murugappa

ANNUAL REPORT 2012-13

PARRYS

PARRYS SUGAR INDUSTRIES LTD.

CONTENTS

CORPORATE INFORMATION

Board of Directors	S. Sandilya, *Chairman*
	D. Kumaraswamy, *Managing Director*
	K. Balasubramanian
	P. Gopalakrishnan (*w.e.f. 24.04.2013*)
	K. Ramadoss
	V. Ravichandran
	C. R. Rajan (*w.e.f. 24.04.2013*)
Company Secretary	B. M. Rath
Registered Office	Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road Jakkasandra, Koramangala Bengaluru - 560 034
Auditors	R.G.N Price & Co.
Bankers	State Bank of India
Investor Contacts	
Registrar & Transfer Agents	Karvy Computershare Pvt. Ltd. *Unit: Parrys Sugar Industries Limited* Plot No. 17 to 24, Vittal Rao Nagar Madhapur, Hyderabad – 500081 Tel.: +91 40 44655000 Fax: +91 40 23420814 E-mail: einward.ris@karvy.com
Company	B.M. Rath General Manager (Legal) & Company Secretary Tel: +91 80 49006666 Fax: +91 80 49006600 E-mail: investorgrievancescell@psil.murugappa.com Website: www.parrysugar.in

NOTICE

Notice is hereby given that the twenty-seventh Annual General Meeting of the members of **Parrys Sugar Industries Limited** will be held on **Monday, July 22, 2013 at 10.30 A.M. at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560 001**, to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. S. Sandilya, who retires by rotation, and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Mr. K. Balasubramanian, who retires by rotation, and being eligible offers himself for re-appointment.

4. To appoint Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and in this connection, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s. R.G.N Price & Co., Chartered Accountants, bearing Registration No. 002785 S with the Institute of Chartered Accountants of India, be and they are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company".

Special Business:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   RESOLVED THAT Mr. P. Gopalakrishnan, who was appointed as an Additional Director of the Company by the Board of Directors on April 24, 2013 and who holds directorship in terms of Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   RESOLVED THAT Mr. C.R. Rajan, who was appointed as an Additional Director of the Company by the Board of Directors on April 24, 2013 and who holds directorship in terms of Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

By Order of the Board of Directors

Chennai | **B.M.Rath**
April 24, 2013 | Company Secretary

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and such proxy need not be a member of the Company. However, the duly filled in and signed proxy form(s) in order to be valid, shall be lodged at its Registered Office not less than forty eight hours before the commencement of the meeting.**

2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.

3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business to be transacted is annexed hereto.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, July 16, 2013 to Monday, July 22, 2013 both days inclusive.

5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar and Transfer Agent M/s. Karvy Computershare Pvt. Ltd. (Karvy).

6. Members desiring any information as regards the Accounts and operations of the Company are requested to send their queries at least seven days before the date of the meeting to the Company, so that the desired information may be made available at the Meeting.

7. Members who have not yet encashed their dividend warrant(s) for the financial year 2005-06 are requested to make their claims without any delay to Karvy. It may be noted that the unclaimed/unpaid dividend for the financial year 2005-06 declared on September 28, 2006 can be claimed by the Members by November 2, 2013. Members attention is particularly drawn to the Corporate Governance section of the Annual Report in respect of unclaimed dividend.

8. As per the provisions of section 109A of the Companies Act, 1956, Shareholders holding shares in physical form may file nomination in the prescribed Form 2B (in duplicate) with the Companies Registrar and Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant.

9. Detailed information regarding the various Stock Exchanges where the equity shares of the Company are listed, along with their address and the stock code given to the Company by the respective Stock Exchanges are indicated in the Corporate Governance Report, forming part of the Directors' Report.

10. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Karvy.

11. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or the Company's Registrars and Transfer Agents for assistance in this regard.

12. The profile of the Directors seeking re-appointment/new appointment is indicated in the Corporate Governance Report.

13. Members are requested to bring their copy of Annual Report together with notice for the meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to please bring your folio number/demat account number/DP ID.

14. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy for consolidation into a single folio.

16. Members who have not registered their email address so far are requested to register their email address for receiving the Annual report and other communication from the Company electronically.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item Nos. 5 & 6

Mr. P. Gopalakrishnan and Mr. C.R. Rajan were appointed as Additional Directors by the Board of Directors of the Company at their meeting held on April 24, 2013. Under Section 260 of the Companies Act, 1956 read with Article 97 of the Articles of Association of the Company, they hold office till the date of the forthcoming Annual General Meeting. The Company has received notices in writing from Members of the Company alongwith the required deposit proposing the candidature of Mr. P. Gopalakrishnan and Mr. C.R. Rajan for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The profile of Mr. P. Gopalakrishnan and Mr. C.R. Rajan are given under the Corporate Governance Report which is annexed to the Annual Report.

Your Directors commend the proposed resolutions set out in Item Nos. 5 & 6 of the Notice for approval of the members.

None of the Directors except Mr. P. Gopalakrishnan and Mr. C.R. Rajan are concerned or interested in the resolution to the extent of their respective appointments.

By Order of the Board of Directors

Chennai
April 24, 2013

B.M. Rath
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 27th Annual Report together with the audited financial statements for the year ended March 31, 2013.

The financials for the year 2012-13 are summarised below:

(₹ in Lakhs)

Particulars	**2012-13**	2011-12 (9 months)
Revenue from operations	**10,073.46**	46,739.09
Other Income	**10.19**	5.75
Total Income	**10,083.65**	46,744.84
Profit before Interest and Depreciation	**625.36**	5,515.20
Interest	**1,428.72**	5,178.17
Depreciation	**489.91**	2,349.96
(Loss) before taxation	**(1,293.27)**	(2,012.93)
Provision for tax:		
– Current	**-**	-
– Deferred Tax	**-**	(1,375.60)
(Loss) after Tax	**(1,293.27)**	(637.33)

DIVIDEND

In view of the losses incurred, your Board is unable to recommend any dividend for the year ended March 31, 2013.

DEMERGER OF THE UNITS AT SANKILI AND HALIYAL

Subsequent to the approval accorded by the Board of Directors and shareholders at their respective meetings held on April 25, 2012 and October 8, 2012, the Scheme of Arrangement (Demerger) between the Company and the Holding Company, E.I.D.-Parry (India) Ltd., (EID Parry) under Sections 391 to 394 of the Companies Act, 1956 for transfer and vesting of the Company's manufacturing facilities located at Haliyal and Sankili to and into EID Parry w.e.f April 1, 2012 has been sanctioned by the Hon'ble High Court of Karnataka and Hon'ble High Court of Judicature, Madras vide their respective order dated February 01, 2013 & February 18, 2013. The Scheme has become effective from March 18, 2013 pursuant to filing of the orders of the Hon'ble High Courts of Karnataka and Madras with the Registrar of Companies, Bangalore and Registrar of Companies, Chennai, respectively.

Accordingly, the financial results of the Company for the year ended March 31, 2013 pertains to that of Ramdurg Unit only. However, the audited results of the Company for the year ended March 31, 2012 included the results of the demerged business undertakings also and hence, to that extent, previous year figures are not comparable with the current year figures.

COMPANY PERFORMANCE

During the year under review, your company's total income was ₹10,083.65 lakhs as against ₹46,744.84 lakhs in the previous year. The profit before interest and depreciation was ₹625.36 lakhs as against ₹5,515.20 Lakhs of last year. After providing for ₹489.91 Lakhs for depreciation and ₹1,428.72 Lakhs for interest, the loss for the year was ₹1,293.27 Lakhs. The loss is after providing for ₹ 799.75 Lakhs towards cane price for 2011-12.

During the year, on completion of the expansion project, the operations at the Ramdurg Unit was stabilised at 4250 TCD. The capacity enhancement and the ongoing debottlenecking of the facility helped the Company to achieve sustained performance during the current sugar season. The Company also successfully commissioned the cogeneration unit of 13 MW and the enhanced capacity was operational resulting in higher earnings from the export of power.

During the year, the Ramdurg Unit crushed a total 5.75 Lakhs MT of cane, produced 6.31 Lakhs qtls of sugar. The average recovery rate was 10.98%. The recovery of all the sugar mills in North Karnataka was lower mainly on account of prolonged drought and less water in reservoirs and bore wells leading to more dryness in the cane and the flowering of cane as early as November 2012.

The total power generated by the Ramdurg Co-generation plant was 339 Lakh units and export of power was at 141 Lakh units in the current year as against 6 Lakh units during last year. The revenue on power sales was better than last year due to higher export on account of the commissioning of the 13 MW cogeneration plant.

The major challenge for the Company is to protect its cane area, further improve its operating efficiencies and improve the quality of output. The Company proposes to take various measures in this direction, the key being to improve the recovery and also stabilise the operations at the present capacity.

CANE PRICE

For the sugar year 2012-13, the Government of India declared the Fair Remunerative Price (FRP) at ₹1700/MT of cane linked to a recovery of 9.5% with additional ₹ 17.90 for every 0.1% recovery increase. In Karnataka, till the 2012-13 sugar seasons, the cane price was fixed by mutual discussions between the Mills and Sugarcane growers association with limited intervention of the Government of Karnataka. The cane price has been showing a steady increase year after year with no corresponding improvement in sugar price and recovery. The cane price for the 2012/13 sugar season was ₹ 2500 per tonne (ex-field). Besides this, the company also had to pay an additional price of ₹ 350 per tonne for the 2011/12 sugar season. The high cane price resulted in a major dent in the performance of the company without corresponding increase in selling price and recovery .

Similar to the practice prevailing in U.P and other sugar cane growing states, the Legislative Council of the Government of Karnataka on February 13, 2013 passed the Karnataka Sugarcane (Regulation of Purchase and Supply) Bill, 2013 which has a provision for constitution of Sugarcane Control Board to advise regarding State Sugarcane Advisory Price (SAP). This bill empowers the state government to make rules to decide sugarcane price on revenue sharing basis taking into consideration actual revenue realised from sugar, bagasse, molasses and press mud which takes into account some of the recommendations made by the Rangarajan Committee appointed by the Govt of India to advise on the sugar decontrol.

SUGAR INDUSTRY & SUGAR PRICE

Sugar price which had shown improvement during the period July to September 2012 giving a huge relief to the millers who could recover some of their losses, subsequently shown a reverse trend unfavourably affecting the mills across the country. The decline was primarily driven by abundant sugar, as expected during the start of the domestic crushing season in November, 2012. Additionally, the high non-levy sugar quota announced by the Government for four months of December 2012 to March 2013 affected the domestic sugar prices. The then prevailing muted global sugar prices trends, was also a supplementary factor. At the current prices, it would be very difficult for the sugar mills to make payments to cane farmers in time which might force farmers to look at other crops which would be a threat to the sugar industry prospects.

The cost of production for most of the sugar companies in 2012/13 was higher than 2011/12, as sugarcane costs increased by 16%-17% over the last season. Also, particularly for mills based in Karnataka and Maharashtra, a decline in sugarcane availability and recovery from unfavourable climatic conditions impacted cost. Rise in the cost of sugar production and decline in sugar prices resulted in lower operating margins for sugar mills across the country.

Recently, the government of India announced partial de-control of the sugar industry by dismantling the release mechanism. The Government had also abolished the levy-sugar mechanism, under which private millers were under an obligation to give 10% of production to the government at concessional rates. These welcome measures are a huge plus for the long-term sustainability of the industry.

CHANGE IN CAPITAL STRUCTURE

Upon the Scheme of Arrangement (Demerger) becoming effective, the share capital of the Company was restructured as follows as envisaged in the Scheme.

10,00,00,000 Crores 8% Redeemable Cumulative Preference shares of ₹10/- each aggregating to ₹100 Crores and 105,05,460 8% Redeemable Non-Cumulative Preference shares of ₹11/- each aggregating to ₹11.55 Crores held by EID Parry, the holding Company, were extinguished.

