 2018	30,125.00

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 (Actuarial gain/losses)	
Opening as at April 1, 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 March 31, 2017	34,397.00	1,415.66	(58,116.14)	(394.16)	4.99	(22,692.66)
2017-18						
Profit/(Loss) for the year	-	-	(7,594.55)	-	-	(7,594.55)
Issue of Fresh Equity Share Capital	2,747.19	-	-	-	-	2,747.19
Exchange differences in translating the financial statements to Presentation Currency	-	-	-	(61.75)	-	(61.75)
Remeasurement of Defined Benefit Plans	-	-	-	-	(14.51)	(14.51)
Balance as at March 31, 2018	37,144.19	1,415.66	(65,710.69)	(455.91)	(9.52)	(27,616.27)

In terms of our report of even date.

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126
Place : Chennai
Date : May 02, 2018

S. Suresh
Managing Director

P. Nagarajan
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Company Secretary

Parry Sugars Refinery India Private Limited

Notes forming part of the financial statements for the year ended March 31, 2018

(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 January 13, 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. The Company has Refinery Capacity of 2,300 MT per day of Sugar.

2 Statement of compliance

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

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 Section 133 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.

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.

3.2 Exemption from preparation of consolidated financial statements

The Company has an investment in a subsidiary. The Holding Company, E.I.D. - Parry (India) Limited, having its registered office at Dare House, Parrys Corner, Chennai - 600001, shall present the consolidated financial statements. The Company has therefore availed the exemption under paragraph 4(a) of Ind AS 110 and shall satisfy the conditions for exemption from preparing consolidated financial statements as per the Companies (Accounts) Amendment Rules, 2016 and thereby does not present consolidated financial statements.

Consequently, the accounting policies mentioned herein relate to the standalone financial statements of the Company.

Parry Sugars Refinery India Private Limited**Notes forming part of the financial statements for the year ended March 31, 2018****(All amounts are in Rupees lakhs unless otherwise stated)****3.3 Going Concern Assumption**

The Company has accumulated loss of Rs. 65,710.69 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:-

- Company has not defaulted in payment of any statutory dues including interest on bank borrowings.
- 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.
- 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.
- 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 during its operations in the year 2015-16, which will improve the profitability .
- The company's production volumes have increased in the years 2015-16, 2016-17 and 2017-18 and the Company has been locking its refining margins through trades in sugar future contracts.

Besides the above, the Company has also taken several Strategic initiatives, cost reduction and efficiency improving measures to improve profitability. During the year ended March 31, 2018, E.I.D Parry (India) Ltd - Holding Company infused Rs. 5,799.62 Lakhs in the form of Equity Shares.

3.4 Functional and presentation currency

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. The company locks the premium/margins for its refining business using USD denominated sugar commodity futures and option contracts.

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.

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.

3.5 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, value added taxes and Goods and Services Tax. 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;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

3.6 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.

3.7 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.

3.8 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.

3.9 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 employees covered under the respective Schemes are recognised in the Statement of Profit and Loss each year.

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.

3.10 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.

3.11 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.

Parry Sugars Refinery India Private Limited**Notes forming part of the financial statements for the year ended March 31, 2018****(All amounts are in Rupees lakhs unless otherwise stated)****3.12 Property, plant and equipment**

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

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

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

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

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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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.

Parry Sugars Refinery India Private Limited

Notes forming part of the financial statements for the year ended March 31, 2018

(All amounts are in Rupees lakhs unless otherwise stated)

3.19 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.

3.20 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.

3.21 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.

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.

3.22 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand are included as component of cash and cash equivalent for the purpose of cash flow statement.

3.23 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognised as a deduction from equity, net of any tax effects.

3.23 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.

Parry Sugars Refinery India Private Limited

Notes forming part of the financial statements for the year ended March 31, 2018

(All amounts are in Rupees lakhs unless otherwise stated)

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.

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 trade 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.

Impairment of property, plant and equipment

The carrying amount of property, plant and equipment are stated in Note 4. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections. For further details, refer note 3.13. Based on the impairment assessment carried out by the Management, it has been determined that no impairment is required.

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, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

4	Property, Plant and Equipment						
	Description of Assets	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Cost							
	Balance as at April 1, 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 Presentation currency	(304.68)	(690.79)	(0.75)	(0.74)	(0.36)	(997.32)
	Balance as at March 31, 2017	14,340.77	33,052.66	25.58	40.80	3.10	47,462.91
	Additions	201.63	1,432.82	31.07	0.58	36.85	1,702.95
	Disposals	-	-	(0.21)	-	-	(0.21)
	Effect of foreign currency translation from functional currency to Presentation currency	71.88	168.76	0.05	0.20	0.02	240.91
	Balance as at March 31, 2018	14,614.28	34,654.24	56.49	41.58	39.97	49,406.56
II. Accumulated depreciation							
	Balance as at April 1, 2016	456.57	2,149.88	2.98	5.17	2.64	2,617.24
	Depreciation 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 Presentation currency	(25.07)	(111.61)	(8.05)	(0.29)	-	(145.02)
	Balance as at March 31, 2017	991.34	4,260.12	5.71	10.41	2.81	5,270.39
	Depreciation expense for the year	560.41	2,216.37	9.77	5.74	7.11	2,799.40
	Depreciation on disposals during the year	-	-	(0.10)	-	-	(0.10)
	Effect of foreign currency translation from functional currency to Presentation currency	11.23	45.42	0.14	0.12	0.09	57.00
	Balance as at March 31, 2018	1,562.98	6,521.91	15.52	16.27	10.01	8,126.69
III. Carrying Amount							
	Balance as at March 31, 2017	13,349.43	28,792.54	19.87	30.39	0.29	42,192.53
	Balance as at March 31, 2018	13,051.30	28,132.33	40.97	25.31	29.96	41,279.87

