# INDEPENDENT AUDITOR'S REPORT

**To the Members of M/s PARRY INFRASTRUCTURE COMPANY PRIVATE LIMITED**

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **M/s PARRY INFRASTRUCTURE COMPANY PRIVATE LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

ANIL NAIR & ASSOCIATES CHENNAI 600 008 CHARTERED ACCOUNTANTS

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

ANIL NAIR & ASSOCIATES ★CHARTERED ACCOUNTANTS★ CHENNAI 600 008

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not enter into any long term contracts, including derivative contracts, for which there are material foreseeable losses.

iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the company during the year.

iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

*for* **Anil Nair & Associates**
*Chartered Accountants*
Firm's registration number: 000175S

ANIL NAIR & ASSOCIATES CHENNAI 600 008 CHARTERED ACCOUNTANTS

**P.Narayanan**
*Partner*
Membership number: 201758

Chennai
May 03, 2017

"Casablanca", 11, Casa Major Road, Egmore, Chennai 600 008, India.
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**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

(i) The Company does not carry any fixed assets in its books. Accordingly, reporting under Paragraph 3(i) (a), (b) and (c) of the order does not arise.

(ii) The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employee's state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

| NAME OF THE STATUTE | NATURE OF THE DUES | AMOUNT In Rs. In Lakhs | PERIOD TO WHICH AMOUNT RELATES | FORUM WHERE DISPUTE IS PENDING |
|---|---|---|---|---|
| INCOME TAX ACT, 1961 | Income Tax | 140.81 | Assessment year 2011-12 | Commissioner of Income Tax ( Appeals) |
| INCOME TAX ACT, 1961 | Income Tax | 116.04 | Assessment year 2012-13 | Commissioner of Income Tax ( Appeals) |
| INCOME TAX ACT, 1961 | Income Tax | 146.59 | Assessment Year 2013-14 | Commissioner of Income Tax ( Appeals) |
| INCOME TAX ACT, 1961 | Income Tax | 7.55 | Assessment Year 2014-15 | Commissioner of Income Tax ( Appeals) |

ANIL NAIR & ASSOCIATES CHENNAI 600 008 CHARTERED ACCOUNTANTS

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

*for* **Anil Nair & Associates**
*Chartered Accountants*
Firm's registration number: 000175S

ANIL NAIR & ASSOCIATES CHENNAI 600 008 CHARTERED ACCOUNTANTS

**P.Narayanan**
*Partner*
Membership number: 201758

Chennai
May 03, 2017

**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Parry Infrastructure Company Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

ANIL NAIR & ASSOCIATES CHENNAI 600 008 CHARTERED ACCOUNTANTS

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*for* **Anil Nair & Associates**
*Chartered Accountants*
Firm's registration number: 000175S

ANIL NAIR & ASSOCIATES CHENNAI 600 008 CHARTERED ACCOUNTANTS

**P.Narayanan**
*Partner*
Membership number: 201758

Chennai
May 03, 2017

PARRY INFRASTRUCTURE COMPANY PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

| S.No | Particulars | Note No. | As at March 31, 2017 Rs. | As at March 31, 2016 Rs. | As at April 01, 2015 Rs. |
|---|---|---|---|---|---|
| | **A. ASSETS** | | | | |
| | **Non-Current Assets** | | | | |
| | (a) Financial Assets | | | | |
| | (i) Investments | | | | |
| | a) Other Investments | 2 | 97,156,596 | 141,658,376 | 104,406,886 |
| | (ii) Other financial assets | 4 | 12,722,499 | 11,372,077 | 19,495,849 |
| | (b) Other Non Current Assets | 5 | 102,199,104 | 107,065,728 | 223,864,704 |
| | **Total non-current assets** | | **212,078,199** | **260,096,181** | **347,767,439** |
| | **Current Assets** | | | | |
| | (a) Financial Assets | | | | |
| | (i) Other investments | 2 | 71,774,727 | 73,864,759 | 78,598,508 |
| | (ii) Trade Receivables | 3 | 8,544,600 | 4,874,015 | 53,432,132 |
| | (iii) Cash and Cash Equivalents | 6 | 64,227 | 147,508 | 244,407 |
| | (b) Current tax assets (Net) | 19 | 7,116,278 | 6,166,878 | 5,546,552 |
| | (c) Other Current Assets | 5 | 19,213,246 | 16,893,295 | 10,676,214 |
| | **Total current assets** | | **106,713,078** | **101,946,455** | **148,497,813** |
| | **TOTAL ASSETS** | | **318,791,277** | **362,042,636** | **496,265,252** |
| | **B. EQUITY AND LIABILITIES** | | | | |
| | **Equity** | | | | |
| | (a) Equity Share Capital | 7 | 50,000,000 | 50,000,000 | 50,000,000 |
| | (b) Other Equity | 8 | 143,424,636 | 184,638,255 | 148,577,450 |
| | **Total equity** | | **193,424,636** | **234,638,255** | **198,577,450** |
| | **Liabilities** | | | | |
| | **Non-Current Liabilities** | | | | |
| | (a) Financial Liabilities | | | | |
| | i. Borrowings | 9 | 11,867,703 | 10,517,283 | 18,641,054 |
| | (b) Deferred Tax Liabilities (Net) | 13 | - | - | 1,604,310 |
| | (c) Other non-current liabilities | 12 | 102,199,104 | 107,065,728 | 223,864,704 |
| | **Total non-current liabilities** | | **114,066,807** | **117,583,011** | **244,110,068** |
| | **Current Liabilities** | | | | |
| | (a) Financial Liabilities | | | | |
| | ii. Trade Payables | 10 | 8,545,200 | 6,257,116 | 47,321,833 |
| | iii. Other financial Liabilities | 11 | 1,805,233 | 1,805,233 | 4,415,901 |
| | (b ) Other Current Liabilities | 12 | 949,401 | 1,759,021 | 1,840,000 |
| | **Total current liabilities** | | **11,299,834** | **9,821,370** | **53,577,734** |
| | **Total Liabilities** | | **125,366,641** | **127,404,381** | **297,687,802** |
| | **TOTAL EQUITY AND LIABILITIES** | | **318,791,277** | **362,042,636** | **496,265,252** |
| | Accompanying notes form an integral part of the financial statements | | | | |