Further, during the year the Company allotted 150 Lakh, 8% Cumulative Redeemable Preference shares of ₹10/- each to the Holding Company aggregating to ₹15 Crores. Consequently, the paid up share capital of the Company stands at ₹37.52 Crores.

DIRECTORS

Mr. C. R.Rajan and Mr. P. Gopalakrishnan were appointed as Additional Directors of the Company in accordance with Section 260 of the Companies Act, 1956 on April 24, 2013. Mr. C. R.Rajan and Mr. P. Gopalakrishnan will hold office till the date of the Annual General Meeting to be held on July 22, 2013. The requisite notices together with necessary deposit have been received from members pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. C. R.Rajan and Mr. P. Gopalakrishnan as Directors of the Company.

Mr.S. Sandilya and Mr. K. Balasubramanian, Directors retire by rotation in terms of Article 108 of the Articles of Association of the Company and being eligible, offer themselves for re-appointment. A brief resume, expertise and details of other directorships of Mr. S.Sandilya, Mr. K.Balasubramanian, Mr. C. R.Rajan and Mr. P. Gopalakrishnan are provided in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 and on the basis of explanation given by the executives of the Company and also subject to disclosures in the Annual Accounts, your Directors to the best of their knowledge and belief confirm as under:

i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.

ii. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the period.

iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. that the Directors had prepared the annual accounts for the financial year ended 31st March 2013 on a going concern basis.

FIXED DEPOSITS

During the year under review, your Company has neither invited nor accepted any fixed deposits from the public as per the provisions of Section 58A of the Companies Act 1956. As such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance Requirements as set out by SEBI and is in conformity with most of the requirements of the voluntary guidelines on Corporate Governance issued by the Ministry of Corporate Affairs.

CEO/CFO CERTIFICATION

Mr. D.Kumaraswamy, Managing Director and Ms.G. Jalaja, Chief Financial Officer, have given a certificate to the Board as contemplated under Clause 49 of the Listing Agreement with the Stock Exchanges.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, an amount of ₹10,41,623/- being the unclaimed dividend was transferred during the year to the Investor Education and Protection Fund established by the Central Government.

CREDIT RATING

During the year, rating agency ICRA has reaffirmed the Long term ratings at [ICRA] BBB+(Pronounced as ICRA triple B Plus) and Short term ratings at [ICRA] A2 (Pronounced as ICRA A two). The aforesaid ratings are valid till December 31, 2013.

PERSONNEL RELATIONS

Your directors hereby place on record their appreciation for the services rendered by the executives, staff and workers of the Company. During the year under review, relations between the employees and the management continued to remain cordial.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technical absorption and foreign exchange earnings and outgo pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this Report.

AUDITORS

The Auditors, M/s.R.G.N Price & Co., retire at the conclusion of the ensuing Annual General Meeting. The Auditors have confirmed their willingness to act as Auditors of the Company for the financial year 2013-14 and have confirmed that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

COST AUDITORS

M/s. Narasimha Murthy & Co, Cost Accountants, were appointed as the Cost Auditors for the financial year 2012-13. M/s. Narasimha Murthy & Co have confirmed their willingness to act as Cost Auditors of the Company for the financial year 2013-14 and have confirmed that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure forming part of this Report.

ACKNOWLEDGEMENT

Your directors acknowledge and express their grateful appreciation for the co-operation and assistance received from Banks, Government Authorities, Customers, Farmers and Suppliers.

Your directors also thank the shareholders for the confidence reposed by them in the management of the Company and for their continued support and co-operation.

For and on behalf of the Board of Directors

Chennai
April 24, 2013

S. Sandilya
Chairman

INFORMATION IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2013

A. Conservation of Energy

a. Energy Conservation Measures Taken	**Ramdurg Plant** ● Installed standby Evaporator Set with SK, VC, 3rd, 4th, 5th conventional body with dynamic juice heater for heating Raw juice with third body. ● Installed Vapour line juice heater between 5th body & condenser. ● Installed Variable Frequency Drives (VFD) for Feed water pump in boiler. ● Installed VFD for GRPF drive in mill.
b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy	Nil
c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	Better control over steam consumption per ton of cane & improvement in recovery.
d. Total Energy Consumption and energy consumption per unit of production	As per Form A attached

B. Technology Absorption

Efforts made in technology absorption	As per Form B attached

C. Foreign Exchange Earnings and Outgo:

(₹ In Lakhs)

	2012-13	2011-12*
a. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;	**Nil**	Nil
b. Total foreign exchange used and earned.		
Foreign Exchange used		
a. Stores & Spares	-	9.82
b. Travel Expenses	-	0.69
Foreign Exchange earned		
Sale of CER	-	70.13

* The figures for the year 2011-12 relates to three units of the Company prior to the Demerger.

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Particulars	2012-13	2011-12*
A.	**POWER AND FUEL CONSUMPTION**		
1.	**Electricity**		
	(a) Purchased units	**6,43,273**	31,89,523
	Amount (₹ in lakhs)	**26.91**	95.93
	Rate/ Unit (₹)	**4.18**	3.01
	(b) Own Generation		
	(i) Through Diesel Generator		
	Units	**37,616**	2,55,789
	Diesel Consumed (Ltrs.)	**19,890**	1,15,554
	Cons. value of diesel (₹ in Lakhs)	**10.65**	53.60
	Units per Litre of Diesel Oil	**1.89**	2.21
	Cost / Unit (₹)	**28.29**	20.95
	(ii) Through Steam Turbine		
	Units generated	**3,38,97,216**	10,51,24,036
	Cost / Unit (₹)	**1.89**	2.03
2.	**Furnace Oil**		
	Units (Litre)	**N.A**	N.A
	Amount (₹)	**N.A**	N.A
	Cost / Unit (₹)	**N.A**	N.A
3.	**HSD Oil**		
	Units (Litre)	**-**	14,844.00
	Amount (₹ in Lakhs)	**-**	6.80
	Rate / Unit (₹)	**-**	44.65
B.	**CONSUMPTION PER UNIT OF PRODUCTION/SUGAR (QTL)**		
	1. Electricity (Units)	**24.88**	75.76
	2. Furnace Oil (Litre)	**-**	-
	3. HSD Oil (Litre)	**-**	-

* The figures for the year 2011-12 relates to three units of the Company prior to the Demerger.

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company.	Re-use of the Cane Water which otherwise will go to Effluent Treatment Plant (ETP).
2. Benefits derived as a result of the above R&D	The Plant requires about 1500 Cu. M of Raw Water per Day during the season for Boiler / Cooling Tower / Process Operations etc. In the absence of any Borewells inside the Plant, the water requirement is met by drawing the same from the nearby River. Due to lower levels at the Dam on the upstream of the River, sufficient water seldom flows in the River and it has become extremely difficult to draw the required quantity of water from the River. The Company needs to purchase water from outside for continuing the Plant Operations. By re-using the Cane Water, the Company has reduced the Load on ETP & the related maintenance expenditure of ETP. The quantity of water purchased from outside has come down drastically thereby saving huge expenditure towards water purchase.
3. Future plan of action	
4. Expenditure on R & D :	
(a) Capital	₹ 18.00 Lakhs
(b) Recurring	₹ 3.00 Lakhs
(c) Total	₹ 21.00 Lakhs
(d) Total R & D expenditure as a percentage of total turnover	0.21%

Technology, absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Ozonization Technology is utilised to reduce COD from 400 – 500 PPM to 100 – 150 PPM
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	Out of total requirement of 1500 Cu.M, only 500 Cu. M is drawn from Outside and the balance of 1000 Cu.M is obtained by Cooling & Ozonization of II Body Condensate of Evaporator Set. The cost reduction is about ₹150 Lakhs per season.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished:	
(a) Technology imported	NA
(b) Year of import	NA
(c) Has technology been fully absorbed?	NA
(d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action.	NA

For and on behalf of the Board of Directors

Chennai
April 24, 2013

S. Sandilya
Chairman

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2013.

Name/Age	Designation and Nature of Employment	Remuneration (₹in Lacs)	Qualifications/ Experience	Date of commencement of employment	Previous Employment
D.Kumaraswamy 60	Managing Director	123.23	Bachelor of Commerce, Chartered Accountant & Company Secretary 36 years	28.08.2010	E.I.D.-Parry (India) Ltd.

- The nature of appointment is contractual.
- Mr. D. Kumaraswamy is not related to any of the Directors of the Company
- Neither Mr. D.Kumaraswamy nor his spouse or dependent children hold any shares in the Company.
- Remuneration as shown above includes salary, allowances, incentive, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund, Medical facilities and perquisites valued in terms of actual expenditure incurred by the Company in providing the benefits except in case of certain expenses where the actual amount of expenditure cannot be ascertained with reasonable accuracy, and in such cases, notional amount as per Income-tax Rules has been adopted.

For and on behalf of the Board of Directors

Chennai
April 24, 2013

S. Sandilya
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian sugar sector is highly cyclical in nature and is sensitive to Government policy and weather conditions. A typical sugar cycle lasts for 3-5 years – lower sugarcane and sugar production results in an increase in sugar prices and higher and prompt payments to farmers, which, in turn, leads to an increase in area under cane cultivation. An increase in cane acreage then leads to higher sugar production, decline in sugar prices, lower profitability for mills and consequently delayed payments to farmers, which, in turn, results in area under cane cultivation coming down. As sugar is consumed by every household and a large number of farmers draw their livelihood from sugarcane cultivation, the Central Government has always wanted to control prices in the open market, while the States want to ensure higher and higher prices for sugarcane farmers.

The Central Government each year announces a country-wide MSP (Minimum Support Price) for cane, which is known as FRP (Fair and Remunerative Pricing), while State Governments decide their own MSP known as SAP (State Advised Prices). The sugar mills are expected to pay based on the SAP, wherever applicable, and FRP in States where the State Government does not declare its own prices. Given that a large proportion of rural farmers in the key cane growing states are dependent on the sugar cane sector, the SAP is largely politicised. On the trading side, the import and export of sugar is regulated by the Government, wherein Government permits are required for either importing or exporting sugar into and from the country.

Recently, the Government of India has announced partial de-control of the sugar industry based on the recommendation of the committee headed by Dr. C. Rangarajan, Chairman, Economic Advisory Council. One of the decisions bringing relief to the industry is the dismantling of the release mechanism. Under this mechanism, the Government used to decide how much sugar mills can sell in the open market and in what time frame (quarterly, in 2012/13). To keep prices under check, the Government has since the last two quarters asked the mills to release more sugar in the market. As a result, the mills would often have to hold sugar stocks for long, which hurt them financially. The scrapping of the release mechanism is, therefore, a huge plus for the industry. One of the other positive steps for both farmers and the industry is the removal of 10 per cent 'levy sugar', which deals with supply of sugar by the sugar industry to the Public Distribution System (PDS). Levy sugar for the PDS will now be procured by State Governments from the open market at prevailing market prices. So far, the industry has been supplying levy sugar to the Government for PDS at 50-60 per cent of its cost of production. This decision will help the industry save about ₹ 3,000 crore annually, which would also help in making cane payments on time and reducing cane arrears. Another welcome move is that the Government has not increased any excise duty to fund the Government's additional subsidy burden arising out of its taking over the levy sugar burden from the industry.

The next important step for the Government, both the Central and States, would be to address sugarcane controls and rationalise the cane pricing in line with the globally accepted and successful cane price-sugar price linkage formula, which is also very strongly recommended by the Rangarajan Committee. This step would help to reduce the cyclicality of sugar production and better enable the industry to pay for the sugarcane supplied by farmers and consumers too would benefit with more stable sugar prices.

Reforms in the sugar sector will result in a win-win situation for the farmers, consumer, Government and industry. In the long run, all stakeholders will benefit with a less volatile and a more stable industry.