4.01 Refer to note 15 and 18 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, 2018
(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, 2018	As at March 31, 2017
Carrying amounts of:		
Buildings	13,051.30	13,349.43
Plant and equipment	28,132.33	28,792.54
Furniture and Fixtures	25.31	30.39
Office Equipments	40.97	19.87
Vehicles	29.96	0.29
Total	41,279.87	42,192.53
Capital Work in Progress	4.29	355.92

5 Investment in subsidiary

Particulars	As at March 31, 2018	As at March 31, 2017
<i>Investment in unquoted equity instrument of subsidiary at cost</i>		
100 equity shares of AED 1,000 each fully paid up in Parry International DMCC, a wholly owned subsidiary	17.74	-
Total	17.74	-

Aggregate amount of unquoted investments

17.74

-

Aggregate amount of impairment in value investments

-

-

6 Deferred tax assets (Net)

The balance comprises of temporary differences attributable to :

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liability:		
Depreciation	6,324.81	6,568.07
Total	6,324.81	6,568.07
Deferred Tax Asset:		
Tax losses	6,109.88	6,366.30
Employee benefit obligations	18.99	7.56
Allowance for doubtful debts - trade receivables and advances	180.71	180.71
Provision for decommissioning liability	15.23	13.50
Total	6,324.81	6,568.07
Set-off of deferred tax liabilities pursuant to set-off provisions	6,324.81	6,568.07
Net deferred tax assets	-	-

6.01 The Company has unrecognised deferred tax assets to the tune of Rs. 20,892.90 (March 31, 2017: Rs. 21,120.98) arising from unused tax losses amounting to Rs. 67,614.55 (March 31, 2017: 68,352.69). Since the entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses 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 March 31, 2018.

6.02 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 up to financial year ending March 31,2020.

7 Other Financial Assets

A. Non Current:

Particulars	As at March 31, 2018	As at March 31, 2017
<i>Carried at amortised cost:</i>		
Unsecured, considered good		
- Security Deposits with related parties*	130.58	118.68
Unsecured, considered doubtful		
- Other Deposits	46.87	46.87
Less : Allowance for bad and doubtful deposits	(46.87)	(46.87)
Total	130.58	118.68

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

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

B. Current:

Particulars	As at March 31, 2018	As at March 31, 2017
<i>At amortised cost</i>		
Unsecured, considered good)		
Funds available with commodity exchange brokers	8,124.73	14,609.30
Interest accrued on deposits	3.28	3.28
Other Deposits	268.00	140.39
<i>At Fair Value through profit or loss</i>		
(i) Derivatives		
Marked to market gain on Swap Contract	-	499.73
Total	8,396.01	15,252.70

8 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials	58,239.72	85,825.26
Work-in-progress	862.94	959.08
Finished goods	10,074.87	18,186.08
Consumables, Stores and spares	1,246.55	1,318.18
Total	70,424.08	106,288.60

8.01 The cost of inventories recognised as an expense in "Cost of materials consumed and changes in inventories of work-in-progress, stock-in-trade and finished goods" includes Rs. 11,354.79 Lakhs (2016-17 - Nil) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs. Nil (2016-17 - Rs. 79 lakhs) in respect of reversal of such write downs. The mode of valuation has been stated in Note 3.14

9 Current Investment

Particulars	As at March 31, 2018	As at March 31, 2017
Designated as Fair Value Through Profit and Loss		
<i>Quoted Investment</i>		
Investments in Mutual Funds	2,762.07	3,043.99
Total	2,762.07	3,043.99
Aggregate book and market value of quoted investments	2,762.07	3,043.99

9.01 Current investments includes investments in the nature of "Cash and cash equivalents" (as defined in Ind AS 7 Statement of cash flows) amounting to Rs. Nil lakhs as at March 31, 2018 (Previous Year Rs. 3,043.99 lakhs), considered as part of Cash and cash equivalents in the Cash Flow Statement.

10 Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables outstanding		
(a) Unsecured, considered good (Refer Note No. 10.01)	12,403.54	292.45
(b) Unsecured, considered Doubtful	222.24	222.24
Less: Provision for doubtful debts	(222.24)	(222.24)
Total	12,403.54	292.45

10.01 Trade receivable includes Rs. 1,410.56 Lakhs (March 31, 2017: Rs. Nil) receivable from the Holding Company, E.I.D.- Parry (India) Limited

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

10.01 Movement in the allowance for doubtful debts

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
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)

11 A .Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and bank balances		
Cash in hand	0.16	0.20
Balances with banks		
In current account	3,622.78	1,677.86
In deposit accounts with original maturity of less than three months	5,817.14	-
Total	9,440.08	1,678.06

B. Other Bank Balance

Particulars	As at March 31, 2018	As at March 31, 2017
Other bank balances		
Deposit accounts with original maturity period of more than three months and less than twelve months	-	5,816.81
Total	-	5,816.81

11.1 Cash and cash equivalents here includes cash in hand and in banks excluding overdraft

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

During the year ended March 31, 2017, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308E 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
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

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

12 Other assets

A. Non-current

Particulars	As at	
	March 31, 2018	March 31, 2017
(a) Security deposit		
Deferred Expense arising from Interest free deposits carried at amortised cost	977.92	1,021.99
(b) Balances with government authorities (other than income taxes)		
Deposits with Government Authorities	26.51	26.51
(c) Loans and Advances		
Advance income tax (net of provision for income tax - Rs. Nil (March 31, 2017 - Rs. Nil)	190.20	185.35
Total	1,194.63	1,233.85

B. Current

Particulars	As at	
	March 31, 2018	March 31, 2017
(a) Advances to suppliers		
- Unsecured, considered good	865.36	814.00
- Unsecured and considered doubtful	315.71	315.71
Less : Provision for doubtful advances	(315.71)	(315.71)
(b) Deferred losses on Commodity future contracts	-	6,711.21
(c) Balances with government authorities (other than income taxes)		
Service Tax Recoverable	38.19	36.40
VAT Recoverable	0.93	0.93
Customs Duty	76.36	-
(d) Prepayments		
Prepaid expenses	61.24	11.60
Total	1,042.08	7,574.14

12.01 Advances to suppliers (unsecured, considered good) as at March 31, 2018 includes Rs. Nil lakhs (March 31, 2017 - Rs. 42.27 lakhs) dues from the holding company, E.I.D.- Parry (India) Limited.