In terms of our report attached

**For Anil Nair & Associates**
Chartered Accountants
**Firm Regn No. 000175S**

ANIL NAIR & ASSOCIATES CHENNAI 600 008 CHARTERED ACCOUNTANTS

P. Narayanan
Partner
Membership No : 201758

**Chennai**
May 03,2017

For and on behalf of the Board of Directors

V Ramesh
V. Ramesh
**Director**

V Suri
**Director**

A Balakrishnan
**Company Secretary**

**Chennai**
May 03,2017

PARRYS

murugappa

# PARRY INFRASTRUCTURE COMPANY PRIVATE LIMITED
## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

| S.No | Particulars | Note No. | Year ended March 31, 2017 Rs. | Year ended March 31, 2016 Rs. |
|---|---|---|---|---|
| I | Revenues from Operations | 14 | 14,360,624 | 55,135,523 |
| II | Other Income | 15 | 4,755,389 | 7,199,759 |
| III | **Total Income (I+II)** | | **19,116,013** | **62,335,282** |
| IV | **Expenses:** | | | |
| | Finance costs | 16 | 1,350,420 | 1,894,863 |
| | Other expenses | 17 | 14,477,432 | 62,163,552 |
| | **Total Expenses (IV)** | | **15,827,852** | **64,058,415** |
| V | **Profit before tax (III-IV)** | | **3,288,161** | **(1,723,133)** |
| VI | **Tax Expense:** | | | |
| | (1) Current Tax | | - | 1,071,862 |
| | (2) Deferred Tax | | - | (1,604,310) |
| | | | - | **(532,448)** |
| VII | **Profit/(Loss) for the year (V-VI)** | | **3,288,161** | **(1,190,685)** |
| | **Other Comprehensive Income** | | | |
| | A. i) Items that will not be reclassified to profit or loss | | | |
| | a) Equity instruments through other comprehensive income | | (44,501,780) | 37,251,490 |
| | | | (44,501,780) | 37,251,490 |
| | ii) Income tax relating to items that will not be reclassfied to profit or loss | | - | - |
| | B. i) Items that will be reclassified to profit or loss | | - | - |
| VIII | **Total other comprehensive income (A(i-ii)+B(i))** | | **(44,501,780)** | **37,251,490** |
| IX | **Total Comprehensive Income (VII+VIII)** | | **(41,213,619)** | **36,060,805** |
| X | **Earnings Per Equity Share (Nominal value per share Re. 1)** | | | |
| | (a) Basic | 20 | 0.66 | (0.24) |
| | (b) Diluted | 20 | 0.66 | (0.24) |

Accompanying notes form an integral part of the financials statements

**In terms of our report attached**

**For Anil Nair & Associates**
Chartered Accountants
Firm Regn No. 000175S

ANIL NAIR & ASSOCIATES CHARTERED ACCOUNTANTS CHENNAI 600 008

**P. Narayanan**
Partner
Membership No : 201758

**Chennai**
May 03,2017

For and On behalf of the Board

V Ramesh

**V. Ramesh**
Director

**V Suri**
Director

**A Balakrishnan**
Company Secretary

**Chennai**
May 03,2017

PARRYS

murugappa

**PARRY INFRASTRUCTURE COMPANY PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

| A.Cash Flow From Operating Activities: | 2016-17 | | 2015-16 | |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| Net profit/(loss) before taxation & extraordinary items | | 3,288,161 | | (1,723,133) |
| Adjustment for:- | | | | |
| a. Dividend Income | (3,404,969) | | (190,161) | |
| b. Interest income | (1,350,420) | | (1,894,863) | |
| c. Net gain arising on financials assets mandatorily measaured at fair value through profit or loss | | | (5,114,735) | |
| d. Impairment loss recognised on trade receivables | | | 5,808,847 | |
| e. Finance cost | 1,350,420 | | 1,894,863 | |
| | | | - | |
| | | (3,404,969) | | 503,951 |
| **Operating Profit before working capital changes** | | | | |
| (Increase)/Decrease in Receivables | (3,670,585) | | 42,749,270 | |
| (Increase)/Decrease in Other Assets | 2,546,673 | | 110,581,895 | |
| (Increase)/Decrease in Other financial assets | (1,350,422) | | 8,123,772 | |
| Increase / (Decrease) in Trade payable | 2,288,084 | | (41,064,717) | |
| Increase / (Decrease) in Other liabilities | (5,676,244) | | (116,879,955) | |
| Increase / (Decrease) in Other financial liabilities | 1,350,420 | (4,512,074) | (10,734,439) | (7,224,174) |
| **Cash generated from Operation** | | (4,628,882) | | (8,443,356) |
| Less: Taxes Paid | | (949,400) | | (1,692,188) |
| **Net Cash used in Operating Activity** | | **(5,578,282)** | | **(10,135,544)** |
| **B.Cash Flow From Investing Activities:** | | | | |
| Dividend income received | 3,404,969 | | 190,161 | |
| Net sale/(purchase) of investment | 2,090,031 | | 9,848,484 | |
| **Net Cash used in Investing Activity** | | **5,495,000** | | **10,038,645** |
| **C.Cash Flow From Financing Activities:** | | - | | - |
| **Net increase in Cash & Cash Equivalent** | | **(83,282)** | | **(96,899)** |
| **Cash & Cash Equivalent as at beginning of the year** | | **147,508** | | 244,407 |
| **Cash & Cash Equivalent as at end of the year** | | **64,226** | | **147,508** |

**Note to the cash flow statement**

1. *Cash and Cash Equivalents*

Cash and cash equivalents consist of cash on hand and balances with banks.
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

| | 2016-17 | 2015-16 |
|---|---|---|
| | Rs | Rs |
| Balance with Bank | 64,226 | 147,508 |
| **Cash and cash equivalents as stated** | **64,226** | **147,508** |

**For Anil Nair & Associates**
Chartered Accountants
Firm Regn No. 000175S

ANIL NAIR & ASSOCIATES CHENNAI 600 008 CHARTERED ACCOUNTANTS

**P. Narayanan**
Partner
Membership No: 201758

V. Ramesh
Director

For and on behalf of the Board

V. Suri
Director

**A Balakrishnan**
Company Secretary

Chennai
May 03.2017

Chennai
May 03.2017

**PARRY INFRASTRUCTURE COMPANY PRIVATE LIMITED**
**Statement of Changes in Equity for the period ended 31 March 2017**
**(in Indian Rupees, unless otherwise stated)**

b. Other equity

| Particulars | Share Capital | Reserves and Surplus | Items of other comprehensive income | Total |
|---|---|---|---|---|
| | | Retained earnings | Equity Instruments through Other compehensive Income | |
| **Balance at April 1, 2015 (as previously reported)** | 50,000,000 | 90,635,423 | - | 90,635,423 |
| Changes in accounting policy | | 3,587,632 | 54,354,395 | 57,942,027 |
| Restated balance at the beginning of the reporting period | | 94,223,055 | 54,354,395 | 148,577,450 |
| **Balance at April 1, 2015** | 50,000,000 | 94,223,055 | 54,354,395 | 148,577,450 |
| **2015-16** | | | | |
| Profit for the year | | (1,190,685) | - | (1,190,685) |
| Other comprehensive income for the year, net of income tax | | - | 37,251,490 | 37,251,490 |
| **Balance at March 31, 2016** | 50,000,000 | 93,032,370 | 91,605,885 | 184,638,255 |
| **2016-17** | | | | |
| Profit for the year | | 3,288,161 | | 3,288,161 |
| Other comprehensive income for the year, net of income tax | | | (44,501,780) | (44,501,780) |
| **Balance at March 31, 2017** | 50,000,000 | 96,320,531 | 47,104,105 | 143,424,636 |

The accompanying notes are an integral part of these financial statements

In terms of our report attached

**For Anil Nair & Associates**
Chartered Accountants

ANIL NAIR & ASSOCIATES CHENNAI 600 008 CHARTERED ACCOUNTANTS

**P. Narayanan**
Partner

**Chennai**
May 03,2017

For and on behalf of the Board of Directors

V Ramesh

**V. Ramesh**
Director

**V. Suri**
Director

**A Balakrishnan**
Company Secretary

**Chennai**
May 03,2017

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Application of new and revised Ind AS**

As at the date of preparation of these Financial statements, all the Ind AS issued and ratified by the MCA have been applied.

**SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Statement of Compliance**

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

Upto the year ended March 31, 2016, the company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 1.13 for the details of first-time adoption exemptions availed by the Company.

**1.2 Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration at the time of transaction given in exchange for goods and services.

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

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

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.
The principal accounting policies are set out below.

### 1.3 Revenue Recognition

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

i. Rendering of services

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

ii. Dividend and interest income

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

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

### 1.4 Leasing

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

Company as Lessee

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

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Company as Lessor

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

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

### 1.5 Borrowing costs

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

**1.6 Earnings per Share**

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

**1.7 Taxation**

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

**a. Current tax**

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

**b. Deferred tax**

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

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

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

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

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

**c. Current and deferred tax for the year**

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

**1.8 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**1.9 Financial instruments**

Financial assets and financial liabilities are recognised when a company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**1.10 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 and Debtors.

For the impairment policy on financial assets measured at amortized cost, refer Note 1.9.e.

All other financial assets are subsequently measured at fair value.

**b. Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

**c. Investments in equity instruments at FVTOCI**

The Company has elected to carry investment in equity instruments as Fair value through other comprehensive income. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has equity investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for investments marked as FVTOCI (see note 2). Fair value is determined in the manner described in note 20.8.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

**d. Financial assets at fair value through profit or loss (FVTPL)**

The Company carries Investments in Mutual Funds at FVTPL. Financial assets at FVTPL also includes assets held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**e. Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables and other contractual rights to receive cash or other financial asset 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 customer-wise which takes into account historical credit loss experience and adjusted for forward-looking information.

**f. Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

**1.11 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 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*

Non-derivative financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL. There are no non-derivative financial liabilities carried at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Fair value is determined in the manner described in note 21.8.

c.2. *Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c.3. *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.

### 1.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 1.13 First-time adoption – mandatory exceptions, optional exemptions

**a. Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

**b. Derecognition of financial assets and financial liabilities**

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

**c. Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

**d. Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**e. Assessment of embedded derivatives**

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

**f. Determining whether an arrangement contains a lease**

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

**g. Equity investments at FVTOCI**

The Company has designated investment in equity shares othern than subsidiaries, associate and joint ventures as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

**1.14 Key sources of estimation uncertainty**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

**a. Fair value measurement and valuation processes**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 21.8.

**1.15 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**Parry Infrastructure Company Private Limited**
NOTES FORMING PART OF ACCOUNTS

| Note 2 | | | |
|---|---|---|---|
| **OTHER INVESTMENTS** | **Amount (Rs.)** | | |
| | **31-Mar-2017** | **31-Mar-2016** | **1-Apr-2015** |
| **I. Quoted Investments** | | | |
| *(a) Investments in Equity Instruments at FVTOCI* | | | |
| 25,00,100 (2015 - 25,00,100) shares of Rs.10 each fully paid up in Coromandel Engineering Company Limited | 97,128,885 | 141,630,665 | 104,379,175 |
| **Total Quoted Investments** | **97,128,885** | **141,630,665** | **104,379,175** |
| **II. Unquoted Investments** | | | |
| *(a) Investments in Equity Instruments at FVTOCI* | | | |
| 1 fully paid up share in Alimtec S.A | 27,711 | 27,711 | 27,711 |
| *(b) Other Investmensts at FVTPL* | | | |
| Birla Sun Life Asset Management | 7,514,450 | 7,278,901 | 28,412,694 |
| JM Financial Mutual Fund | 64,260,277 | 66,585,858 | 33,880,067 |
| J.P.Morgan Asset Management | - | - | 16,305,747 |
| **Total Unquoted Investments** | **71,802,438** | **73,892,470** | **78,626,219** |
| **Total Other Investments** | **168,931,323** | **215,523,135** | **183,005,394** |
| **Current** | **71,774,727** | **73,864,759** | **78,598,508** |
| **Non-current** | **97,156,596** | **141,658,376** | **104,406,886** |

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**Parry Infrastructure Company Private Limited**
NOTES FORMING PART OF ACCOUNTS

| | As at 31-Mar-2017 | As at 31-Mar-2016 | As at 1-Apr-2015 |
|---|---|---|---|
| **Note 3. Trade Receivables** | | | |
| Trade Receivables | | | |
| Secured, considered good | - | - | - |
| Unsecured, considered good | 8,544,600 | 4,874,015 | 53,432,132 |
| Doubtful | - | - | - |
| Allowance for doubtful debts (expected credit loss allowance) | - | - | - |
| | **8,544,600** | **4,874,015** | **53,432,132** |
| **Current** | **8,544,600** | **4,874,015** | **53,432,132** |
| **Non-current** | - | - | - |

The company uses other publicly available financial information and its own trading records before accepting any customer. The company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Of the trade receivables balance, customer balances which represent more than 5% of the total balance of trade receivable are given below. Trade receivable balance almost represents the balance receivable from Group company and is not subject to credit risk at a group level.

| **Customer** | **As at March 31, 2017** | **As at March 31, 2016** | **As at April 01, 2015** |
|---|---|---|---|
| Parry Sugars Refinery India Private Limited | 8,544,600 | 4,874,015 | 46,326,576 |

| **Age of receivables** | **As at March 31, 2017** | **As at March 31, 2016** | **As at April 01, 2015** |
|---|---|---|---|
| 0-30 days past due | 8,544,600 | 4,874,015 | 16,380,000 |
| 31-90 days past due | - | - | - |
| 91-180 days past due | - | - | - |
| More than 180 days past due | - | - | 37,052,132 |
| | **8,544,600** | **4874015** | **53432132** |

The concentration of credit risk is limited due to the fact that the receivable mainly from a group customer.