OUTLOOK

The Indian sugar production in the past couple of years has gone through a volatile phase, primarily on account of bad weather conditions in 2008-09 and 2009-10. Sugar production in India fell from 28.63 million tonnes in 2007-08 to a low of 15.95 million tonnes in 2008- 09. Though, it has recorded gains in production and was at 28.3 million tonnes in 2011-12, India's sugar output is set to decline by 10-15 per cent in the 2012-13 crushing season due to lower cane availability from drought-hit Maharashtra Districts. As the largest sugar-producing State in India, Maharashtra contributes a third of India's overall sugar output. This is set to translate into India's total sugar output between 23-24 million tonnes during the 2013-14 crushing season, lower from 24.6 million tonnes estimated by the apex trade body, Indian Sugar Mills Association (ISMA).

With 2013 closing stocks likely to be maintained at prior year levels, sugar would also be available for exports, subject to global attractiveness to the domestically produced sugar. It is believed that a comfortable global sugar demand supply balance will result in weak international sugar prices.

BY PRODUCTS

Molasses is a thick syrup by-product from the processing of the sugarcane into sugar. In sugar factories, sugar is crystallised from a concentrated juice in three separate stages wherein each stage results in the production of a crystallised sugar fraction and a non-crystalline fraction or molasses fraction called molasses. Fermentation of molasses at distilleries yield Extra Neutral Alcohol, Rectified Spirit and Ethanol. In September 2008, the Government announced a National Policy on bio-fuels which targets 20 per cent ethanol-blending by 2017. However, the ethanol blending programme, which calls for 5 per cent blending of ethanol with petrol, has not taken off so far due to limited feedstock availability, unattractiveness of manufacturing ethanol directly from sugarcane or C molasses, issues related to pricing and tendering and taxation issues at the state level.

COGENERATION OF POWER

Most sugar factories use bagasse to meet their electricity and steam requirements. Bagasse is burnt in large boilers, which releases large amounts of heat for boiling water and generating high-pressure steam. The steam is used to drive a turbine, which generates electricity. The residual low-pressure steam is used in the sugar making process. Cogenerated power has environmental benefits in terms of replacing fossil fuels and is also renewable in nature. For a sugar mill, opting for cogeneration of power has the advantages of getting an additional stream of revenue. The mill can also partly protect itself from the cyclical nature of the other businesses - sugar, alcohol, molasses and bagasse. The Indian sugar industry went through a phase of backward integration in early 2000 wherein most of the large mill owners had setup co-generation capacities along with alcohol manufacturing facilities. The Indian sugar industry over the years has tried to diversify its revenue mix from sugar to a mix of power, sugar and alcohol. However, the potential for bagasse-based cogeneration of power is yet to be realised fully. The major bottlenecks in harnessing co-generation potential has been lack of management focus; weak financial position of many sugar mills, especially smaller units including those run by the co-operative sector; and relatively unattractive tariffs.

REVIEW OF COMPANY’S BUSINESS

Upto the year 2011-12, the Company had three units, integrated sugar complexes located at Haliyal in Karnataka, Sankili in Andhra Pradesh and a leased unit at Ramdurg in Karnataka. Pursuant to the approval of the Scheme of Arrangement (Demerger) between the Company and the Holding Company, E.I.D. - Parry (India) Ltd., (EID Parry) under Sections 391 to 394 of the Companies Act, the Company’s manufacturing facilities located at Haliyal and Sankili, have been transferred to E.I.D. - Parry (India) Ltd. Post demerger, the Company has only one Sugar Plant located at Ramdurg in Karnataka having a crushing capacity of 4000 TCD and 13 MW cogen power. This unit was taken on 25 years lease from Shri Dhanalakshmi Sahakari Sakkare Karkhane Niyamat (DSSKN) in the year 2007. At the time of take over, this unit was in a semi-finished condition. The Company made the necessary capital investment and made the unit operational. The performance of the unit since inception is as follows.

Crushing season	Cane crushed (MT)	Recovery	Sugar Produced(Qtls)	Power exported (Lakh Units)
2008-2009	56,964	9.04	49,287	Nil
2009-2010	2,05,071	10.12	2,06,493	Nil
2010-2011	4,57,703	11.75	5,39,795	35.36
2011-2012	4,90,047	12.10	592230	6.36
2012-2013	5,61,079	11.07	617900	136.94

The initial capacity of the unit was 2500 TCD and 6 MW Cogen. This unit commenced commercial operation in December 2008. The Company over the years has enhanced the cane crushing capacity to 4000 TCD and Co-generation capacity to 13 MW. This sugar facility of the Company is located in Belgaum District of North Karnataka, offering the company a geographical advantage of being in the highest sugar recovery zone in India, good soil conditions and abundant water with sugar cane recovery being among the highest across India. The Company is continuously working on further improving operational efficiencies and production techniques, benchmarking with the best in the industry. The efforts of the Company in this direction have resulted in improvement of recovery, reduction of down time and production of quality sugar providing better margin for the Company products.

CANE AND SUPPORT TO FARMERS

One of the essential aspects of the sugar cane supply is the cane harvest and transport arrangement, the responsibility of which lies with sugar mills. Mills have to engage dedicated cane team for this arrangement. This is one of the major areas where the Company has to devote substantial efforts so that harvesting is done smoothly. Holding these groups and to make continuous crushing operation at optimum capacity is a great challenge. The Company has taken a lot of initiatives for cane development though most of the mills in this region do not focus much on cane development due to generally good recovery arising from conducive climate, good soil condition and improved varieties of cane. The Company has initiated and implemented several programmes to build long term relationship with the farmers. The Company arranges inputs like fertiliser and micro nutrients through its own depots and through agencies with help of "Mana Gromor" Centres of Coromandel International Ltd., another Murugappa Group Company. For cane development, the growers need infrastructure like wells, bore wells and pump sets and the Company is providing/arranging medium term loan. In Karnataka, though the factories have officially demarcated cane command area, practically it is not enforced. Crushing starts from October and ends before March end and during the period of excess cane, crushing lasts till April and May depending up on the available cane volume. There has been continued increase in cane price year after year with successive Governments treating this as a populist measure with no proportionate improvement in sugar sales price which is a challenge for the sugar industry. The Company has developed a multipronged plan through infrastructure development, quality seed nursery programme, inputs arrangements, mechanisation and technical infrastructure support to increase the availability of cane which is the basic raw material for the manufacture of sugar and life line of any Sugar Company.

MARKETING

Apart from local trade, the Company is targeting other lucrative sugar markets including sales to institutions and to sugar deficit regions primarily in and around West Bengal and Orissa. With the production of M30 grade sugar the Company is expanding its customer base. Besides the ability to sell higher volumes of production, sales to these markets also has the advantage of a premium price as compared to local trade.

RISK MANAGEMENT

The Company has adopted a system based approach for risk management, with the clear objectives of identification, evaluation, monitoring and minimisation of the identified risks. The Company has a Risk Management Committee for assessment and evaluation of the risks associated with the business through its risk document. The management periodically reviews the risk management framework to identify the major business risks as applicable to the Company and works out their mitigation strategy.

The major risks faced by sugar business are the availability of cane, regulatory risks, price of sugar and that of sugar cane.

Sugar cane is the key raw material for sugar and any difficulty in getting cane at right time will have impact on the business. The key factors that influence cane availability are climatic condition, availability of cane harvesting labour and farmers opting for competitive crops.

Availability of sugar cane is ensured by fostering good relationship with the cane growers. This is done by undertaking various measures in supporting them in cultivating cane besides making payment for their supplies in time. These are in the form of providing assistance in drip irrigation, mechanical harvesting and improved cane varieties. The company also extends subsidies for good quality seeds, fertilisers and manure, ensures timely cane payment to farmers, timely distribution of indents, proper surveys and incentivising the farmers to cultivate higher volumes of cane in the Company's command area through various means.

The sugar industry is regulated by the Central and State Governments. Sugar cane price, known as FRP, is fixed by the Central Government well before the start of the season while the State Government fixes the State Advised Price (SAP), always significantly higher than FRP. The State Government controls the sugar cane command area while the Central Government regulates exports and imports. The Company is in close association with ISMA and SISMA to understand the developments in the sector at the country level and regional level.

FINANCIAL PERFORMANCE

During the year 2012-13, the Company has reported total income of ₹10,083.65 lakhs and a profit before interest and depreciation of ₹625.36 lakhs.

Consequent to the demerger of the Company's units at Sankili and Haliyal into the Holding Company, the debts of the Company amounting to ₹516.63 crores pertaining to these units have been transferred to the Holding Company. The Company has now term loans and working capital borrowings aggregating to ₹183.30 crores as on 31st March 2013. The Company incurred finance charges of ₹14.28 Crores during the year 2012-13.

The Segment-wise performance of the Company is as under:

Product/ Services	2012-13			2011-12 (9 Months)		
	Sales		PBIT	Sales		PBIT
	Quantity	Value (₹ in Lakhs)	(₹ Lakhs)	Quantity	Value (₹ in Lakhs)	(₹ in Lakhs)
Sugar (Lakhs Quintals)	**2.97**	**8,578.76**	**(375.57)**	15.89	40,013.30	1,341.10
Cogen (Lakhs Units)	**141**	**558.62**	**511.02**	794.08	2,343.24	1,433.02
Distillery (Lakhs Liters)	**-**	**-**	**-**	124.16	3,773.93	728.23

Loss after tax

The loss after tax stood at ₹1,293.27 lakhs as against ₹637.33 lakhs in the previous year.

INTERNAL CONTROL AND SYSTEMS

The Company believes that internal control is a necessary part of the principle of governance and that freedom of management should be exercised within a framework of appropriate checks and balances. The Company remains committed in its endeavour to ensure an effective internal control environment that provides assurance on the efficiency and effectiveness of operations, reliability of financial reporting, statutory compliance and safety of assets. The Company has a well-established and robust internal systems and processes in place to ensure smooth functioning of the operations. An effective internal control system, supported by an Enterprise Resource Planning platform for all business processes, ensures that all transaction controls are continuously reviewed and adequately addressed. The control mechanism involves well documented policies, authorisation guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses. The Company has an Internal Audit department that monitors and makes continuous assessments of the adequacy and effectiveness of the internal controls and systems across the Company. The status of compliance with operating systems, internal policies and regulatory requirements are also monitored. The Board, Audit Committee and the Management review the findings and recommendations of the Internal Audit department and take corrective actions wherever necessary.

HUMAN RESOURCES

The Company recognises people as the primary resource for its competitiveness and continues to focus on people capabilities by leveraging technology and creating a learning environment. The Human Resources function is proactively focused to meet the vision – "To build Credible, Reliable & Capable Human Capital to deliver superior individual and business performance". In order to achieve this vision, the Company has a HR Strategy of "Attracting, engaging, developing and retaining of people to enable the fulfilment of business aspirations and competitive success of Parrys Sugar" and endeavour to shape its employees as a vital strategic asset and thus has initiated on a priority basis various HR initiatives.

CAUTIONARY STATEMENT

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may contain certain statements, which are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Your Company's operation may inter-alia be affected by the supply and demand situations, input price and the availability, changes in the Government regulations, tax laws and other factors. The Company cannot guarantee the accuracy of the assumptions and perceived performance of the Company in future. The investors should bear the above in mind.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on code of Corporate Governance

Parrys Sugar Industries Limited, a member of Murugappa Group of Companies, adheres to good corporate practices and is constantly striving to improve them and adopt the best practices. Adherence to business ethics and commitment to corporate social responsibility are the enablers for a company to maximising value for all its stakeholders. Parrys Sugar is committed to the spirit of Murugappa Group by upholding the core values of integrity, passion, responsibility, quality and respect in dealing with all stakeholders of the Company.