13 Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised Share capital:				
Equity Shares of Rs.10 each	320,000,000	32,000.00	320,000,000	32,000.00
Issued, Subscribed and Fully Paid up :				
Equity Shares of Rs.10 each	301,250,000	30,125.00	270,725,670	27,072.57
Total	301,250,000	30,125.00	270,725,670	27,072.57

13.01 Reclassification of Authorised Share Capital:

During the year ended March 2017, the authorised share capital of the company was reclassified 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.

Parry Sugars Refinery India Private Limited

Notes forming part of the financial statements for the year ended March 31, 2018

(All amounts are in Rupees lakhs unless otherwise stated)

13.02 Conversion of Preference shares in to Equity shares

During the year ended March 2017, the Company 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.

13.03 Issue of Equity Shares

During the year ended March 31,2018, the Company has issued to E.I.D.-Parry (India) Limited, through private placement, 3,05,24,330 equity shares of Rs.10 each at premium of Rs.9 per share, vide board resolution dated March 31, 2018 and approved by the members in the EGM held on the same date,aggregating to Rs 5,799.62 lakhs.

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

Particulars	Opening Balance	Fresh Issue	Conversion of Preference Shares	Closing Balance
Equity Shares				
Year ended March 31, 2018				
No. of Shares	270,725,670	30,524,330	-	301,250,000
Amount	27,072.57	3,052.43	-	30,125.00
Year ended March 31, 2017				
No. of Shares	166,281,225	-	104,444,445	270,725,670
Amount	16,628.12	-	10,444.45	27,072.57

13.05 Rights, Preferences and restrictions attaching to each class of 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.

13.06 Details of shares held by the holding Company:

Particulars	No. of Shares	Amount
As at March 31, 2018		
Equity Shares of Rs. 10 each fully paid up, held by E.I.D.- Parry (India) Limited	301,250,000	30,125.00
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

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

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	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	301,250,000	100%	270,725,670	100%

13.08 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.

13.09 There are no calls unpaid/ forfeited shares issued during the year ended March 31, 2018 or in previous year.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

14 Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Securities Premium Account		
Opening balance	34,397.00	30,741.44
Addition on fresh issue of Equity Share capital (Refer Note 13.01, 13.02 and 13.03)	2,747.19	3,655.56
Closing balance	37,144.19	34,397.00
(b) Debenture Redemption Reserve		
Opening balance	1,415.66	-
Transfer from Retained Earnings	-	1,415.66
Closing balance	1,415.66	1,415.66
(c) Retained Earnings		
Opening Balance	(58,116.14)	(58,116.14)
(Loss) / Profit for the year	(7,594.55)	1,415.66
Transfer to Debenture Redemption Reserve	-	(1,415.66)
Closing Balance	(65,710.69)	(58,116.14)
(d) Foreign Currency Translation Reserve		
Opening balance	(394.16)	(472.61)
Addition during the period	(61.75)	78.45
Closing balance	(455.91)	(394.16)
(e) Other Items of other comprehensive income		
Opening balance	4.99	3.89
Remeasurements of Defined Benefit Plans	(14.51)	1.10
Closing balance	(9.52)	4.99
Total (a+b+c+d+e)	(27,616.27)	(22,692.66)

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.

Parry Sugars Refinery India Private Limited

Notes forming part of the financial statements for the year ended March 31, 2018

(All amounts are in Rupees lakhs unless otherwise stated)

15 Non Current Borrowings

Particulars	As at March	As at March
	31, 2018	31, 2017
Measured at amortised cost		
Secured Borrowings:		
- Privately placed, redeemable, Non-Convertible Debentures	13,500.00	27,000.00
Total	13,500.00	27,000.00
The details of the above debentures are as follows:		
N.C.D - ISIN: INE082O07018 - IndusInd Bank	-	13,500.00
N.C.D - ISIN: INE082O07026 - IndusInd Bank	13,500.00	13,500.00
Total	13,500.00	27,000.00

15.01 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.27,000 Lakhs, have been allotted on July 16, 2014. This is secured by exclusive charge on the fixed assets of the Company. Debentures are redeemable in full at par on July 16, 2018 and July 16, 2019 in equal installments of Rs 13,500 Lakhs each. The Holding Company E.I.D.- 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.27,000 Lakhs has been swapped for USD 44,665,012. The swap trade is effective from August 22, 2014 and termination date is July 12, 2019. Interest liability of 10.05% p.a. in Indian Rupees has been swapped for 3.4% fixed per annum on Effective USD Notional. The Company has unwound swap contract partially and the outstanding swap contract as on March 31, 2018 USD 9,665,012.

15.03 The Company has not defaulted in repayment of debentures and interest thereon.

15.04 Net Debt Reconciliation

Particulars	As at March 31, 2018	As at March 31, 2017
1. Cash and cash equivalents	9,440.08	4,722.05
2. Liquid Investments	2,762.07	-
3. Current borrowings (refer note 15.05)	(44,932.59)	(41,629.51)
4. Non-current borrowings (refer note 15.05)	(28,925.47)	(34,653.45)
5. Liability on Swap contract	(95.48)	499.73
Net Debt	(61,751.39)	(71,061.18)

Particulars	Other assets		Liabilities from financing activities		
	Cash and cash equivalents	Liquid investments	Non-current borrowings	Current borrowings	Liability arising from Swap
Net debt as at March 31, 2017	4,722.05	-	(34,653.45)	(41,629.51)	499.73
Cash flows	4,718.03	2,796.72	6,000.00	(3,271.19)	-
Acquisition - finance leases	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-
Interest expense	-	-	(2,985.52)	(1,415.30)	-
Interest paid	-	-	2,713.50	1,383.41	-
Other non-cash movements	-	-	-	-	-
- Acquisitions / disposals	-	-	-	-	-
- Fair value adjustments	-	(34.65)	-	-	(595.21)
Net debt as at March 31, 2018	9,440.08	2,762.07	(28,925.47)	(44,932.59)	(95.48)