**Parry Infrastructure Company Private Limited**
**NOTES FORMING PART OF ACCOUNTS**

in Rs.

| Note 4 Other Financial Assets | Non-current | | | Current | | |
|---|---|---|---|---|---|---|
| Particulars | 31-Mar-2017 | 31-Mar-2016 | 1-Apr-2015 | 31-Mar-2017 | 31-Mar-2016 | 1-Apr-2015 |
| *At Amortised Cost* | | | | | | |
| (a) Security Deposits | 12,722,499 | 11,372,077 | 19,495,849 | - | - | - |
| | 12,722,499 | 11,372,077 | 19,495,849 | - | - | - |

| Note 5 Other Assets | Non-current | | | Current | | |
|---|---|---|---|---|---|---|
| | 31-Mar-2017 | 31-Mar-2016 | 1-Apr-2015 | 31-Mar-2017 | 31-Mar-2016 | 1-Apr-2015 |
| (a) Prepaid Rent | 102,199,104 | 107,065,728 | 223,864,704 | | | - |
| (b) Balance with Customs and Central Excise Authorities | | | - | 4,056,560 | 4,050,610 | 3,635,624 |
| (c) Advance recoverable in kind or for value to be received | | | | | | |
| (i) Unsecured and Considered Good | - | - | - | 15,156,686 | 12,842,685 | 7,040,590 |
| | 102,199,104 | 107,065,728 | 223,864,704 | 19,213,246 | 16,893,295 | 10,676,214 |

**Note 6 Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| (a) Balances with banks | | | |
| (i) In Current account | 64,227 | 147,508 | 244407 |
| | 64,227 | 147,508 | 244,407 |

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Parry Infrastructure Company Private Limited
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at March 31, 2017 Rs. | As at March 31, 2016 Rs. | As at April 01, 2015 Rs. |
|---|---|---|---|
| **Note 7 Equity Share Capital** | | | |
| Equity Share Capital | 50,000,000 | 50,000,000 | 50,000,000 |
| **AUTHORISED :** | | | |
| Equity Shares: | | | |
| 50,00,000 Equity Shares of Rs.10 each (2016 - 5000000 ; 2015 - 5000000) | 50,000,000 | 50,000,000 | 50,000,000 |
| **ISSUED, SUBSCRIBED AND FULLY PAID UP** | | | |
| 5000000 Equity Shares of Rs.10 each (2016 - 5000000 ; 2015 - 5000000) | 50,000,000 | 50,000,000 | 50,000,000 |
| | **50,000,000** | **50,000,000** | **50,000,000** |

**7.1 Reconciliation of number of shares**

| **Reconciliation** | **2016-17** | | **2015-16** | |
|---|---|---|---|---|
| | **No of Shares** | **Rs.** | **No of Shares** | **Rs.** |
| **Equity Shares of Rs.10 each fully paid up** | | | | |
| At the beginning of the period | 5,000,000 | 50,000,000 | 5,000,000 | 50,000,000 |
| Allotment of shares on exercise of Employee Stock Option | - | - | - | - |
| At the end of the period | **5,000,000** | **50,000,000** | **5,000,000** | **50,000,000** |

The Company has only one class of Equity share having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. During the year ended 31st March 2017, the company has not declared any dividend (2015-16 - Nil)

Entire equity shares are held by EID Parry (India) Limited - Holding Company

**Parry Infrastructure Company Private Limited**
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

in Rs.

| Note 8 Other equity | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Reserve for equity instruments through other comprehensive income | 47,104,105 | 91,605,885 | 54,354,395 |
| Retained Earnings | 96,320,531 | 93,032,370 | 94,223,055 |
| | **143,424,636** | **184,638,255** | **148,577,450** |

**RESERVES AND SURPLUS:**

in Rs.

| | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **(a) Reserve for equity instruments through Other Comprehensive income** | | |
| Opening Balance | 91,605,885 | 54,354,395 |
| Add: Current year movement | (44,501,780) | 37,251,490 |
| Closing | **47,104,105** | **91,605,885** |

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

| | | |
|---|---|---|
| **(b) Retained Earnings** | | |
| Opening Balance | 93,032,370 | 94,223,055 |
| Add : Adjustment arising on Amalgamation | - | - |
| Less: Transfer from Debenture Redemption Reserve | - | |
| (Loss) / Profit for the year | 3,288,161 | (1,190,685) |
| Closing Balance | **96,320,531** | **93,032,370** |

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. thus, the amounts reported above are not distributable in entirety.

| | | |
|---|---|---|
| **Total Other Equity** | **143,424,636** | **184,638,255** |

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**Note 9 Non-current borrowings** Rs.

| LONG TERM BORROWING | Non-Current Portion | | | Current Maturities | | |
|---|---|---|---|---|---|---|
| | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
| **Unsecured - at amortised cost** | | | | | | |
| i) Deposits | 11,867,703 | 10,517,283 | 18,641,054 | - | - | - |
| **Total** | **11,867,703** | **10,517,283** | **18,641,054** | - | - | - |

**Summary of borrowing arrangements**

| Particulars | March 31, 2017 | March 31, 2016 | April 01, 2015 | Rate of interest | Security | Terms of repayment |
|---|---|---|---|---|---|---|
| a. Deposit | 11,867,703 | 10,517,283 | 18,641,054 | Nil | Unsecured | Redeemable at the end of lease term on May 06, 2037 |
| **Total** | **11,867,703** | **10,517,283** | **18,641,054** | | | |

**Breach of Loan agreement**

There is no breach of loan agreement

Parry Infrastructure Company Private Limited
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 13 Deferred tax balances**

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

in Rs.

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Deferred tax liabilities | | - | (1,604,310) |
| | - | - | (1,604,310) |

in Rs.

| 2016-17 | Opening balance | Recognised in profit or loss | Recognised in Other comprehensive income | Recognised directly in equity | Reclassified from equity to profit or loss | Closing balance |
|---|---|---|---|---|---|---|
| Deferred tax (liabilities)/asset in relation to | | | | | | |
| Financial assets at FVTPL | - | - | | | | - |
| | - | - | - | - | - | - |
| | | | | | | |
| Net Deferred Tax Liability | - | - | - | - | - | - |

in Rs.

| 2015-16 | Opening balance | Recognised in profit or loss | Recognised in Other comprehensive income | Recognised directly in equity | Reclassified from equity to profit or loss | Closing balance |
|---|---|---|---|---|---|---|
| Deferred tax (liabilities)/asset in relation to | | | | | | |
| Financial assets at FVTOCI | (1,604,310) | 1,604,310 | - | - | - | - |
| Net Deferred Tax (Asset) / Liability | (1,604,310) | 1,604,310 | - | - | - | - |

**Parry Infrastructure Company Private Limited**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Note 10 Trade Payables | As at March 31, 2017 Rs. | As at March 31, 2016 Rs. | As at April 01, 2015 Rs. |
|---|---|---|---|
| Trade payables | 8,545,200 | 6,257,116 | 47,321,833 |
| | **8,545,200** | **6,257,116** | **47,321,833** |