1. Board of Directors

A. Composition

- As on March 31, 2013, the Company had five Directors including a Non-Executive Chairman and a Managing Director. Of the five Directors, four were Non-Executive and three were Independent directors. The Composition of the Board was in conformity with Clause 49 of the Listing Agreements with the Stock Exchanges.
- The day-to-day management of the Company rests with the Managing Director.
- None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five committees across all the companies in which they are Directors.
- The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the Listing Agreement.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies as on March 31, 2013 are given below:

Name of the Director	Category	Number of Board Meetings during the year 2012-13		Whether attended last AGM held on July 26, 2012	No. of Directorships in other companies #		No. of Committee positions in other companies $	
		Held	Attended		Chairman of the Board	Member of the Board	Chairman of the Committee	Member of the Committee
Mr. S. Sandilya Chairman DIN: 00037542	Independent and Non-Executive	6	6	Yes	1	4	3	3
Mr. K. Balasubramanian Director DIN: 00009132	Independent and Non-Executive	6	6	Yes	-	6	3	-
Mr. K. Ramadoss Director DIN: 03230018	Independent and Non-Executive	6	6	Yes	-	-	-	-
Mr. V. Ravichandran Director DIN: 00110086	Non-Independent and Non-Executive	6	5	Yes	-	3	-	3
Mr. N. Srinivasan* Director DIN: 00123338	Non-Independent and Non-Executive	6	3	No	-	-	-	-
Mr. D. Kumaraswamy Director DIN: 00149344	Non-Independent and Executive	6	6	Yes	-	1	-	1

There are no inter-se relationships between our Board members.

(*) Resigned from the Board w.e.f 27.03.2013.

\# Excludes Alternate Directorships, in Private Limited Companies which are not subsidiaries of Public Limited Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act,1956.

$ In accordance with Clause 49, figures include Committee Positions of only Audit Committees and Shareholders/ Investors Grievance Committees.

None of the above Directors hold any shares in the Company as on March 31, 2013.

B. Board Meetings

The Board meets atleast once in a quarter to review the financial results and other items on the agenda, which are distributed to the Directors in advance. Six Board meetings were held during the year ended March 31, 2013. These were held on April 24, 2012, April 25, 2012, July 26, 2012, October 25, 2012, January 23, 2013, March 30, 2013 and the maximum gap between the two Board Meetings did not exceed four months.

None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company.

C. Changes in the composition of Directors during the financial year 2012-13

Mr. N. Srinivasan, Director resigned from the Board w.e.f 27.03.2013.

D. Code of Conduct

The Company has adopted the code of conduct for all Board members and Senior Management as required under Clause 49 of the Listing Agreement. The Code is posted on the Company's website: www.parrysugar.in. All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by Mr. D. Kumaraswamy, Managing Director is attached to this Report.

E. Profile of Directors retiring by rotation and seeking re-appointment and new appointment in pursuance of Clause 49 of the Listing Agreement.

Name of the Director	Mr. S. Sandilya	Mr. K. Balasubramanian	Mr. C. R. Rajan**	Mr. P. Gopalakrishnan**
Date of Birth	11/04/1948	03/12/1942	13/07/1951	17/07/1963
Date of Appointment	26/10/2006	27/10/2009	24/04/2013	24/04/2013
Qualifications	Bachelor of Commerce, Post Graduate Diploma in Business Administration from IIM-Ahmedabad.	Graduate in Commerce from the University of Madras, Advanced Management Programme from Harvard Business School.	Physics graduate from Delhi University and an MBA from FMS, Delhi Unviersity	C.A., ICWA, Diploma in Business Finance from The Institute of Chartered Financial Analysts of India.
Expertise in specific functional area	Finance and General Management.	International Banking, Finance and General Management.	General Management, Strategy and International Business.	Finance and General Management.
Chairman/Director of other Companies	**Chairman** ● Eicher Motors Ltd. **Director** ● Tube Investments of India Ltd. ● Mastek Ltd. ● Mastek UK Ltd. ● GMR Infrastructure Ltd. ● Rane Brake Lining Ltd. ● Lean Management Institute of India ● Association of Indian Automobile Manufacturers - President	**Director** ● GMR Holdings Pvt. Ltd. ● GMR Varalakshmi Foundation ● GMR Aviation Ltd. ● Raxa Security Services Ltd. ● Coromandel International Ltd. ● DQ Entertainment Intl. Ltd. ● DQ Entertainment PLC ● Easy Access Financial Services Ltd. ● Grow Talent Ltd.	**Director** ● Parry Enterprises India Ltd.	**Director** ● Murugappa Management Services Ltd. ● Parrys Sugar Ltd. ● Parry Phytoremedies Private Ltd. ● Parry Agrochem Exports Ltd. ● Silkroad Sugar Private Ltd. ● Parry Infrastructure Company Private Ltd. ● Sadashiva Sugars Ltd.

Name of the Director	Mr. S. Sandilya	Mr. K. Balasubramanian	Mr. C. R. Rajan**	Mr. P. Gopalakrishnan**
Chairman/Member of the Committees(*) of the Boards of which he is a Director	**Audit Committee – Chairman** ● Tube Investment of India Ltd. ● Rane Brake Lining Ltd. ● Mastek Ltd. **Audit Committee – Member** ● Eicher Motors Ltd. **Shareholders Grievance Committee – Member** ● Eicher Motors Ltd. ● Mastek Ltd. **Compensation Committee – Member** ● Eicher Motors Ltd. **Remuneration Committee – Chairman** ● Rane Break Lining Ltd. **Compensation & Nomination Committee** ● Mastek Ltd. – Chairman ● Tube Investments Ltd. – Member	**Audit Committee – Chairman** ● Easy Access Financial Services Ltd. ● DQ Entertainment Intl. Ltd. ● Coromandel International Ltd. **Audit Committee – Member** ● GMR Varalakshmi Foundation	**Audit Committee – Member** ● Parry Enterprises India Ltd.	**Audit Committee – Member** ● Parry Infrastructure Company Private Ltd. ● Sadashiva Sugars Ltd.
No. of shares held in the Company	Nil	Nil	Nil	1

(*) includes Audit, Remuneration/ Nomination/ Compensation and Shareholders/ Investors Grievance Committees of other Companies.

** appointed as Additional Directors w.e.f. 24.4.2013.

2. Audit Committee

A. Composition of the Audit Committee

As on March 31, 2013, the Audit Committee of the Board comprised three members viz., Mr. S. Sandilya, Mr. K. Balasubramanian and Mr. K. Ramadoss. Mr. S. Sandilya is the Chairman of the Audit Committee. He is an Independent Director. The Audit Committee comprised three Independent Directors and the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreements have been complied with. Mr. B. M. Rath, Company Secretary acts as the Secretary of the Committee. Mr. N. Sirnivasan, ceased to be a member of the Committee consequent to his resignation as Director with effect from March 27, 2013.

Chief Financial Officer and the Managing Director are permanent invitees to the Audit Committee Meetings. Besides the Statutory Auditors and Internal Auditors, Cost Auditor and other members of the senior management also attend when invited to the meetings.

B. Meetings and Attendance during the year

During the financial year ended March 31, 2013, the Audit Committee met five times on April 24, 2012, July 26, 2012, October 25, 2012, January 23, 2013 & March 30, 2013 and the maximum gap between the two Audit Committee Meetings did not exceed four months.

The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Sl. No.	Name of the Member	No. of Meetings	
		Held	Attended
1	Mr. K. Balasubramanian	5	5
2	Mr. S. Sandilya	5	5
3	Mr. N. Srinivasan	5	2
4	Mr. K. Ramadoss	5	5

Necessary quorum was present at all the meetings.

Mr. S. Sandilya, the Chairman of the Audit Committee was present at the Annual General Meeting held on July 26, 2012.

C. The Terms of reference of Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and approval of payment to statutory auditors for any other services rendered by the statutory auditors.
3. Review with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Qualifications in the draft audit report
4. Review with the management, the quarterly financial statements before submission to the board for approval.
5. Review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discuss with internal auditors any significant findings and follow up thereon.

9. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.

The scope of the Audit Committee includes matters which are set out in Clause 49 of the Listing Agreement with Stock Exchanges as amended from time to time read with Section 292A of the Companies Act, 1956.

3. Remuneration Committee

A. Composition of the Remuneration Committee

As on March 31, 2013, the Remuneration Committee comprised four members viz. Mr. S. Sandilya, Mr. K.Balasubramanian, Mr. V. Ravichandran and Mr. K. Ramadoss. Mr. S. Sandilya, an Independent Director, is the Chairman of the Remuneration Committee. Mr. B.M. Rath, Company Secretary acts as Secretary to the Remuneration Committee. Mr. S. Sandilya, the Chairman of the Remuneration Committee was present at the Annual General Meeting held on July 26, 2012.

B. Terms of Reference

- Determine and recommend to the Board, the remuneration payable including any revision in remuneration payable to Managing Director / Executive Directors / Non Executive Directors.
- Take into consideration and ensure compliance of the provisions under Schedule XIII of the Companies Act, while determining the remuneration.
- Consider such other matters as the Board may advise the Committee.

C. Remuneration Committee Meetings

The Remuneration Committee Meetings held whenever matters pertaining to the remuneration payable including any revision in remuneration payable to Managing Directors/Executive Directors/Non-Executive Directors, are considered.

During the financial year 2012-13 the Committee met once on July 26, 2012.

D. Attendance of Remuneration Committee Members during the financial year 2012-13.

SL. No.	Name of the Member	No. of Committee Meetings	
		Held	Attended
1.	Mr. S. Sandilya	1	1
2.	Mr. K. Balasubramanian	1	1
3.	Mr. V. Ravichandran	1	1
4.	Mr. K. Ramadoss	1	1

E. Remuneration Policy

i) Remuneration to Executive Directors

Remuneration to the Executive Directors comprises Salary, Allowances & Perquisites and performance incentive. While determining the remuneration, the Committee shall take into account the financial position of the Company, prevailing trend in the industry, qualification, experience and past performance of the person.

The performance incentive is determined based on performance parameters as per the Company's Policy and also based on certain pre-agreed performance parameters. The Company does not have any Employees Stock Option Scheme.

Details of remuneration paid during the financial year 2012-13 are furnished hereunder:

(₹ in Lakhs)

Name of the Director	Salary	Allowances & Perquisites	Incentive	Total (*)
Mr. D. Kumaraswamy Managing Director	30.12	58.93	24.58	113.63

(*) Contribution to provident fund and other benefits are excluded.

ii) Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees at ₹15,000/- for each Board and Audit Committee Meetings and ₹10,000/- each for other Committee Meetings. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the Meeting. The details of sitting fees paid to the Non Executive Directors for the financial year 2012-13 are as under:

Name of the Director	Sitting Fees (₹ in Lakhs)
Mr. S. Sandilya	1.75
Mr. K. Balasubramanian	2.15
Mr. V. Ravichandran	0.85
Mr. N. Srinivasan	0.85
Mr. K. Ramadoss	2.15
Total	**7.75**

4. Shareholders/Investors Grievance Committee

A. Composition of the Committee:

As on March 31, 2013, the Shareholders/Investors Grievance Committee comprised Mr. K. Balasubramanian, Mr. D. Kumaraswamy and Mr. K. Ramadoss. Mr. K. Balasubramanian, Non-Executive Independent Director, is the Chairman of the Committee. The composition of the Committee meets the requirements of Clause 49 of the Listing Agreement. Mr. B. M. Rath, Company Secretary & Compliance Officer acts as the Secretary of the Committee.

The functions of the committee include (i) dealing with the investors complaints like delay in transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends/share certificates, dematerialisation of shares, replacement of lost/stolen/mutilated share certificates, etc., (ii) investigate into investors complaints and take necessary steps for redressal thereof (iii) to perform all functions relating to the interest of shareholders/investors of the Company as may be required by the provisions of the Companies Act, 1956, Listing Agreements and the guidelines issued by SEBI or any other regulatory authority.

Name, designation of Compliance Officer:
Mr. B.M. Rath, General Manager (Legal) & Company Secretary

B. Meetings of the Shareholders/Investors Grievance Committee

During the financial year 2012-13, the Committee met four times on April 24, 2012, July 26, 2012, October 25, 2012 and January 23, 2013.