15.05 Break-up of current and non-current borrowings

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Long term borrowings (refer note 15)	-	13,500.00	-	27,000.00
Current borrowings (refer note 18)	44,746.44	-	41,475.25	-
Current maturities of current borrowings (refer note 16)	-	13,500.00	-	5,727.98
Interest accrued but not due on borrowings (refer note 16)	186.15	1,925.47	154.26	1,925.47
Total	44,932.59	28,925.47	41,629.51	34,653.45

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

16 Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
<i>(i) Other Financial Liabilities Measured at amortised cost</i>		
(a) Current Maturities of Long-term debt (Refer Note 15 and 16.01)	13,500.00	5,727.98
(b) Interest accrued but not due on borrowings	2,111.62	2,079.73
(c) Other Payables	-	1.00
<i>(ii) Other Financial Liabilities Measured at FVTPL</i>		
(a) Derivatives		
Marked to Market Liability on Swap Contracts	95.48	-
Marked to Market Liability on Commodity Contracts	879.81	5,639.08
Marked to Market Liability on Forward Contracts	168.48	-
Total	16,755.39	13,447.79

16.01 600 Secured, Unlisted, Redeemable, Non-convertible Debentures with Zero Coupon and a yield of 10.20% p.a. having 3 years tenor with a maturity amount of Rs. 6,000 Lakhs have been repaid fully in the current year on the due date.

17 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
A. Long term provisions:		
Provision for employee benefits		
Provisions for compensated absences (Refer note 30)	28.81	20.48
Provision for Decommissioning liability	49.30	43.69
Total	78.11	64.17
B. Short term provisions:		
Provision for employee benefits		
Provisions for compensated absences (Refer note 30)	2.42	1.67
Provision for Duties and taxes	51.49	-
Total	53.91	1.67

Movement in provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for decommissioning liability (Non Current)		
Opening Balance	43.69	38.72
Addition during the year	5.61	4.97
Closing Balance	49.30	43.69
Provision for Duties and Taxes (Current)		
Opening Balance	-	-
Addition during the year	51.49	-
Closing Balance	51.49	-

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Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

18 Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
A. Secured Borrowings		
Loans repayable on demand From Banks	35,752.98	41,475.25
Total Secured Borrowings	35,752.98	41,475.25
B. Unsecured Borrowings		
Loans repayable on demand From Banks	8,993.46	-
Total Unsecured Borrowings	8,993.46	-
Total	44,746.44	41,475.25

Break up of current borrowings:

Particulars	As at March 31, 2018	As at March 31, 2017
Secured Borrowings		
<i>Buyers Credit</i>		
Yes Bank (Refer note 18.01)	13,034.00	13,972.95
RBL Bank (Refer note 18.02)	13,034.00	14,533.30
Axis Bank (Refer note 18.03)	7,729.88	-
IDFC Bank (Refer note 18.04)	-	12,969.00
<i>Packing Credit in Foreign Currency (PCFC)</i>		
Yes Bank	1,955.10	-
Sub Total	35,752.98	41,475.25
Unsecured Borrowings		
<i>Packing Credit in Foreign Currency (PCFC)</i>		
Deutsche Bank (refer note 18.05)	8,993.46	-
Sub Total	8,993.46	-
Total	44,746.44	41,475.25

- 18.01** The Buyers Credit facility and Packing 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 are ranging from 2.16% to 2.24% p.a. Further, the facilities are backed by a letter of comfort from the Holding Company, E.I.D. - Parry (India) Limited.
- 18.02** The Buyers Credit facility from RBL 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 ranging from 2.00% to 2.06% p.a. Further, the facility is backed by a letter of awareness from the Holding Company, E.I.D. - Parry (India) Limited.
- 18.03** The Buyers Credit facility from Axis Bank is secured by first pari passu charges on all current assets. The Interest rate on these foreign currency loans is at 1.96 % p.a.
- 18.04** 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 1.58%.
- 18.05** Packing credit facility from Deutsche Bank carries an average interest rate of 2.38% p.a.
- 18.06** The Company has not defaulted in repayment of any loans or interest thereon.

Parry Sugars Refinery India Private Limited
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19 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payable for goods and services	69,046.59	97,327.54
Trade payable (Employee related)	86.35	94.49
Total	69,132.94	97,422.03

19.01 Trade payable for goods and services includes Rs. Nil due to the holding company E.I.D.- Parry (India) Ltd as at March 31, 2018. (March 31, 2017: Rs.76.19 lakhs).

19.02 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2018 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

19.03 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.

20 Other Non Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
A. Non Current		
Gratuity payable (Also refer note 30)	30.23	2.30
Total	30.23	2.30
B. Current		
Statutory remittances (Contributions to PF, Withholding Taxes, VAT)	289.22	54.61
Total	289.22	54.61

21 A. Revenue from Operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from sale of goods (Refer note 21.01)	238,446.58	184,080.16
Other operating income (Refer note 21.02)	3,373.17	605.88
Total	241,819.75	184,686.04

21.01 Classes of Products-Sales

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Export Sales:		
Sugar (including sale of raw sugar)	235,770.90	182,012.61
PP Bags	69.00	75.29
Domestic Sales:		
Molasses	2,038.91	1,595.29
Power	567.77	396.97
Total	238,446.58	184,080.16

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21.02 Other operating income

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Despatch Money earnings	398.96	260.77
Income from Services	1,175.30	-
Liabilities no longer required written back	1,369.53	-
Income from Misc. Receipts and Handling	347.99	-
Contract cancellation charges	-	293.02
Sale of scrap	81.39	52.09
Total	3,373.17	605.88

21 B. Other Net gains - Derivative sugar contracts

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Net Gains on commodity Contracts (Refer note 21.03)	11,127.95	-
Total	11,127.95	-