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

| Note 11 Other financial liabilities | As at March 31, 2017 Rs. | As at March 31, 2016 Rs. | As at April 01, 2015 Rs. |
|---|---|---|---|
| Other Miscellaneous liabilities | 1,805,233 | 1,805,233 | 4,415,901 |
| | **1,805,233** | **1,805,233** | **4,415,901** |

| Note 12 Other liabilities | Non-current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at March 31, 2017 Rs. | As at March 31, 2016 Rs. | As at April 01, 2015 Rs. | As at March 31, 2017 Rs. | As at March 31, 2016 Rs. | As at April 01, 2015 Rs. |
| a. Statutory remittances (Contributions to PF and ESIC, Withholding Taxes) | - | - | - | 949,401 | 1,759,021 | 1,840,000 |
| b. Deferred revenue arising from interest free deposit | 102,199,104 | 107,065,728 | 223,864,704 | - | - | - |
| | **102,199,104** | **107,065,728** | **223,864,704** | **949,401** | **1,759,021** | **1,840,000** |

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**Parry Infrastructure Company Private Limited**
**NOTES FORMING PART OF ACCOUNTS**

| NOTE 14 Revenue from operations<br>Particulars | Year ended March 31, 2017 Rs. | Year ended March 31, 2016 Rs. |
|---|---|---|
| Lease Rent | 14,360,624 | 22,393,861 |
| Lease Cancellation income | - | 30,887,878 |
| Other operating income | - | 1,853,784 |
| | **14,360,624** | **55,135,523** |

**Note 15 Other Income**

| Particulars | Year ended March 31, 2017 Rs. | | Year ended March 31, 2016 Rs. | |
|---|---|---|---|---|
| (a) Interest income earned on financial assets that are not designated as at fair value through profit or loss | | | | |
| On others asset (at amortised cost) | 1,350,420 | 1,350,420 | 1,894,863 | 1,894,863 |
| (b) Dividend Income | | | | |
| From instruments designated | | | | |
| as at FVTPL | 3,404,969 | | 190,161 | |
| as at FVTOCI | | 3,404,969 | - | 190,161 |
| (c) Other gains or losses | | | | |
| - Net gain arising on financial assets at FVTPL | | - | | 5,114,735 |
| | | **4,755,389** | | **7,199,759** |

| Note 16 Finance Cost<br>Particulars | Year ended March 31, 2017 Rs. | Year ended March 31, 2016 Rs. |
|---|---|---|
| (i) Unwinding of discounts | 1,350,420 | 1,894,863 |
| | **1,350,420** | **1,894,863** |

| Note 17 Other expenses | Year ended March 31, 2017 Rs. | | Year ended March 31, 2016 Rs. | |
|---|---|---|---|---|
| (a) Lease Rent | | 14,360,624 | | 22,370,701 |
| (b) Lease cancellation expense | | - | | 30,887,878 |
| (c) Auditors' Remuneration | | 57,500 | | 57,250 |
| (d) Directors' Fees and Commission | | 40,000 | | 40,000 |
| (e) Professional Charges | | 2,326 | | 2,941,943 |
| (f) Bad Debts/Advances written off | - | | 5,808,847 | |
| Less: Transfer from provision | - | - | - | 5,808,847 |
| (g) General Administration Expenses | | 16,982 | | 56,933 |
| | | **14,477,432** | | **62,163,552** |

| | 2016-17 | 2015-16 |
|---|---|---|
| **18. Income taxes relating to continuous operations** | **Rs.** | **Rs.** |
| 18.1 Income tax recognised in profit or loss | | |
| **Current tax** | | |
| In respect of current year | - | 1,071,862 |
| In respect of prior years | - | - |
| Others | - | - |
| **Deferred tax** | | |
| In respect of current year | - | (1,604,310) |
| Deferred tax reclassified from equity to profit or loss | | |
| **Total income tax expense /(gain) recognised in the current year relating to continuing operations** | - | **(532,448)** |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| | 2016-17 | 2015-16 |
|---|---|---|
| | **Rs.** | **Rs.** |
| **Profit before tax from continuing operations** | 3,288,161 | (1,723,133) |
| Income tax expense calculated at 30.90% (2015-16 - 30.90%) | 1,016,042 | (532,448) |
| Effect of income that is exempt from taxation | (1,016,042) | - |
| Effect on deferred tax balance due to use of rate different from that used for current tax | | |
| Others | | - |
| | - | (532,448) |
| Adjustments recognised in current year relating to current tax of previous years | - | - |
| **Income tax expense recognised in profit or loss (relating to continuing operations)** | - | (532,448) |

The tax rate used for the 2016-17 and 2015-16 reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under the Indian tax law.

**18.2 Income tax recognised in Other comprehensive income**
No tax has been recognised in Other comprehensive income.

**18.3 Income tax directly recognised in equity**
On transition to Ind AS, the Company has recognised deferred tax liability of Rs.16,04,310 in equity arising from fair value gain of Rs.51,91,942 in investments accounted at FVTPL.

in Rs.

| **19. Current tax asset and liabilities** | **As at March 31, 2017** | **As at March 31, 2016** | **As at April 01, 2015** |
|---|---|---|---|
| **Particulars** | | | |
| Tax refund receivable | 7,116,278 | 6,166,878 | 5,546,552 |
| **Total** | **7,116,278** | **6,166,878** | **5,546,552** |

**Parry Infrastructure Company Private Limited**
NOTES FORMING PART OF ACCOUNTS

**20. Earnings per Share:**

| Particulars | For the Year ended March 31, 2017 | For the Year ended March 31, 2016 |
|---|---|---|
| Basic Earnings per share | 0.66 | (0.24) |
| Diluted Earnings per share | 0.66 | (0.24) |

**20.1 Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

| | | |
|---|---|---|
| Profit after Taxation ( Rs.) | 3,288,161 | (1,190,685) |
| **Earnings used in the calculation of basic earnings per share** | **3,288,161** | **(1,190,685)** |
| Number of equity shares of Re. 1 each outstanding at the beginning of the year | 5,000,000 | 5,000,000 |
| Add : Number of shares issued pursuant exercise of Employees Stock option | - | - |
| (a) Number of equity Shares of Re. 1 each outstanding at the end of the year | 5,000,000 | 5,000,000 |
| (b) Weighted Average number of Equity Shares | 5,000,000 | 5,000,000 |

**20.2 Diluted Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.

| | | |
|---|---|---|
| **Earnings used in the calculation of basic earnings per share** | **3,288,161** | **(1,190,685)** |
| Adjustments | - | - |
| **Earnings used in the calculation of diluted earnings per share** | **3,288,161** | **(1,190,685)** |

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

| | | |
|---|---|---|
| Weighted average number of equity shares used in the calculation of basic earnings per share | 5,000,000 | 5,000,000 |
| Diluting shares | - | - |
| Weighted average number of equity shares used in the calculation of diluted earnings per share | 5,000,000 | 5,000,000 |

**(` in Rs., unless otherwise stated)**

**21. Financial instruments**

**21.1 Capital management**

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

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity. The Company does not have any borrowing except for Security Deposit received from group company which is offset by Security deposit placed with another group company with same maturity.