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C. Attendance of Shareholders/Investors Grievance Committee Members are as under:

SL. No.	Name of the Member	No. of Meetings	
		Held	Attended
1.	Mr. K. Balasubramanian	4	4
2.	Mr. D. Kumaraswamy	4	4
3.	Mr. K. Ramadoss	4	4

D. The details of complaints received during the financial year 2012-13 and status of the same are given below:

SL No	Particulars	No. of complaints		
		Received	Resolved	Pending
1.	Non-receipt of dividend warrants	6	6	-
2.	Non-receipt of securities	20	20	-
3.	Non-receipt of Annual Report	5	5	-
4.	Complaints regarding transfer of shares	1	1	-
	Total	**32**	**32**	**-**

5. General Body Meetings:

(a) Annual General Meetings

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolution passed thereat are as under:

Year	Date & Time of Meeting	Venue	Special resolutions passed
2011-12	July 26, 2012 at 10.30 A.M.	Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001	-
2010-11	September 28, 2011 at 11.00 A.M.		-
2009-10	August 4, 2010 at 11.00 A.M.		-

(b) Extraordinary General Meetings:

The venue, date and time of the Extraordinary General Meeting held during the preceding three years and the Special Resolution passed thereat are as under:

Year	Date & Time of Meeting	Venue	Special resolutions passed
2012-13	March 30, 2012 at 10.30 A.M.	Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001	Amendment to the Articles of Association of the Company by adding a New Article-55A after the existing Article-55 for Reclassification of shares and; Issue of 8% preference shares of ₹10/- each aggregating to a nominal amount not exceeding ₹ 25 crores.
2011-12	November 17, 2011 at 11.30 A.M.	Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001	-

Year	Date & Time of Meeting	Venue	Special resolutions passed
2010-11	June 28, 2011 at 11.00 A.M.	Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001	Issue of Preference shares of ₹10/- each aggregating to a nominal amount not exceeding ₹100 Crores.

During the year 2011-12, a Court Convened Meeting of the Members was held on October 8, 2012 at 10.30 A.M at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001 to approve the Scheme of Arrangement (Demerger) between the Company and E.I.D.- Parry (India) Ltd., and their respective Shareholders and creditors.

(c) Postal Ballot

One postal ballot was conducted in the year 2012-13 seeking Members' approval for the purpose of issuing guarantees in favour of Yes Bank Ltd., for providing Direct Lending Facilities to the farmers and H&T Contractors in excess of the limits prescribed u/s 372A of the said Act. Mr V. Sreedharan, Practicing Company Secretary was appointed as the Scrutiniser to conduct the Postal Ballot. In all 265 postal ballot forms were received of which 5 were invalid. 236 members holding 1,73,93,546 equity shares representing 99.987% of the equity capital approved the Special Resolution and 24 members holding 2,157 equity shares representing 0.013% of the equity capital dissented to the resolution. The Chairman announced the result of the postal ballot on September 25, 2012.

6. Disclosures

(i) Disclosure on materially significant related party transactions that may have potential conflict with the interests of company at large:

There are no transactions which may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Note No. 47 of the Significant Accounting Policies and Notes on Account.

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

(ii) Disclosure of Accounting Treatment

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

(iii) Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. No penalties or strictures have been imposed by the stock exchanges or SEBI or any statutory authority.

(iv) Whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee.

With a view to maintain high level of legal, ethical and moral standards and to provide a platform for the employees to voice their concern on any malpractices, impropriety, abuse or wrongdoing, the Company has formulated a whistle blower policy which is applicable to the company. Any employee can raise his/her concern to the designated person and necessary action will be taken.

(v) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements on Corporate Governance as specified in Clause

49 of the Listing Agreement with the Stock Exchanges. Compliance reports in the prescribed format has been submitted to the Stock Exchanges for all the quarters.

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

1. **Remuneration Committee**

   As detailed in the earlier paragraphs, the Company has constituted a Remuneration Committee. The Chairman of the Remuneration Committee was present at the last Annual General Meeting held on July 26, 2012.

2. **Risk Management Committee**

   The Board has constituted a "Risk Management Committee" under the Chairmanship of Mr. K. Ramadoss, Independent Director and the Managing Director as member. The other business heads, departmental heads are invited to the Committee meetings as and when required. The details of risk assessments and the mitigation plans appear under the Management Discussion and Analysis Report forming part of the Annual Report.

3. **Whistle Blower Policy**

   The Company has adopted a Whistle Blower Policy with the objective to provide employees, customers and vendors an avenue to raise concerns, in line with Parrys Sugar Industries Limited's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation for whistle blowing in good faith. The Audit Committee periodically reviews the functioning of the whistle blower mechanism. The whistle blower policy has also been posted on the Company's website www.parrysugar.in.

4. **Shareholder Rights**

   The quarterly financial results are published in leading financial newspapers and uploaded on the Company's websites besides being sent to the Stock Exchanges. The Company has therefore not been sending the half yearly financial results to the shareholders.

5. **Other non-mandatory requirements have not been adopted by the Company.**

(vi) Corporate Identity Number (CIN)

The Corporate Identity Number of the Company allotted by the Ministry of Corporate Affairs, Government of India is: L2810KA1986PLC049077.

(vii) Compliance certificate

Certificate from a Practicing Company Secretary, M/s V. Sreedharan & Associates confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

(viii) Share Capital Audit

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Board of Directors.

(ix) Compliance

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any.

(x) Subsidiary Company

The Company does not have any Subsidiary Company as on March 31, 2013.

(xi) Equity shares in the Suspense Account

Pursuant to Clause 5A of the Listing Agreement, Shareholders holding physical shares and not having claimed share certificates have been sent reminder letters to claim the certificates from the Company. Based on their response, the Company dematted all such physical shares to "unclaimed suspense account" opened by the Company for the purpose.

The disclosure as required under Clause 5A of the Listing Agreement is given below:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	1352	141091
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	-	-
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	-	-
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	1352	141091

The voting rights on the shares outstanding in the suspense account as on March 31, 2013 shall remain frozen till the rightful owner of such shares claims the shares. The claimants are requested to provide the correct details to the RTA so that the shares can be transferred to them subject to necessary due diligence and verification of such claims.

(xii) Transfer of Unpaid/Unclaimed amounts to Investor Education and Protection Fund

Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 2004-05 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the Company or IEPF for the amounts so transferred nor shall any payment be made in respect of such claims.

The information relating to outstanding unclaimed dividend accounts and the dates by which they can be claimed by the members are given below:

Financial year	Date of Declaration	Date of Payment	Last date for claiming unpaid dividend
2005-06	September 28, 2006	October 27, 2006	November 2, 2013
2006-07	September 25, 2007	October 22, 2007	October 30, 2014
2007-08	September 25, 2008	October 3, 2008	October 31, 2015

The Members are requested to claim their unpaid/unclaimed dividends for the financial years 2005-06; 2006-07 and 2007-08 at the earliest. Once the above amounts are transferred to IEPF, no claim of the shareholder shall lie against the Company or the IEPF.

7. Means of Communication

The Annual Reports, notices and other communications have been sent to each shareholder through post. As per the statutory requirements under Clause 41 of the Listing Agreement with the Stock Exchanges, the quarterly/annual financial results and the segment-wise reports are generally published in "Business Standard" and "Samyukta Karnataka" (a regional daily in Kannada language). The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website: www.parrysugar.in. Besides the above, the Company also submits, inter-alia, to the Stock Exchanges, the full version of the Annual Report; quarterly report on corporate governance; quarterly/half yearly/yearly financial results; quarterly shareholding pattern; quarterly secretarial audit report; details of appointment/resignation of Directors and Company Secretary and such other reports as may be specified. In terms of clause 52 of the Listing Agreement with the Stock Exchanges, the Company also submits the statements, information and reports on the Corporate Filing and Dissemination System (CFDS) which are available at www.corpfiling.co.in and also on the websites at https://www.connect2nse.com/ LISTING/ and http://listing.bseindia.com of the NSE and BSE, respectively. Under the SEBI Complaints Redress System (SCORES), the investor complaints are processed in a centralised web based complaints redress systems wherein the concerned Companies can upload Action Taken Reports (ATRs) for the complaints uploaded therein and the investors can view the action taken on their complaints and its current status online.

The Company has also designated the email id: investorgrievancescell@psil.murugappa.com exclusively for investor servicing.

8. General Shareholder Information

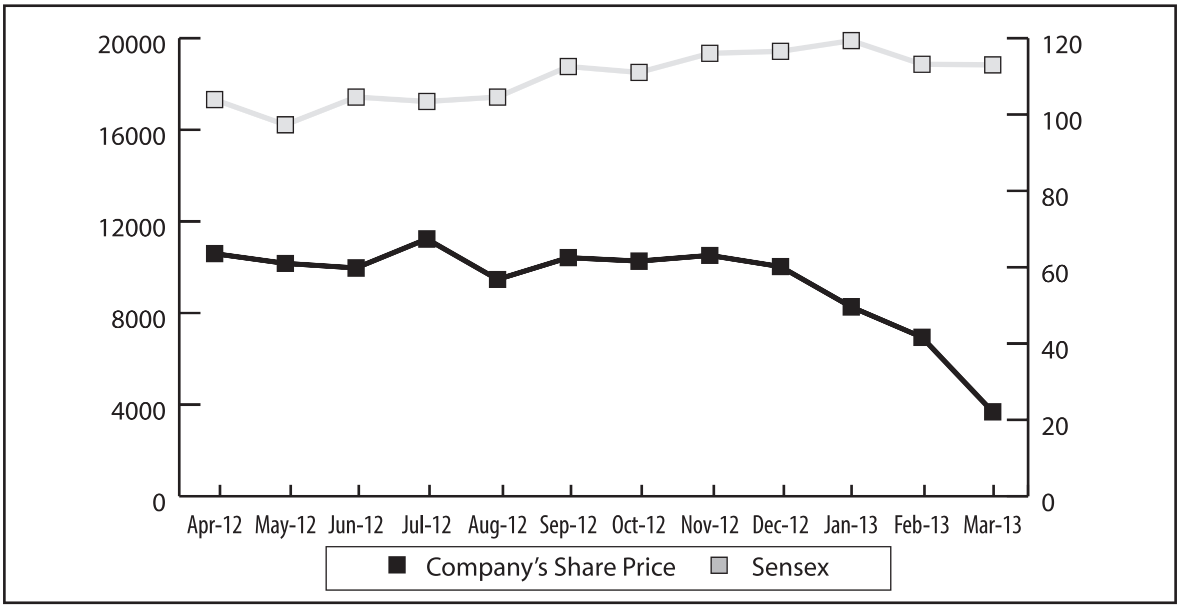
I.	**AGM:**	Date: July 22, 2013 Time: 10.30 A.M. Venue: Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru – 560 001.	
II.	**Financial Calendar**	Financial year : April to March	
		The financial results are proposed to be declared as per the following tentative schedule:	
		Particulars	**Tentative schedule**
		Financial reporting for the quarter ending June 30, 2013	Before August 14, 2013
		Financial reporting for the quarter/half year ending September 30, 2013	Before November 14, 2013
		Financial reporting for the quarter/nine months ending December 31, 2013.	Before February 14, 2014
		Financial reporting for the quarter/year ending on March 31, 2014.	In April/May 2014
		Annual General Meeting for the year ending March 31, 2014.	July/August, 2014
III.	**Date of Book Closure**	Tuesday, July 16, 2013 to Monday, July 22, 2013, both days inclusive	
IV.	**Dividend payment date**	Not applicable	
V.	**Listing on Stock Exchanges**	**Bombay Stock Exchange Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. Tel Nos : (022) 22721233/34 Fax: (022) 22723121 Stock Code: 500162 **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot No. C/1, G. Block Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051 Tel Nos. (022) 26598100-8114 Fax: (022) 26598237/38 Stock Code: PARRYSUGAR The Company has paid listing fees for the financial year to each of the Stock Exchanges.	