21.03 The sugar derivative contracts are an integral part of the sugar business.

22 Other Income

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Interest Income on Financial Assets at Amortised Cost		
Bank Deposits	48.99	17.86
Others	15.23	-
Dividend Income		
On Financial Assets at FVTPL (Mutual Funds)	575.00	231.87
Gain on Swap Contracts	461.22	2,419.52
Net gain on foreign currency transactions and translations	-	441.55
Net gain / (loss) arising on financial assets designated as at FVTPL	-	45.49
Profit on sale of assets	-	1.11
Sundry Income - Insurance Claims	37.67	-
Total	1,138.11	3,157.40

23 Cost of materials consumed

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Material consumed comprises of :		
Raw Sugar	200,572.59	158,379.73
Coal	4,468.64	3,210.80
Total	205,041.23	161,590.53

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

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
<u>Inventories at the end of the year:</u>		
Finished goods	10,074.87	18,186.08
Work-in-progress	862.94	959.08
	10,937.81	19,145.16
<u>Inventories at the beginning of the year:</u>		
Finished goods	18,186.08	13,259.11
Work-in-progress	959.08	517.46
	19,145.16	13,776.57
Foreign currency translation	(11.39)	(485.80)
Net Increase / (Decrease)	8,195.96	(5,854.39)

25 Employee Benefits Expense

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Salaries and wages, including bonus	627.92	468.48
Contribution to provident and other funds (Refer Note 30)	65.80	42.54
Staff welfare expenses	153.08	132.85
Total	846.80	643.87

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(All amounts are in Rupees lakhs unless otherwise stated)

26 Finance Cost

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	ended	March	ended	March
	31, 2018		31, 2017	
Interest Expenses on Borrowings		3,499.48		4,053.23
Unwinding of Interest on debentures		272.74		528.98
Other borrowing costs		629.33		759.03
Total		4,401.55		5,341.24

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

27 Other Expenses

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	ended	March	ended	March
	31, 2018		31, 2017	
Consumption of Stores, Spares and Consumables		4,488.53		4,102.33
Freight, Forwarding and Material Handling		1,484.60		2,723.56
Power and Fuel		129.70		226.15
Water Charges		202.79		519.43
Repairs and Maintenance - Machinery		1,570.69		1,949.19
Repairs and Maintenance - Buildings		144.09		450.32
Repairs and Maintenance - Others		364.59		749.58
Audit Fee (Refer Note 28)		10.27		7.35
Communication Expenses		17.28		14.16
Insurance		88.60		91.70
Professional and Outsourcing Expenses		938.67		1,000.56
Rates and Taxes		252.00		298.58
Rent		1,042.26		1,314.67
Selling Expenses		2,575.72		2,452.89
Travelling Expense		100.91		90.93
Unwinding of Decommissioning costs		5.60		4.98
Commission paid		745.98		440.81
Net loss on forward Contracts		185.11		-
Net realised losses on commodity futures		-		1,013.95
Net loss on commodity contracts		-		4,422.36
Net loss on foreign currency transactions and translation		416.28		-
Loss on sale of Fixed assets		0.11		-
Net gain / (loss) arising on financial assets designated as at FVTPL		34.65		-
Miscellaneous expenses		93.23		34.57
Total		14,891.66		21,908.07

27.01 Rent includes the operating lease rentals of Rs. 880.26 Lakhs (PY: Rs.1180.42 Lakhs)

28 Payments to the statutory auditors comprises of :

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	ended	March	ended	March
	31, 2018		31, 2017	
Statutory audit		5.00		4.50
Tax audit		0.75		0.75
Other services		4.50		2.10
Reimbursement of expenses		0.02		-
Total		10.27		7.35

29 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	ended	March	ended	March
	31, 2018		31, 2017	
Profit from operations before income tax expense		(7,594.55)		1,415.66
Tax at the Indian tax rate of 30.90% (2018-2019 – 30.90%)		(2,346.72)		437.44
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		(45.92)		27.97
Effect of unused tax losses and tax offsets not recognised as deferred tax assets		2,392.64		(465.41)
Income tax expense		-		-

29.01 Tax losses

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	ended	March	ended	March
	31, 2018		31, 2017	
Unused tax losses for which no deferred tax asset has been recognised		67,614.55		68,352.69
Potential tax benefit @ 30.9%		20,892.90		21,120.98

Parry Sugars Refinery India Private Limited

Notes forming part of the financial statements for the year ended March 31, 2018

(All amounts are in Rupees lakhs unless otherwise stated)

30 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 Statement of Profit and Loss on account of defined contribution plans:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employers contribution to Provident Fund	28.25	20.69
Employers contribution to Superannuation Fund	23.80	17.25

(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 March 31, 2018

Amount recognised in the Balance Sheet and the movements in the net Defined Benefit Obligation over the year are as follows : -

Particulars	Gratuity - Funded Plan	
	March 31, 2018	March 31, 2017
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	53.35	15.44
2. Fair value of plan assets as at 31st March	23.12	13.14
3. Surplus/(Deficit)	30.23	2.30
4. Current portion of the above	-	-
5. Non current portion of the above	30.23	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	15.44	11.67
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	7.71	4.32
- Interest Expense (Income)	1.12	0.93
3. Benefit payments	(1.70)	(0.38)
4. Acquisition Adjustment	10.74	-
5. Past Service Cost	5.87	-
6. Remeasurement or Actuarial (gain)/loss arising from:		
'-change in financial assumption	(2.23)	1.18
'- experience variance	16.40	(2.28)
7. Present value of defined benefit obligation at the end of the year	53.35	15.44

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Notes forming part of the financial statements for the year ended March 31, 2018

(All amounts are in Rupees lakhs unless otherwise stated)