**21.2 Categories of financial instruments**

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|---|---|---|---|
| **Financial assets** | | | |
| **Measured at fair value through profit or loss (FVTPL)** | | | |
| (a) Mandatorily measured: | | | |
| (i) Equity investments | 71,774,727 | 73,864,759 | 78,598,508 |
| **Measured at amortised cost** | | | |
| (a) Cash and bank balances | 64,227 | 147,508 | 244,407 |
| (b) Other financial assets at amortised cost | 21,267,099 | 16,246,092 | 72,927,981 |
| **Measured at FVTOCI** | | | |
| (a) Investments in equity instruments designated upon initial recognition | 97,128,885 | 141,630,665 | 104,379,175 |
| **Measured at cost** | | | |
| (a) Investments in equity instruments in subsidiaries, joint ventures and associate | 27,711 | 27,711 | 27,711 |
| **Financial liabilities** | | | |
| Measured at amortised cost | 22,218,136 | 18,579,632 | 70,378,788 |

**(` in Rs., unless otherwise stated)**

**21.3 Financial risk management objectives**

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

The Company seeks to minimise the effects of these risks through appropriate risk management policies as detailed below. 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 - other price risk | Decline in value of equity instruments | Monitoring forecasts of cash flows; diversification of portfolio | Note 21.4.1 |
| 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 21.5 |
| Liquidity risk | Fluctuations in cash flows | Preparing and monitoring forecasts of cashflows; cash management policies; multiple-year credit and banking facilities | Note 21.6 |

**21.4 Market risk**

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following market risk:

- Price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

**21.4.1 Price risks**

The Company is exposed to equity price risks arising from equity investments. Certain of the Company's equity investments are held for strategic rather than trading purposes. The Company also holds certain other equity investments for trading purposes.

**a. Equity price sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

i. If equity prices had been 1% higher/lower other comprehensive income/ equity for the year ended 31 March 2017 would increase/ decrease by Rs.9,71,565 (Rs.14,16,583 for the year ended 31 March 2016) as a result of the changes in fair value of equity investments measured at FVTOCI.

ii. If equity prices had been 1% higher/lower profit / equity for the year ended 31 March 2017 would increase/ decrease by Rs.7,17,747 (Rs.7,38,647 for the year ended 31 March 2016) as a result of the changes in fair value of equity investments measured at FVTPL.

**21.5 Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

Outstanding receivables are mainly those from the group entities and do not pose any credit risk for the entity.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

**(` in Rs., unless otherwise stated)**

**21.6 Liquidity risk management**
The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017:

| Particulars | Carrying amount | upto 1 year | 1-3 year | More than 3 year | Total contracted cash flows |
|---|---|---|---|---|---|
| Non interest bearing | 22,218,136 | 10,350,433 | - | 150,000,000 | 160,350,433 |
| **Total** | **22,218,136** | **10,350,433** | **-** | **150,000,000** | **160,350,433** |

The table below provides details of financial assets as at 31 March 2017:

| Particulars | Carrying amount |
|---|---|
| Trade receivables | 8,544,600 |
| Other financial assets | 168,995,550 |
| **Total** | **177,540,150** |

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2016:

| Particulars | Carrying amount | upto 1 year | 1-3 year | More than 3 year | Total contracted cash flows |
|---|---|---|---|---|---|
| Non interest bearing | 18,579,632 | 8,062,349 | - | 150,000,000 | 158,062,349 |
| **Total** | **18,579,632** | **8,062,349** | **-** | **150,000,000** | **158,062,349** |

The table below provides details of financial assets as at 31 March 2016:

| Particulars | Carrying amount |
|---|---|
| Trade receivables | 4,874,015 |
| Other financial assets | 215,670,643 |
| **Total** | **220,544,658** |

**(` in Rs., unless otherwise stated)**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2015:

| Particulars | Carrying amount | upto 1 year | 1-3 year | More than 3 year | Total contracted cash flows |
|---|---|---|---|---|---|
| Non interest bearing | 70,378,788 | 51,737,734 | | 300,000,000 | 351,737,734 |
| **Total** | **70,378,788** | **51,737,734** | - | **300,000,000** | **351,737,734** |

The table below provides details of financial assets as at 1 April 2015:

| Particulars | Carrying amount |
|---|---|
| Trade receivables | 53,432,132 |
| Other financial assets | 202,745,650 |
| **Total** | **256,177,782** |

**21.7 Financing facilities**
The Company does not operate any financing facilities.

(` in Rs., unless otherwise stated)

**21.8 Fair value measurements**

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

| Financial assets/financial liabilities | Fair Value as at* | | | Fair value hierarchy | Valuation techniques & key inputs used |
|---|---|---|---|---|---|
| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 | | |
| 1) Investments in quoted mutual fund instruments at FVTPL | 71,774,727 | 73,864,759 | 78,598,508 | Level 1 | Refer Note 2 |
| 2) Investments in quoted equity instruments at FVTOCI | 97,128,885 | 141,630,665 | 104,379,175 | Level 1 | Refer Note 2 |

*positive value denotes financial asset (net) and negative value denotes financial liability (net)

**Notes:**

1. There were no transfers between Level 1 and 2 in the period.
2. The Level 1 financial instruments are measured using quotes in active market

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

| Particulars | Fair value hierarchy | As at 31 March 2017 | | As at 31 March 2016 | | As at 1 April 2015 | |
|---|---|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | | | | |
| Financial assets at amortised cost: | | | | | | | |
| - Trade receivables | Level 2 | 8,544,600 | 8,544,600 | 4,874,015 | 4,874,015 | 53,432,132 | 53,432,132 |
| - Cash and cash equivalents | Level 2 | 64,227 | 64,227 | 147,508 | 147,508 | 244,407 | 244,407 |
| - Other financial assets | Level 2 | 12,722,499 | 16,752,405 | 11,372,077 | 11,767,427 | 19,495,849 | 32,556,657 |

| Particulars | Fair value hierarchy | As at 31 March 2017 | | As at 31 March 2016 | | As at 1 April 2015 | |
|---|---|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial liabilities** | | | | | | | |
| Financial liabilities at amortised cost: | | | | | | | |
| Borrowings | Level 2 | 11,867,703 | 15,897,609 | 10,517,283 | 10,912,633 | 18,641,054 | 31,701,862 |
| Trade payables | Level 2 | 8,545,200 | 8,545,200 | 6,257,116 | 6,257,116 | 47,321,833 | 47,321,833 |
| Other financial liabilities | Level 2 | 1,805,233 | 1,805,233 | 1,805,233 | 1,805,233 | 4,415,901 | 4,415,901 |

1. In case of trade receivables, cash and cash equivalents, trade payables, borrowings and other financial liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

**22. Related Party Disclosure for the year ended March 31, 2017**

22.1. Fellow Subsidiary Companies/Entities

1. Coromandel International Ltd
2. Parry Chemicals Ltd
3. CFL Mauritius Limited
4. Coromandel Brasil Limitada – LLP,Brazil
5. Liberty Pesticides and Fertilisers Limited
6. Dare Investments Ltd
7. Sabero Europe BV, Netherlands
8. Sabero Australia Pty.Ltd
9. Sabero Organics America SA,Brazil
10. Alimtech S.A
11. Sabero Argentina SA
12. Coromandel Agronegoious De Mexico S.A De C.V.
13. Parry America Inc.,
14. Parrys Investments Limited
15. Parrys Sugar Limited
16. US Nutraceuticals LLC
17. Parry Agrochem Exports Limited
18. La Belle Botanics LLC (became an associate from April 02, 2015)
19. Parry Sugars Refinery India Private Limited

**Holding Company**

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

Note : Related Party Relationships are as identified by the management and relied upon by the auditors.