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	13.14	8.09
2. Investment Income	0.95	0.65
4. Contributions by employer	0.33	4.78
5. Benefit payments	(1.70)	(0.38)
6. Return on plan assets excluding amount recognised in net interest expense	(0.34)	-
7. Acquisition Adjustment	10.74	-
Fair value of plan assets at the end of the year	23.12	13.14
IV. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	7.71	4.32
Past Service Cost	5.87	-
Net interest expense	0.17	0.29
Expenses recognised in the income statement	13.75	4.60
Actuarial gains/ (losses)		
-Changes in financial assumptions	(2.23)	1.18
-experience variance	16.40	(2.28)
Return on plan assets, excluding amount recognised in net interest expense	0.34	-
Expenses recognised in other comprehensive income	14.51	(1.10)
Total expenses recognised during the period	28.26	3.50
V. The Major categories of plan assets		
- LIC Trusts	100%	100%
VI. Actuarial assumptions		
1. Discount rate	7.70%	7.25%
2. Attrition rate	5%	5%
3. Salary escalation rate	6%	6%
4. Mortality rate	IALM (2006-2008) Ultimate	
VII. Experience Adjustments :		
1. Experience adjustment on plan liabilities [(Gain)/Loss]	16.40	(2.28)

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	March 31, 2018	March 31, 2017
Discount rate		
- 1% increase	4.52	1.56
- 1% decrease	(5.19)	(1.82)
Salary growth rate		
- 1% increase	(4.39)	(1.49)
- 1% decrease	3.87	1.31
Mortality rate		
- increase of 10% of mortality rate	(0.03)	(0.01)
- decrease of 10% of mortality rate	0.03	0.01

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(All amounts are in Rupees lakhs unless otherwise stated)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Company has 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.

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.

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. 30.23 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) - 9 years

d) The expected maturity analysis of undiscounted defined benefit is as follows:

Expected cash flows over the next (valued on undiscounted basis):

	2017-18	2016-17
1 year	3.20	0.52
2 to 5 years	14.92	3.92
6 to 10 years	29.10	6.76
More than 10 years	77.78	29.28

(c) Long Term Compensated Absences

The compensated absences cover the company's liability for earned leave.

31 Earnings Per Share (EPS)

Particulars	For the year ended 'March 31, 2018	For the year ended March 31, 2017
Profit / (loss) for the year attributable to owners of the Company (a)	(7,594.55)	1,415.66
Number of Equity Shares of Rs.10 each outstanding at the beginning of the year	270,725,670	166,281,225
Add : Number of Equity shares of Rs. 10 each issued during the year	30,524,330	104,444,445
Number of Equity Shares of Rs.10 each outstanding at the end of the year	301,250,000	270,725,670
Weighted average number of equity shares (b)	270,809,298	164,632,244
Basic and Diluted Earnings Per Share (a/b)	(2.80)	0.86

31.01 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.

32 Financial Instruments**32.01 Capital Management**

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings (including current maturities of long term borrowings and interest accrued) as reduced by cash and cash equivalents and liquid investments.

The following table summarises the capital of the Company:

Particulars	As at March 31, 2018	As at March 31, 2017
Equity	2,508.73	4,379.91
Debt	73,858.06	76,282.96
Cash and Cash equivalents	(9,440.08)	(4,722.05)
Liquid Investments	(2,762.07)	-
Net debt	61,655.91	71,560.91
Net debt to equity ratio - Percentage	24.58	16.34

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts in lakhs unless otherwise stated)

32.02 Categories of financial instruments

Particulars	As at March 31,2018	As at March 31,2017
Financial Asset		
<i>Measured at amortised costs</i>		
a) Trade Receivables	12,403.54	292.45
b) Cash and Bank Balances	9,440.08	7,494.87
c) Other financial asset	8,526.59	14,871.65
<i>Measured at Fair value through Profit or Loss(FVTPL)</i>		
a) Mandatorily measured (Investments in Mutual Funds)	2,762.07	3,043.99
b) Derivative instruments not designated in hedge accounting relationship	-	499.73
<i>Measured at cost</i>		
a) Investment in equity instruments in subsidiary	17.74	-
Financial Liabilities		
<i>Measured at amortised costs</i>		
a) Trade payables	69,132.94	97,422.03
b) Current Borrowings	44,746.44	41,475.25
c) Long term Borrowings	13,500.00	27,000.00
d) Other Financial liabilities	15,611.62	7,808.71
<i>Measured at Fair value through Profit or Loss(FVTPL)</i>		
a) Derivative instruments not designated in hedge accounting relationship	1,143.77	5,639.08

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 contracts, foreign currency forward contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below.

The risk management objective of the company is to hedge risk of change in the foreign currency exchange rates associated with its direct & indirect transactions denominated in foreign currency. Since most of the transactions of the company are denominated in its functional currency (USD), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility. The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk, price risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is price risk. The Company uses derivative financial & non derivative instruments to mitigate the foreign exchange related risk exposure and the price risk exposures.

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. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

Item	Primarily affected by	Risk management policies	Refer
Market risk - commodity price risk	Change in market prices of raw sugar and white sugar	Mitigating price risk using commodity contracts and option contracts	Note 32.03.1
Market risk - currency risk	Exposure towards trade payables, trade receivables and borrowings denominated in foreign currency	Mitigating foreign currency risk using foreign currency forward contracts and cross currency swaps	Note 32.03.2
Market risk - interest rate risk	Change in market interest rates	Mitigating interest rate risk using interest rate swaps	Note 32.03.3
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 32.04
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cashflows; cash management policies; multiple-year credit and banking facilities	Note 32.05

32.03 Market Risk

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

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.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
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32.03.1 Commodity Price Risk

Commodity Price Risk arises from the procurement of raw 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 contracts 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. All other commodity contracts are marked to market through income statement.

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

Particulars	Impact on INR (-10% change)		Impact on INR (+10% change)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Impact on Profit or loss for the year	(993.27)	4,623.95	993.27	(4,623.95)
Impact on total Equity as at the end of the reporting period	(993.27)	4,623.95	993.27	(4,623.95)

*Negative represents a gain and positive represents a loss

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.

32.03.2 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.

Currency	Liabilities		Assets	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
INR (Rs. in lakhs)	31,591.62	39,173.23	14,054.99	10,987.63
EURO (Rs. in lakh)	0.73	15.64	-	-

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

i. Forward contracts

Currency	As at March 31, 2018		As at March 31, 2017	
	Buy	Sell	Buy	Sell
USD/INR (in FCY)	10.00	412.36	-	-
USD/INR (in INR)	656.91	27,116.28	-	-

ii. Cross currency interest rate swap contracts

Particulars	Weighted average interest rate	As at March 31, 2018	As at March 31, 2017
Debentures carried at amortised cost	10.05%	27,000.00	32,727.98
Fixed Interest Rate Swap carried at FVTPL (Marked to Market value)	3.46%	(95.48)	499.73

The secured borrowings are partially hedged to protect against foreign currency fluctuation risk through a cross currency interest rate swap contract. All other foreign currency assets and liabilities are not hedged as at the year end. During the year ended March 31, 2017 and the year ended March 31, 2018, there was a partial unwinding of swap, however the same will not have any adverse impact on the financial position of the entity.

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/strengthened by 10% against the functional currency (USD), with all other variables held constant, the changes in profit or loss are 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 in INR (If INR weakens by 10%)		Impact in INR (If INR strengthens by 10%)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Impact on Profit or loss for the year	1,169.41	(7.76)	(1,169.41)	7.76
Impact on total Equity as at the end of the reporting period	1,169.41	(7.76)	(1,169.41)	7.76

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.

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.

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32.03.3 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.

32.04 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.

32.05 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 (%)	Upto 1 year	1-3 years	More than 3 years
As at March 31, 2018				
Non-interest bearing				
- Trade payables	-	69,132.94	-	-
Fixed interest rate instruments				
-Current borrowings	-	44,746.44	-	-
-Non current borrowings	10.05%	-	13,500.00	-
Other financial liabilities				
	-	15,611.62	-	-
Total		129,491.01	13,500.00	-
As at March 31, 2017				
Non-interest bearing				
- Trade payables		97,422.03	-	-
Fixed interest rate instruments				
- Current borrowings		41,475.25	-	-
- Non current borrowings	10.05%	-	27,000.00	-
Other financial liabilities				
		7,808.71	-	-
Total		146,705.99	27,000.00	-

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	Upto 1 year	1-3 years	More than 3 years
As at March 31, 2018			
Non-interest bearing			
- Trade receivables	12,403.54	-	-
- Cash and bank balances*	9,440.08	-	-
- Investments	2,762.07	-	-
- Other Financial Assets	8,396.01	-	130.58
Total	33,001.70	-	130.58
As at March 31, 2017			
Non-interest bearing			
- Trade receivables	292.45	-	-
- Cash and bank balances*	1,678.06	-	-
- Investments	3,043.99	-	-
- Other Financial Assets	14,752.97	-	118.68
Interest bearing			
- Fixed deposit (interest rate: 6.46%)	5,816.81	-	-
Total	25,584.28	-	118.68

* Cash and Bank Balances here excludes Fixed deposits

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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		Upto 1 year	1-3 years	More than 3 years
As at March 31, 2018				
Net settled:				
– Cross Currency interest rate swaps		(47.74)	(47.74)	-
– Currency exchange forward contracts		(168.48)	-	-
– Commodity futures		(879.81)	-	-
Total		(1,096.03)	(47.74)	-
As at March 31, 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	-

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

32.05.1 Financing facilities

The Company has access to financing facilities of which Rs.78,599.16 Lakhs (as at 31 March 2017: Rs. 104,341.00 Lakhs) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

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33 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 2018	31, March 2017				
Fair value hierarchy -Level 1						
1) Commodity derivatives	(879.81)	(5,639.08)	Level 1	Quoted bid prices in an active market.	NA	NA
2) Investment in Mutual funds	2,762.07	3,043.99	Level 1	Quoted bid prices in an active market.	NA	NA
Sub-total	1,882.26	(2,595.09)				
Fair value hierarchy -Level 2						
3) Foreign currency forward contracts	(168.48)	-	Level 2	Refer Note 3(a)	NA	NA
4) Interest rate swaps	(95.48)	499.73	Level 2	Refer Note 3(b)	NA	NA
Sub-total	(263.96)	499.73				

Note:

- Derivatives value here represents Marked to Market value.
- The Level 1 financial instruments are measured using quotes in active market
- 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.

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33 Fair Value Measurement ..continued

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	As at 31, March 2018		As at 31, March 2017		Level
	Carrying amount	Fair value	Carrying amount	Fair value	
<u>Financial assets carried at Amortised Cost</u>					
Trade receivables	12,403.54	12,403.54	292.45	292.45	Level 2
Cash and cash equivalents	9,440.08	9,440.08	7,494.87	7,494.87	Level 1
Other Financial Assets	8,526.59	8,526.59	14,871.65	14,871.65	Level 3
Total	30,370.22	30,370.22	22,658.98	22,658.98	
<u>Financial liabilities carried at Amortised Cost</u>					
Non Convertible Debentures	27,000.00	27,643.80	32,727.98	32,871.65	Level 3
Trade payables	69,132.94	69,132.94	97,422.03	97,422.03	Level 2
Short term borrowings	44,746.44	44,746.44	41,475.25	41,475.25	Level 2
Others	2,111.62	2,111.62	2,080.74	2,080.74	Level 3
Total	142,991.01	143,634.81	173,706.00	173,849.67	

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.

33 Fair Value Measurement ..continued

Fair Value Hierarchy - Level 3

Financial assets/ financial liabilities measured at amortised cost	Fair value as at	
	March 31, 2018	March 31, 2017
Financials assets		
Other Financial assets	8,526.59	14,871.65
Financial Liabilities		
Non Convertible Debentures	29,755.42	34,952.39
Total	38,282.01	49,824.04

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.

34 Segment information

(a) Description of segments and principal activities

The Business Head (Chief operating decision maker) examines the Company's performance from the business of refining sugar, which is the only business segment. There are no other reportable segments.