**22.2 Transactions with related parties**

*in Rs.*

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| | | |
| **Lease Rental Expense** | | |
| a. Coromandel International Limited | 9,494,000 | 14,665,213 |
| **Lease Rental Income** | | |
| a. Parry Sugars Refinery India Private Limited | 9,494,000 | 14,688,373 |
| **Professional charges** | | |
| a. E.I.D.-Parry (India) Limited | - | 2,939,625 |
| **Outstanding balances at year end** | | |
| ***a. Payable*** | | |
| - Parry Sugars Refinery India Private Limited - Lease Deposit | 150,000,000 | 150,000,000 |
| - Coromandel International Limited | 8,544,600 | 3,198,691 |
| - E.I.D.-Parry (India) Limited | - | 3,056,625 |
| ***b. Receivable*** | | |
| - Coromandel International Limited - Lease Deposit | 150,000,000 | 150,000,000 |
| - Parry Sugars Refinery India Private Limited | 8,544,600 | 4,874,015 |

**Parry Infrastructure Company Private Limited**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**23 Contingent liability**

| Particulars | 2016-17 Rs. | 2015-16 Rs. |
|---|---|---|
| (a) Disputed Income Tax demands which are under various stages of appeal (out of which Rs. 1,51,56,685 (2016 - Rs.1,28,42,685) have been paid under protest) | 41,100,770 | 40,345,000 |

**24 Operating lease arrangements**

**24.1 Company as as Lessee**

Operating lease relates to Lease of land with lease term ending May 06, 2037. The Company does not have the option to purchase the leased land at the expiry of the lease period.

**24.2 Payments recognised as expense**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Minimum Lease payments | 9,494,000 | 14,665,213 |

**24.3 Non-cancellable operating lease commitments**

| Particulars | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Not later than 1 year | 9,494,000 | 9,494,000 | 19,250,000 |
| Later than 1 year and not later than 5 years | 37,976,000 | 37,976,000 | 77,000,000 |
| Later than 5 years | 165,415,653 | 174,909,653 | 373,896,178 |

**24.4 Company as as Lessor**

Operating lease relates to Lease of land taken on lease with lease term ending May 06, 2037.

**24.5 Receipt recognised as Income**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Rental income | 9,494,000 | 14,688,373 |

**24.6 Non-cancellable operating lease receivables**

| Particulars | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|
| Not later than 1 year | 9,494,000 | 9,494,000 | 19,250,000 |
| Later than 1 year and not later than 5 years | 37,976,000 | 37,976,000 | 77,000,000 |
| Later than 5 years | 165,415,653 | 174,909,653 | 373,896,178 |

**25 Disclosure on Specified Bank Notes**

| Particulars | SBNs | Other Notes | Total |
|---|---|---|---|
| Closing cash on hand as on November 08, 2016 | - | - | - |
| (+) Permitted receipts | - | - | - |
| (-) Permitted payments | - | - | - |
| (-) Amount deposited in Banks | - | - | - |
| Closing cash on hand as on December 30, 2016 | - | - | - |

25.1 There were no cash transactions during the year.

**26 Approval of financial statements**

The financial statements were approved for issued by the Board of Directors on May 03, 2017.

**27. First-time Ind AS adoption reconciliation**

**27.1 Effect of Ind AS adoption on the consolidated balance sheet as at March 31, 2016 and April 01, 2015**

| S.No | Particulars | Notes | As at March 31, 2016 End of last period presented under previous GAAP Rs. | | | As at April 01, 2015 Date of transition Rs. | | |
|---|---|---|---|---|---|---|---|---|
| | | | Previous GAAP | Effect of Transition | As per Ind AS balance sheet | Previous GAAP | Effect of Transition | As per Ind AS balance sheet |
| | **A. ASSETS** | | | | | | | |
| | **Non-Current Assets** | | | | | | | |
| | (a) Financial Assets | | | | | | | |
| | (i) Investments | | | | | | | |
| | a) Other Investments | c | 50,052,491 | 91,605,885 | 141,658,376 | 50,052,491 | 54,354,395 | 104,406,886 |
| | (ii) Other financial assets | b | 150,854,794 | (139,482,717) | 11,372,077 | 300,854,795 | (281,358,946) | 19,495,849 |
| | (b) Other Non Current Assets | b | - | 107,065,728 | 107,065,728 | - | 223,864,704 | 223,864,704 |
| | **Total non-current assets** | | **200,907,285** | **59,188,896** | **260,096,181** | **350,907,286** | **(3,139,847)** | **347,767,439** |
| | **Current Assets** | | | | | | | |
| | (a) Financial Assets | | | | | | | |
| | (i) Other investments | d | 73,864,759 | - | 73,864,759 | 73,406,566 | 5,191,942 | 78,598,508 |
| | (ii) Trade Receivables | | 4,874,015 | - | 4,874,015 | 53,432,132 | - | 53,432,132 |
| | (iii) Cash and Cash Equivalents | | 147,508 | - | 147,508 | 244,407 | - | 244,407 |
| | (b) Current tax assets (Net) | | 6,166,878 | - | 6,166,878 | 5,546,552 | - | 5,546,552 |
| | (c) Other Current Assets | | 16,893,295 | - | 16,893,295 | 10,676,214 | - | 10,676,214 |
| | **Total current assets** | | **101,946,455** | - | **101,946,455** | **143,305,871** | **5,191,942** | **148,497,813** |
| | TOTAL ASSETS | | **302,853,740** | **59,188,896** | **362,042,636** | **494,213,157** | **2,052,095** | **496,265,252** |
| | **B. EQUITY AND LIABILITIES** | | | | | | | |
| | **Equity** | | | | | | | |
| | (a) Equity Share Capital | | 50,000,000 | | 50,000,000 | 50,000,000 | - | 50,000,000 |
| | (b) Other Equity | c,d | 93,032,370 | 91,605,885 | 184,638,255 | 90,635,423 | 57,942,027 | 148,577,450 |
| | **Total equity** | | **143,032,370** | **91,605,885** | **234,638,255** | **140,635,423** | **57,942,027** | **198,577,450** |
| | **Liabilities** | | | | | | | |
| | **Non-Current Liabilities** | | | | | | | |
| | (a) Financial Liabilities | | | | | | | |
| | i. Borrowings | a | 150,000,000 | (139,482,717) | 10,517,283 | 300,000,000 | (281,358,946) | 18,641,054 |
| | (b) Deferred Tax Liabilities (Net) | d | - | - | - | - | 1,604,310 | 1,604,310 |
| | (c) Other non-current liabilities | a | - | 107,065,728 | 107,065,728 | - | 223,864,704 | 223,864,704 |
| | **Total non-current liabilities** | | **150,000,000** | **(32,416,989)** | **117,583,011** | **300,000,000** | **(55,889,932)** | **244,110,068** |
| | **Current Liabilities** | | | | | | | |
| | (a) Financial Liabilities | | | | | | | |
| | i. Trade Payables | | 6,257,116 | - | 6,257,116 | 47,321,833 | - | 47,321,833 |
| | ii. Other financial Liabilities | | 1,805,233 | - | 1,805,233 | 4,415,901 | - | 4,415,901 |
| | (b) Other Current Liabilities | | 1,759,021 | - | 1,759,021 | 1,840,000 | - | 1,840,000 |
| | **Total current liabilities** | | **9,821,370** | - | **9,821,370** | **53,577,734** | - | **53,577,734** |
| | **Total Liabilities** | | **159,821,370** | **(32,416,989)** | **127,404,381** | **353,577,734** | **(55,889,932)** | **297,687,802** |
| | TOTAL EQUITY AND LIABILITIES | | **302,853,740** | **59,188,896** | **362,042,636** | **494,213,157** | **2,052,095** | **496,265,252** |