(b) Segment Revenue

Revenue of approximately Rs. 181,970.54 (March 31, 2017: Rs. 136,909.46) are derived customers, transactions with whom exceed 10% of the Company's revenue

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Europe	103,422.20	66,296.95
Asia (other than India)	116,127.46	115,790.95
India (Country of domicile)	18,896.92	1,992.26
Total	238,446.58	184,080.16

(c) There are no non-current assets located in foreign countries.

35 Leases

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<i>As Lessee</i>		
Future minimum lease payments under non-cancellable operating leases		
not later than one year	94.94	94.94
later than one year and not later than five years	388.32	483.40
later than five years	1,550.66	1,560.01
Expenses recognised in the Statement of Profit and Loss		
Minimum Lease Payments	880.26	1,180.42

Details of leasing arrangements : Operating lease

The Company has entered into a non-cancellable operating lease arrangement for lease of factory land at Kakinada SEZ unit, for a period of 30 years commencing from 31 March 2008. The lease agreements has a schedule which provides lease payments for specific period. At the end of the lease period, the agreement can be renewed on mutual consent.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

36 Related Party Transactions

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

Subsidiary Companies Parry International DMCC

List of Fellow Subsidiaries with whom transactions taken place during the year

Parry Infrastructure Company Private Limited

Parry Enterprises (India) Limited

Key Management Personnel (KMP)

Mr S. Suresh, Managing Director

Mr Suresh Kannan, Whole Time Director, effective from 11th May 2017

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	Parry International DMCC	Parry Enterprises (India) Ltd	Parry Infrastructure Company Private	Mr Suresh Kannan	Mr S. Suresh
<u>Nature of transactions with Related Parties</u>							
Sale of goods	31-Mar-18	2,674.16	-	-	-	-	-
	31-Mar-17	319.93	-	-	-	-	-
Reimbursement of expenses	31-Mar-18	196.66	-	-	-	-	-
	31-Mar-17	-	-	-	-	-	-
Receipt of Services	31-Mar-18	76.60	-	32.22	-	-	-
	31-Mar-17	245.91	-	-	-	-	-
Rendering of Services	31-Mar-18	1,175.30	-	-	-	-	-
	31-Mar-17	-	-	-	-	-	-
Lease expenses	31-Mar-18	-	-	-	94.94	-	-
	31-Mar-17	-	-	-	98.45	-	-
Commission paid for Gaurantee given by Holding Company	31-Mar-18	65.39	-	-	-	-	-
	31-Mar-17	109.24	-	-	-	-	-
Allotment of equity shares (Also Refer Note 12.03 and 12.04)	31-Mar-18	5,799.62	-	-	-	-	-
	31-Mar-17	14,100.00	-	-	-	-	-
Investment in subsidiary	31-Mar-18	-	17.74	-	-	-	-
	31-Mar-17	-	-	-	-	-	-
Remuneration for Whole time director	31-Mar-18	-	-	-	-	76.34	-
	31-Mar-17	-	-	-	-	-	104.39
Contract cancellation charges	31-Mar-18	-	-	-	-	-	-
	31-Mar-17	293.01	-	-	-	-	-

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

36 Related Party Transactions..continued

Details of closing balances with related parties :

<u>Nature of Balances with Related Parties</u>	Balance as on	E.I.D. Parry (India) Limited	Parry International DMCC	Parry Enterprises (India) Ltd	Parry Infrastructure Company Private Limited	Mr Suresh Kannan	Mr S. Suresh
Trade payables (Unsecured)	31-Mar-18	-	-	-	-	-	-
	31-Mar-17	76.19	-	-	85.68	-	-
Trade receivables (Unsecured, considered good)	31-Mar-18	1,410.56	-	-	-	-	-
	31-Mar-17	-	-	-	-	-	-
Loans and advances given (Unsecured, considered good)	31-Mar-18	-	-	-	1,500.00*	-	-
	31-Mar-17	42.27	-	-	1,500.00*	-	-
Guarantee given by Holding Company	31-Mar-18	30,000.00	-	-	-	-	-
	31-Mar-17	36,000.00	-	-	-	-	-

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

Compensation to Key Management Personnel

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short term benefits	70.29	104.39
Post employment benefits	5.85	-
Other benefits	0.20	-
	76.34	104.39

37 Contingent liabilities and commitments

Particulars	As at March 31, 2018	As at March, 31, 2017
Contingent liabilities		
Outstanding Bank Guarantee	137.00	45.90
Letter of Credit Outstanding	66,890.77	92,701.67
Stand By letter of credit	6,517.00	6,160.28
Disputed Income Tax demand which is under appeal at Income tax Appellate	170.68	170.68
Disputed Customs Duty Demand which is under appeal *	1,152.28	874.00
* Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2018
(All amounts are in Rupees lakhs unless otherwise stated)

38 Applicability of New/amendment on existing Indian Accounting Standards (Ind AS)

Standards	Ind AS 115	Ind AS 21	Ind AS 12	Ind AS 40
Title of the new Ind AS/Amendment to existing Ind AS;	Revenue from contracts with customers	Effect of changes in Foreign exchange rate	Income taxes	Investment property
The nature of the impending change or changes in accounting policy;	The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices A new five-step process must be applied before revenue can be recognised.	The amendment clarifies recognition of advances at the initial rate only. No subsequent reinstatement required.	The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.	The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence.
The date by which application of the Ind AS is required;	Effective from 01 st April 2018			
The date as at which it plans to apply the Ind AS initially	This will be implemented from the effective date 01 st April 2018 as applicable.			
Impact to the company	The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements.	The Company is in the process of assessing the detailed impact of Appendix B to Ind AS 21.	The Company is in the process of assessing the detailed impact of the amendments made to Ind AS 12.	No investment property is held by the Company.

39 The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.

40 The financial statements were approved for issue by the board of directors on May 02, 2018

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Baskar Pannerselvam
Partner
Membership No.: 213126
Place : Chennai
Date : May 2, 2018

For and on behalf of the Board of Directors

S. Suresh
Managing Director

P. Nagarajan
Chairman

S. Ganesh
Chief Financial Officer

B. Satish Krishnan
Company Secretary