**27.2 Reconciliation of total equity as at March 31, 2016 and April 01, 2015**

| Particulars | Notes | As at March 31, 2016 (End of last period presented under Previous GAAP) | As at April 01, 2015 Date of Transition |
|---|---|---|---|
| **Total Equity (shareholder's funds) under previous GAAP** | | 143,032,370 | 140,635,423 |
| Fair valuation of investments under Ind AS | c,d | 91,605,885 | 59,546,337 |
| Recognition of deferred taxes using the balance sheet approach under Ind AS | d | - | (1,604,310) |
| ***Total adjustment to equity*** | | ***91,605,885*** | ***57,942,027*** |
| **Total equity under Ind AS** | | **234,638,255** | **198,577,450** |

Parry Infrastructure Company Private Limited
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

| S.No | Particulars | Note No. | Year ended March 31, 2016 Latest period presented under previous GAAP | | |
|---|---|---|---|---|---|
| | | | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| I | Revenues from Operations | a | 16,542,157 | 38,593,366 | 55,135,523 |
| II | Other Income | b,d | 10,496,837 | (3,297,078) | 7,199,759 |
| III | **Total Income (I+II)** | | **27,038,994** | **35,296,288** | **62,335,282** |
| IV | **Expenses:** | | | | |
| | Finance costs | a | - | 1,894,863 | 1,894,863 |
| | Other expenses | a,b | 23,570,185 | 38,593,367 | 62,163,552 |
| | **Total Expenses (IV)** | | **23,570,185** | **40,488,230** | **64,058,415** |
| V | **Profit before tax (III-IV)** | | **3,468,809** | **(5,191,942)** | **(1,723,133)** |
| VI | **Tax Expense:** | | | | |
| | (1) Current Tax | | 1,071,862 | - | 1,071,862 |
| | (2) Deferred Tax | d | - | (1,604,310) | (1,604,310) |
| | | | **1,071,862** | **(1,604,310)** | **(532,448)** |
| VII | **Profit for the year (V-VI)** | | **2,396,947** | **(3,587,632)** | **(1,190,685)** |
| | **Other Comprehensive Income** | | | | |
| | A. i) Items that will not be reclassified to profit or loss | | | | |
| | a) Equity instruments through other comprehensive income | c,e | - | 37,251,490 | 37,251,490 |
| | | | - | 37,251,490 | 37,251,490 |
| | ii) Income tax relating to items that will not be reclassfied to profit or loss | | - | - | - |
| | B. i) Items that will be reclassified to profit or loss | | - | - | - |
| VIII | **Total other comprehensive income (A(i-ii)+B(i))** | | - | 37,251,490 | 37,251,490 |
| IX | **Total Comprehensive Income (VII+VIII)** | | **2,396,947** | **33,663,858** | **36,060,805** |

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

Amount in Rs.

| Particulars | Notes | Year ended March 31, 2016 (Latest period presented under previous GAAP) |
|---|---|---|
| Profit as per previous GAAP | | 2,396,947 |
| Adjustments | | |
| Effect of accounting investments as Fair Value through Profit or Loss | d | (5,191,942) |
| Deferred tax adjustments | d | 1,604,310 |
| ***Total effect of transition*** | | ***(3,587,632)*** |
| **Profit for the year as per Ind AS** | | **(1,190,685)** |
| Other comprehensive income for the year (net of tax) | c,e | 37,251,490 |
| **Total comprehensive income under Ind AS** | | **36,060,805** |

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

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**27.5 Notes to the reconciliations**

**a. Interest free security deposit - financial liabilities**

Under Indian GAAP, long-term financial liabilities such as interest free deposit received on lease of land were recognised at the contractual amount and were not discounted. Under Ind AS, where the effect of time value of money is material, the amount of liability should be recognised at the present value of amount expected to settle the liability. These liabilities are subsequently measured at amortised cost using the effective interest method.

**b. Interest free security deposit - financial assets**

Under Indian GAAP, long-term financial assets such as interest free deposit placed on lease of land were recognised at the contractual amount and were not discounted. Under Ind AS, where the effect of time value of money is material, the amount of asset should be recognised at the present value of amount expected to receive the asset. These assets are subsequently measured at amortised cost method.

**c. Investments as FVTOCI**

Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified as FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per preivous GAAP, resulting in an increase in carrying amount by Rs.9,16,05,885 as at March 31, 2016 and Rs.5,43,54,395 as at April 01, 2015. These changes do not affect profit before tax or total profit for the year ended March 31, 2016 beacause the investments have been classified as FVTOCI.

**d. Investments as FVTPL**

Under previous GAAP, current investments were measured at cost or market value whichever is lower. Under Ind AS, these financial assets have been classified as FVTPL as these are held for trade purposes. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per preivous GAAP, resulting in an increase in carrying amount by Rs.51,91,942 as at April 01, 2015. Consequent deferred tax of Rs.16,04,310 has been recognised. This has an impact of decreasing the profit before tax by Rs.51,91,942 and total profit by Rs.35,87,632 for the year ended March 31, 2016 and increase in total equity by Rs.35,87,632 as at April 1, 2015.

**e. Other comprehensive income**

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

**Place:** Chennai
**Date: May 03, 2017**

V Ramesh
**Director**

V Suri
**Director**

ANIL NAIR & ASSOCIATES CHARTERED ACCOUNTANTS CHENNAI 600 008

A Balakrishnan
**Company Secretary**