VI. Market Price Data: Monthly, High, Low and trading volume for equity shares

Month	NSE			BSE		
	High ₹ P	Low ₹ P	Volume No. of shares	High ₹ P	Low ₹ P	Volume No. of shares
April 2012	74.35	60.80	10,131	73.40	62.25	10,120
May 2012	66.45	55.20	8,809	64.80	52.00	1,171
June 2012	66.00	54.25	9,806	66.00	51.00	5,141
July 2012	74.75	60.90	14,864	72.80	60.00	13,339
August 2012	70.50	55.50	9,354	71.45	56.50	4,771
September 2012	66.40	55.00	12,240	65.25	56.10	4,818
October 2012	71.70	61.00	14,432	71.40	61.15	4,816
November 2012	71.35	59.00	13,776	69.80	54.00	4,337
December 2012	67.00	60.95	12,496	72.80	58.00	14,443
January 2013	64.50	46.25	21,616	69.75	46.25	7,915
February 2013	58.00	36.50	7,618	58.60	40.50	7,517
March 2013	63.50	18.80	41,584	58.00	18.85	18,369

VII. Share price performance compared with broad-based indices

Company's share price performance in comparison with BSE Sensex



VIII. Registrar & Transfer Agents

Main Office

Karvy Computershare Pvt. Ltd.

Unit: Parrys Sugar Industries Limited
Plot No.17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Phone: (040) 23420819 to 24
Fax: (040) 23420814
Email ID: einward.ris@karvy.com

Branch Office
Karvy Computershare Pvt. Ltd.
Unit: Parrys Sugar Industries Limited
No. 51/2, TKN Complex, Vani Vilas Road
Opp: National College, Basavanagudi
Bangalore - 560 004
Phone: (080) 41204350
Fax: (080) 26621169
Email Id: Bangalore@karvy.com

IX. Share Transfer System

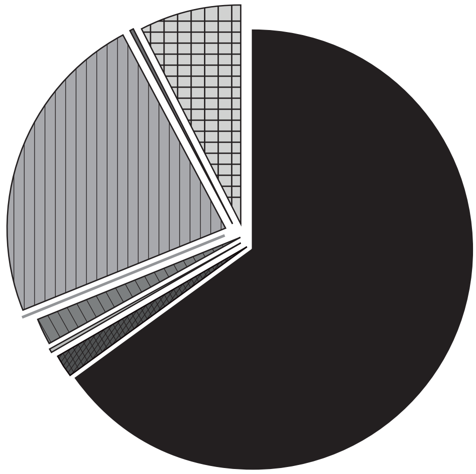
97.06% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. Regarding transfer of shares held in physical form, the transfer documents can be lodged with Karvy Computershare Pvt. Ltd. at any of the above mentioned addresses or at the Registered Office of the Company. The shares transfers received in physical form are processed within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The Board of Directors of the Company has delegated the powers of approving transfers, transmission, issue of duplicate share certificates etc., to the Managing Director, Chief Financial Officer and Company Secretary. The quarterly details of shares transferred, transmitted, dematerialised etc., are placed before the Board. The Company obtains half yearly certificate from a Company Secretary in practice in compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Clause 47(c) of the Listing Agreement.

X. Distribution of Shareholding of Equity Shares as on 31.03.2013

Sl. No.	Distribution of Holdings	No. of Shareholders	% of Shareholders	Total Shares
1.	1-5000	14,213	97.30%	1,197,644
2.	5001- 10000	269	1.84%	191,893
3.	10001- 20000	77	0.53%	102,563
4.	20001- 30000	17	0.12%	41,110
5.	30001- 40000	11	0.08%	36,939
6.	40001- 50000	1	0.01%	4,783
7.	50001- 100000	10	0.07%	68,365
8.	100001& Above	8	0.05%	18,318,410
	Total	**14,606**	**100%**	**19,961,707**

XI. Shareholding Pattern as on 31.03.2013

Sl. No.	Description	No. of cases	Total shares	% Equity
1.	Promoters	1	12,975,110	65.00
2.	Financial Institutions / Banks	3	387,690	1.94
3.	Clearing Members	11	3,615	0.02
4.	Foreign Institutional Investors	1	3,94,651	1.98
5.	H U F	148	40,594	0.20
6.	Bodies Corporate	198	4,613,261	23.11
7.	Non Resident Indians	113	65,198	0.33
8.	Individuals	14131	1,481,588	7.42
	Total	**14,606**	**19,961,707**	**100.00**



XII. Distribution and Shareholding Pattern of Preference Shareholders as on March 31, 2013.

The entire Preference Shares of the Company are held by M/s. E.I.D.-Parry (India) Limited, the Company's holding Company, as detailed below:

2,326,420 (8%) Non-cumulative Redeemable Preference Shares of ₹11/- each and

15,000,000 (8%) Cumulative Redeemable Preference Shares of ₹10/- each.

XIII. Dematerialisation of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerialising the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate (s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL, to the R&T Agent. On receipt of the demat request both physically and electronically and after verification, the Shares are dematerialised and an electronic credit of shares is given in the account of the shareholder.

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India viz., National Securities Depository Ltd. and Central Depository Services (India) Limited (CDSL). The Company's shares are traded on the National Stock Exchange of India Limited and the Bombay Stock Exchange Ltd. in electronic form.

Mode of Equity Shares held

The Company has registered itself with NSDL and CDSL and the ISIN pertaining to the equity shares of the Company is: INE353B01021. The modes of holding of the Company's equity shares as on March 31, 2013 is as under:

Description	No. of Shareholders	Total Shares	% Equity
Physical	5,556	5,86,548	2.94%
NSDL	6,714	1,91,25,350	95.81%
CDSL	2,336	2,49,809	1.25%
Total	**14,606**	**1,99,61,707**	**100.00%**

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

The Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments.

XV. Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations 1992, the Company has instituted a comprehensive Code of Conduct for Prohibition of Insider Trading in the Company's shares. This code is applicable to all Directors/officers (including Statutory Auditors)/designated employees. The Code ensures prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

XVI. Plant location

Sugar complex – Sugar & Co-generation Power (leased unit) at Khanpet Village, PO Toragall, Ramdurg Taluk, Belgaum District - 591114, Karnataka.

XVII. Address for correspondence

Registered office Address:
Parrys Sugar Industries Limited
Venus Building, 3rd Floor,
1/2 Kalyanamantapa Road,
Jakkasandra, Koramangala
Bengaluru – 560 034
Phone: 080-49006666
Fax: 080-49006600

Registrar & Share Transfer Agents
Karvy Computershare Pvt. Ltd.
(Unit: Parrys Sugar Industries Limited)
Plot Nos.17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad – 500081
Phone: +91 40 44655000
Fax: +91 40 23420814
Email: einward.ris@karvy.com

XVIII. Corporate Governance Voluntary Guidelines 2009

The Company, in line with its stated policy of being committed to the principles and practices of good corporate governance, is in compliance with many of these guidelines, as reported in the earlier paragraphs. As regards the remaining guidelines, the Company is in the process of evaluating the feasibility for implementation progressively.

XIX. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report.

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

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2013 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

D. Kumaraswamy
Managing Director

Chennai
April 24, 2013

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No. : L28100KA1986PLC049077

Nominal Capital : ₹ 175 Crores

To the Members of Parrys Sugar Industries Limited

We have examined all the relevant records of Parrys Sugar Industries Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the year ended March 31, 2013. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records, produced and the explanations and information furnished, we certify that the Company has complied with:

(a) All the mandatory conditions of the said Clause 49 of the Listing Agreement

(b) The following non-mandatory requirements of the said Clause 49:

  (i) Clause 2 relating to Remuneration Committee

  (ii) Clause 7 relating to Whistle Blower Policy

For V. Sreedharan & Associates
Company Secretaries

V. SREEDHARAN
Partner
FCS 2347; CP No. 833

Bengaluru
April 24, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of Parrys Sugar Industries Limited

Report on the Financial Statements:

We have audited the accompanying Financial Statements of **Parrys Sugar Industries Limited ("the Company"),** which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year then ended, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the Companies Act, 1956 and Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure, a Statement on the matters specified in Paragraphs 4 and 5 of the said Order.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of the Company for the year ended March 31, 2013 are prepared, in all material respects, 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:

a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013,

b. In the case of the Statement of Profit and Loss, of the Loss of the Company, for the year ended on that date; and

c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

As required under the provisions of Section 227(3) of the Act, we report that:

a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

b. In our opinion, proper books of accounts, as required by law, have been kept by the Company in so far as it appears from our examination of those books.

c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.

e. On the basis of the written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 from being appointed as director in terms of Section 274(1)(g) of the Companies Act, 1956.

For R.G.N Price & Co.,
Chartered Accountants
Firm Regn No: 002785S

H.S. Venkatesh
Partner
Membership No: 026666

Chennai
April 24, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Auditor's Responsibility Paragraph of our report of even date on the Accounts of Parrys Sugar Industries Limited, for the year ended March 31, 2013.

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us and based on our examination of the records, the Management has carried out the physical verification of the fixed assets, which is considered reasonable having regard to the size of the Company and nature of its business and no discrepancies were observed during the course of verification.

(c) During the year the Company has disposed off substantial portion of the fixed assets, under a scheme of demerger as referred to in Note No. 37 of the financial statements, however; in our view such disposal of the fixed assets though substantial in nature would not affect the going concern.

(ii) (a) The Raw Material, Stores and Spare Parts, Tools, Work in Progress inventory with the Company have been physically verified during the period by the Management. In our opinion, the frequency of verification is reasonable. In case of Finished Goods, stock verification was done at the year end.

(b) The procedures of physical verification of Raw Material, Stores and Spare Parts, Tools, Work in Progress Inventory and Finished Goods followed by the Management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of Inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt in the books.

(iii) The Company has not granted / taken any loans to / from parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence, Clause No. 4 (iii) of Companies Audit Report Order, 2003, (as amended in 2004), is not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

(v) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered in register maintained under Section 301 of the Companies Act, 1956.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and Section 58AA of the Companies Act, 1956 and rules framed thereunder.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Company pursuant to the Companies (Cost Accounting) Rules 2011 made by the Central Government for the maintenance and audit of cost records under Section 209(1)(d) of the Companies Act, 1956 has maintained cost records. The Cost Records are duly audited by a Cost Auditor. We are of the opinion that prima facie the prescribed cost accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax (VAT), Wealth Tax, Service Tax, Customs Duty, Excise Duty, and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed payable in respect of Income Tax, Service Tax, Sales Tax (VAT), Customs Duty, Excise Duty were in arrears, as at March 31, 2013 for a period of six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Income Tax, Service Tax, Sales Tax (VAT), Customs Duty which have not been deposited on account of any dispute except as follows:

Sl. No.	Statute	Nature of Dues	Forum where the dispute is pending	Amount (₹ In Lakhs)	Period to which the matter pertains
1	Service Tax	Service Tax dues	CESTAT	225.38	2012-13

(x) The Company has accumulated losses amounting to ₹ 2,213.17 Lakhs as at March 31, 2013 and the same has exceeded 50% of the Net Worth. The Company has incurred cash losses during the year ended March 31, 2013. However, the Company has not incurred cash losses during the nine months period ended March 31, 2012. i.e., immediately preceding financial year. During the previous financial year, the Company has informed BIFR under Section 23(1) of Sick Industrial Companies (Special Provisions) Act, 1985 since accumulated losses exceed 50% of net worth as on June 30, 2011.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank and financial institutions at the Balance Sheet date.

(xii) According to the information furnished, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a nidhi/ mutual benefit/ society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended in 2004) are not applicable to the Company.

(xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions during the period except for Agricultural purposes availed by the Sugarcane suppliers from Banks, the repayment of which is out of Cane price payable and in our opinion the terms and conditions of which, are not prima facie prejudicial to the Company.

(xvi) In our opinion, based on our examination of books on an overall basis, the term loans have been applied for the purposes for which they were obtained.

(xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for Long Term investment.

(xviii) The Company has not made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company has not issued any debentures and hence Clause 4(xix) of CARO 2003 is not applicable to the Company.

(xx) The Company has not raised money by Public Issues and hence Clause 4(xx) of CARO 2003 is not applicable to the Company.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor have we been informed of any such case by the Management, that causes the financial statements to be materially misstated.

For R.G.N Price & Co.,
Chartered Accountants
Firm Regn. No. 002785S

H.S. Venkatesh
Partner
Membership No. 026666

Chennai
April 24, 2013

BALANCE SHEET as at March 31, 2013

₹ in Lakhs

Sl. No.	Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I.	**EQUITY AND LIABILITIES**			
	1. Shareholders' Funds			
	(a) Share Capital	1	**3,752.08**	13,407.68
	(b) Reserves and Surplus	2	**(2,213.17)**	(6,637.46)
	(c) Money received against share warrants	-	**-**	-
	2. Share Application Money Pending Allotment		**-**	-
	3. Non Current Liabilities			
	(a) Long Term Borrowings	3	**9,705.08**	41,922.51
	(b) Deferred Tax Liability (Net)	33	**-**	-
	(c) Other long Term Liabilities	4	**18.87**	852.96
	(d) Long Term Provisions	5	**9.81**	-
	4. Current Liabilities			
	(a) Short Term Borrowings	6	**8,057.70**	18,239.50
	(b) Trade Payables	7	**3,343.23**	9,130.89
	(c) Other Current Liabilities	8	**8,188.89**	9,903.12
	(d) Short Term Provisions	9	**29.19**	52.92
	TOTAL		**30,891.68**	86,872.12
II.	**ASSETS**			
	1. Non Current Assets			
	(a) Fixed Assets	10		
	(i) Tangible Assets		**9,779.44**	51,174.14
	(ii) Intangible Assets		**32.06**	247.32
	(iii) Capital Work in Progress		**323.43**	1,123.96
	(iv) Intangible assets under development		**-**	-
	(b) Non-Current Investments	11	**-**	1,362.94
	(c) Deferred Tax Asset (Net)	-	**-**	-
	(d) Long Term Loans & Advances	12	**766.64**	2,928.43
	(e) Other Non-Current Assets	13	**54.73**	526.06
	2. Current Assets			
	(a) Current Investments	14	**5.00**	5.00
	(b) Inventories	15	**18,175.32**	17,661.09
	(c) Trade Receivables	16	**459.37**	4,601.45
	(d) Cash and Cash equivalents	17	**54.85**	1,329.20
	(e) Short Term Loans & Advances	18	**1,238.78**	5,905.59
	(f) Other Current Assets	19	**2.06**	6.94
	TOTAL		**30,891.68**	86,872.12
	See accompanying notes to the financial statements	26-49		

The notes referred to above form an integral part of Balance Sheet
In terms of our report of even date attached

For and on behalf of the Board

For R.G.N Price & Co.
Chartered Accountants
FRN : 002785S

H.S. Venkatesh
Partner
Membership No: 026666

Chennai
April 24, 2013

S. Sandilya
Chairman

D. Kumaraswamy
Managing Director

G. Jalaja
Chief Financial Officer

B.M. Rath
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2013

₹ in Lakhs

Sl. No	Particulars	Note No	For the year ended March 31, 2013	For the year ended March 31, 2012 (9 Months)
I.	**Revenue from Operations**	20	**10,073.46**	46,739.09
II.	**Other Income**	21	**10.19**	5.75
III.	**Total Revenue (I + II)**		**10,083.65**	46,744.84
IV.	**Expenses:**			
	Cost of materials consumed	-	**18,287.44**	37,800.90
	Purchases of Stock-in-Trade	-	**-**	-
	Changes in Inventories	22	**(12,716.70)**	(4,819.32)
	Employee benefit expenses	23	**576.89**	1,961.64
	Finance costs	24	**1,428.72**	5,178.17
	Depreciation and amortisation expenses	-	**489.91**	2,349.96
	Other expenses	25	**3,310.66**	6,286.42
	Total Expenses		**11,376.92**	48,757.77
V.	**Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)**		**(1,293.27)**	(2,012.93)
VI.	Exceptional items		**-**	-
VII.	**Profit / (Loss) before extraordinary items and tax (V - VI)**		**(1,293.27)**	(2,012.93)
VIII.	Extraordinary items		**-**	-
IX.	**Profit / (Loss) before tax**		**(1,293.27)**	(2,012.93)
X.	**Tax Expenses:**			
	(1) Current Income Tax		**-**	-
	(2) Deferred Income Tax	33	**-**	(1,375.60)
	Total		**-**	(1,375.60)
XI.	**Profit / (Loss) for the period (IX - X)**		**(1,293.27)**	(637.33)
XII.	**Earning Per Equity Share**	46		
	(1) Basic		**(6.48)**	(6.50)
	(2) Diluted		**-**	-
	See Accompanying notes to the Financial Statements	26-49		

The notes referred to above form an integral part of the Statement of Profit and Loss.

In terms of our report of even date attached

For and on behalf of the Board

For R.G.N Price & Co.
Chartered Accountants
FRN : 002785S

H.S. Venkatesh
Partner
Membership No: 026666

Chennai
April 24, 2013

S. Sandilya
Chairman

D. Kumaraswamy
Managing Director

G. Jalaja
Chief Financial Officer

B.M. Rath
Company Secretary

PARRYS

CASH FLOW STATEMENT for the year ended March 31, 2013

₹ in Lakhs

	Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012 (9 months)	
A.	**Cash flow from Operating Activities**				
	Net Profit/(Loss) before Taxation		**(1,293.27)**		(2,012.93)
	Adjustments for:				
	Depreciation	**489.91**		2,349.96	
	Interest received	**(10.11)**		(5.75)	
	Interest and finance charges	**1,428.72**		5,178.17	
	Provisions no longer required written back	**-**		(9.27)	
	(Profit)/Loss on sale of fixed assets	**-**	**1,908.52**	2.71	7,515.82
	Operating profit/(loss) before working capital changes		**615.25**		5,502.89
	Adjustments for:				
	Trade and other receivables	**(277.95)**		(4,150.71)	
	Inventories	**(12,760.39)**		(5,201.78)	
	Trade and other payables	**5,273.96**	**(7,764.38)**	12,995.10	3,642.61
	Cash generated from/(used in) operations		**(7,149.13)**		9,145.50
	Interest paid		**(1,061.73)**		(4,323.32)
	Income taxes paid		**0.56**		-
	Net cash from/(used in) operating activities		**(8,210.30)**		4,822.18
B.	**Cash from Investing Activities**				
	Purchase of Fixed assets	**(3,601.64)**		(5,789.52)	
	Proceeds from Sale of fixed assets	**-**		6.99	
	Interest/dividends received	**7.62**		1.16	
	Net cash from / (used in) investing activities		**(3,594.02)**		(5,781.37)
C.	**Cash Flow from Financing Activities**				
	Proceeds from issuance of Share Capital	**1,500.00**		2,500.00	
	Proceeds from Short Term Loans	**4,750.79**		16,500.00	
	Repayments of Short Term loans	**-**		(22,405.23)	
	Proceeds from Long Term Loans	**4,553.29**		5,500.00	
	Repayment of Long Term loans	**-**		(671.09)	
	Unpaid dividend Paid/transferred to IEPF	**(10.44)**		(10.29)	
	Net cash from/(used in) financing activities		**10,793.64**		1,413.39
	Net change in cash and cash equivalents		**(1,010.68)**		454.20
	Cash and Cash Equivalents as on 31.03.2012		**1,329.20**		875.00
	Cash and Cash equivalents transferred on account of Demerger		**263.67**		-
	Cash and Cash Equivalents as on 31.03.2013 [Refer Note 3 Below]		**54.85**		1,329.20

Notes:

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2013 and the related Statement of Profit and Loss for the year ended on that date.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash flow Statements, as notified under Section 211 (3C) of the Companies Act, 1956.
3. Cash and Cash Equivalents - closing balance include balances aggregating to ₹36.13 Lakhs [2012: ₹46.57 Lakhs] with Scheduled banks in respect of unclaimed dividend, which are not available for use by the Company.
4. The Scheme of Arrangement (Demerger) between the Company and the Holding Company, .E.I.D. - Parry (India) Ltd., (EID Parry) under Sections 391 to 394 of the Companies Act, 1956 for transfer and vesting of the Company's manufacturing facilities located at Haliyal and Sankili, to and into EID Parry, w.e.f March 18, 2013 with appointed date of April 1, 2012 has been approved by the order of the Hon'ble High Court of Karnataka dated February 1, 2013 and Order of the Hon'ble High Court of Judicature, Madras dated February 18, 2013. The Scheme as approved by the High Courts, has become effective from March 18, 2013 pursuant to filing of the orders of the Hon'ble High Courts of Karnataka and Madras with the Registrar of Companies, Bangalore and Registrar of Companies, Chennai, respectively. The impact of the scheme is incorporated in the above Cash Flow Statement.

For R.G.N Price & Co.

Chartered Accountants
FRN : 002785S

H.S. Venkatesh
Partner
Membership No.: 026666
Chennai
April 24, 2013

For and on behalf of the Board

S. Sandilya
Chairman

D. Kumaraswamy
Managing Director

G. Jalaja
Chief Financial Officer

B.M. Rath
Company Secretary

NOTES forming part of accounts

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 1		
SHARE CAPITAL		
AUTHORISED :		
21,900,000 (2012: 51,900,000) Equity Shares of face value of ₹ 10/- each	**2,190.00**	5,190.00
21,000,000 (2012: 21,000,000) (8%) Redeemable Non Cumulative Preference Shares of face value of ₹ 11/- each	**2,310.00**	2,310.00
130,000,000 (2012: 100,000,000) (8%) Redeemable Cumulative Preference Shares of face value of ₹ 10/- each	**13,000.00**	10,000.00
[The Authorised Capital has been reclassified as above persuant to the approval of the Shareholders at their meeting held on March 30, 2013]		
	17,500.00	17,500.00
ISSUED, SUBSCRIBED AND PAID-UP		
19,961,707 [2012: 19,961,707] Equity Shares of ₹ 10/- each fully paid up	**1,996.17**	1,996.17
[12,975,110 Shares [2012: 12,975,110] of ₹10/- each are held by the Holding Company M/s. E.I.D. - Parry (India) Ltd.]		
Preference Shares		
(i) 2,326,420 8% Redeemable Non-Cumulative Preference shares of ₹ 11/- each. These preference shares are redeemable on August 14, 2014. [2012: 12,831,880 Non-Cumulative preference shares were held by E.I.D. - Parry (India) Limited]. Consequent upon the Scheme of Arrangement (Demerger) becoming effective from March 18, 2013, 10,505,460 Preference shares were extinguished as envisaged in the scheme.	**255.91**	1,411.51
(ii) 15,000,000 8% Redeemable Cumulative Preference shares of ₹ 10/- each [These Preference shares are redeemable not later than 8 years from the date of issue, i.e. March 30, 2013, with a call option to the shareholders for redemption after three years from the date of issue.] [2012: 100,000,000 8% Redeemable cumulative preference shares of ₹10 each were held by E.I.D. - Parry (India) Ltd. Consequent upon the Scheme of Arrangement(Demerger) becoming effective from March 18, 2013, the entire preference shares were extinguished as envisaged in the scheme].	**1,500.00**	10,000.00
	3,752.08	13,407.68

(i) Details of shareholders holding more than 5 percent of equity shares in the company are as follows:

Name of the Shareholder	No. of Shares held			
	As at March 31, 2013		As at March 31, 2012	
	Nos.	**%**	Nos.	%
E.I.D.- Parry (India) Limited	**12,975,110**	**65.00**	12,975,110	65.00
GMR Holdings Private Limited	**4,397,295**	**22.03**	4,397,295	22.03

NOTES forming part of accounts

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2013		As at March 31, 2012	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
Equity Shares				
At the beginning of the period	**19,961,707**	**1,996.17**	19,961,707	1,996.17
Issued during the period	**-**	**-**	-	-
Outstanding at the end of the period	**19,961,707**	**1,996.17**	19,961,707	1,996.17
Preference Shares (Non Cumulative)				
At the beginning of the period	**12,831,880**	**1,411.51**	12,831,880	1,411.51
Extinguished on Demerger	**(10,505,460)**	**(1,155.60)**	-	-
Issued during the period				
Outstanding at the end of the period	**2,326,420**	**255.91**	12,831,880	1,411.51
Preference Shares(Cumulative)				
At the beginning of the period	**100,000,000**	**10,000.00**	75,000,000	7,500.00
Extinguished on Demerger	**(100,000,000)**	**(10,000.00)**	-	-
Issued during the period	**15,000,000**	**1,500.00**	25,000,000	2,500.00
Outstanding at the end of the period	**15,000,000**	**1,500.00**	100,000,000	10,000.00

₹ in Lakhs

Particulars	As at March 31, 2012	Additions	Deductions	As at March 31, 2013	As at March 31, 2012
NOTE 2					
RESERVES AND SURPLUS					
Capital Reserves					
Capital Redemption Reserve	1,175.00	-	-	**1,175.00**	1,175.00
Securities Premium	991.97	-	-	**991.97**	991.97
Capital Reserve [as per Scheme of Arrangement Demerger] (Refer Note No. 37)	-	5,717.56	-	**5,717.56**	-
	2,166.97	5,717.56	-	**7,884.53**	2,166.97
Revenue Reserves					
General Reserve	1,570.73	-	-	**1,570.73**	1,570.73
	3,737.70	5,717.56	-	**9,455.26**	3,737.70

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Profit and Loss Account Balance	**(10,375.16)**	(9,737.83)
Add: Profit (Loss) for the period	**(1,293.27)**	(637.33)
	(11,668.43)	(10,375.16)
Less:		
Interim Dividend on Equity Shares -₹ Nil per share (2011 : ₹ Nil per share)	**-**	-
Proposed Dividend on Equity Shares - Nil (2011 : ₹ Nil per share)	**-**	-
Dividend Distribution Tax	**-**	-
Transfer to Debenture Redemption Reserve	**-**	-
Transfer to General Reserve	**-**	-
	(11,668.43)	(10,375.16)
Total Reserve and Surplus	**(2,213.17)**	(6,637.46)

NOTES forming part of accounts

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 3		
LONG-TERM BORROWINGS		
(a) Secured Term Loans from:		
- Banks - Rupee Loan	**5,874.60**	25,950.00
- Government of India - Sugar Development Fund	**25.00**	2,475.35
	5,899.60	28,425.35
(b) Unsecured Term Loans from:		
- Intercorporate Loan	**3,805.48**	13,497.16
	9,705.08	41,922.51
NOTE 4		
OTHER LONG-TERM LIABILITIES		
Trade payables	**18.87**	852.96
	18.87	852.96
NOTE 5		
LONG-TERM PROVISIONS		
Provision for employee benefits	**9.81**	-
	9.81	-
NOTE 6		
SHORT-TERM BORROWINGS		
Loans repayable on demand		
- Cash Credit from Bank	**5,057.70**	2,072.83
- Secured Short-Term loan from Banks - Rupee loan	**-**	4,166.67
- Unsecured Short-Term loan from Banks - Rupee loan	**3,000.00**	10,000.00
- Inter Corporate Loans	**-**	2,000.00
	8,057.70	18,239.50

NOTE 6 (a)
DETAILS OF LOAN AND TERMS OF REPAYMENT

Lender	Refer Note.	As at March31, 2013	As at March 31, 2012	Terms of Repayment (as at March 31, 2013)
SBI Term Loan	27 (i) & (v)	**3,153.83**	3,000.00	Repayable during next 6 years
Axis Bank Loan	27 (v)	**-**	20,500.00	Not Applicable
ICICI Bank Loan	27 (ii) & (v)	**3,263.40**	2,500.00	Repayable during next 5 years
SDF Term Loan - Unit Sankili	27 (v)	**-**	926.86	Not Applicable
SDF Cane Development Loan - Unit Sankili	27 (v)	**-**	112.50	Not Applicable
SDF - Cogen Loan - Unit Haliyal	27 (v)	**-**	1,783.14	Not Applicable
SDF - Raw Sugar Processing Loan - Unit Haliyal	27 (v)	**-**	15.00	Not Applicable
SDF Cane Development Loan - Unit Haliyal	27 (v)	**-**	75.00	Not Applicable
SDF Cane Development Loan - Unit Ramdurg	27 (iii)	**50.00**	75.00	Repayable during next 1 year
Bank of India Short Term Loan		**-**	4,166.67	Not Applicable
SBI Cash Credit	27 (iv)	**5,057.70**	2,072.83	On Demand
Indusind Bank Short Term Loan	28 (i)	**3,000.00**	-	Repayable during next 6 months
L&T Finance Ltd. Short Term Loan		**-**	2,000.00	Not Applicable
Dena Bank Short Term Loan		**-**	5,000.00	Not Applicable
Axis Bank Short Term Loan		**-**	5,000.00	Not Applicable
EID Parry (India) Ltd. Loans	28 (ii)	**3,805.48**	13,497.16	Repayable during next 6 months
Total		**18,330.41**	60,724.16	

NOTES forming part of accounts

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 7		
TRADE PAYABLES		
(a) Dues to Micro Enterprises and Medium Enterprises (Refer Note No. 34)	**-**	-
(b) Other Trade Payables	**3,343.23**	9,130.89
	3,343.23	9,130.89
NOTE 8		
OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt		
- Banks - Rupee Loan (Refer Note 27)	**542.63**	50.00
- Government of India - Sugar Development Fund	**25.00**	512.15
(b) Interest accrued but not due on borrowings	**841.11**	1,970.44
(c) Unclaimed dividend	**36.13**	46.57
(d) Payable to Holding Company	**5,308.70**	-
(e) Other payables		
- Other Misc Liabilities	**1,435.12**	6,401.28
- Advances and Deposits from Customers/Others	**0.20**	922.68
	8,188.89	9,903.12
NOTE 9		
SHORT-TERM PROVISIONS		
Provision for employee benefits	**29.19**	52.92
	29.19	52.92

NOTE 10

FIXED ASSETS

₹ in Lakhs

Particulars	GROSS BLOCK					DEPRECIATION AND AMORTISATION					NET BLOCK	
	Cost/Value As at 01-04-2012	Additions	Deletions	Transferred on account of Demerger	**Cost/Value As at 31-03-2013**	As at 01-04-2012	For the year	Deletions	Transferred on account of Demerger	**As at 31-03-2013**	**As at 31-03-2013**	As at 31-03-2012
Tangible Assets												
Land	2,472.27	-	-	2,429.64	**42.63**	-	-	-	-	**-**	**42.63**	2,472.27
Buildings	10,161.41	65.19	-	9,677.80	**548.80**	1,397.08	8.69	-	1,383.15	**22.62**	**526.18**	8,764.33
Plant and Equipment	50,869.21	3,238.45	-	43,692.05	**10,415.61**	12,574.15	448.09	-	11,795.21	**1,227.03**	**9,188.58**	38,295.06
Furniture and Fixtures	2,373.17	-	-	2,361.03	**12.14**	991.67	0.76	-	989.18	**3.25**	**8.89**	1,381.50
Vehicles	464.59	9.86	-	458.56	**15.89**	203.61	1.45	-	202.32	**2.73**	**13.16**	260.98
	66,340.65	**3,313.50**	**-**	**58,619.08**	**11,035.07**	**15,166.51**	**458.99**	**-**	**14,369.86**	**1,255.63**	**9,779.44**	**51,174.14**
Intangible Assets												
SAP & CMS Project	666.49	-	-	509.67	**156.82**	419.17	30.92	-	325.32	**124.76**	**32.06**	247.32
	67,007.14	**3,313.50**	**-**	**59,128.75**	**11,191.89**	**15,585.68**	**489.91**	**-**	**14,695.18**	**1,380.39**	**9,811.50**	**51,421.46**
Previous Year	62,217.11	4,805.37	15.34	-	**67,007.14**	13,241.36	2,349.99	5.67	-	**15,585.68**		
Capital Work-in-Progress											**323.43**	1,123.96
Intangible assets under development											**-**	-
											10,134.93	52,545.42

NOTES forming part of accounts

NOTE 11
NON-CURRENT INVESTMENTS

Particulars	Nominal Value	Nos.				Amount (₹ In lakhs)			
	₹	April 1, 2012	Acquisitions	Transferred on account of Demerger	**March 31, 2013**	April 1, 2012	Acquisitions	Transferred on account of Demerger	**March 31, 2013**
I. Quoted Investments									
Total Quoted Investments	-	-	-	-	-	-	-	-	-
Market Value of Quoted Investments	-	-	-	-	-	-	-	-	-
II. Unquoted Investments									
(a) Trade Investments									
Investments in Equity Instruments									
Subsidiary Company									
Alagawadi Bireshwar Sugars Private Limited	100	102,222	-	102,222	-	1,362.94	-	1,362.94	-
Total Unquoted Investments	-	-	-	-	-	1,362.94	-	1,362.94	-
Total Non-Current Investments	-	-	-	-	-	1,362.94	-	1,362.94	-
Aggregate provision for diminution in value of investments	-	-	-	-	-	-	-	-	-
Total Non-Current Investments	-	-	-	-	-	1,362.94	-	1,362.94	-

₹ in Lakhs

Particulars	**As at March 31, 2013**	As at March 31, 2012
NOTE 12		
LONG-TERM LOANS AND ADVANCES		
Unsecured and considered good unless otherwise stated :		
(a) Capital Advances	**84.70**	775.88
(b) Security Deposits	**509.78**	585.57
(c) Loans and advances to related parties	**-**	1,322.99
(d) Other loans and advances		
- Advance Tax less Provision for Tax	**40.66**	70.20
- Balance with Customs and Central Excise Authorities	**-**	-
- MAT Credit Entitlement	**125.35**	125.35
- Advance recoverable in cash or in kind or for value to be received		
• Unsecured and Considered Good	**6.15**	48.44
• Considered Doubtful	**-**	-
• Less: Provision for Doubtful Advances	**-**	-
	766.64	2,928.43
NOTE 13		
OTHER NON-CURRENT ASSETS		
(a) Long-Term Trade Receivables	**-**	-
- Secured, considered good	**-**	-
- Unsecured considered good	**-**	526.06
- Doubtful	**-**	-
(b) Others	**54.73**	-
	54.73	526.06

NOTES forming part of accounts

NOTE 14
CURRENT INVESTMENTS

Particulars	Nominal Value ₹	Nos. As at April 1, 2012	Nos. Acquisition	Nos. Sales	Nos. As at March 31, 2013	Amount (₹ In lakhs) As at April 1, 2012	Amount (₹ In lakhs) Acquisition	Amount (₹ In lakhs) Sales	Amount (₹ In lakhs) As at March 31, 2013
I. Quoted Investments									
Other Investments									
Metkore Alloys & Industries Ltd. (formerly Cronimet Alloys India Ltd.)	2	250,000	-	-	**250,000**	5.00	-	-	**5.00**
Total Quoted Investments						5.00	-	-	**5.00**
Market Value of Quoted Investments						38.00	-	-	**20.38**

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 15		
INVENTORIES		
(a) Raw materials	**-**	129.87
(b) Work-in-progress	**121.86**	739.26
(c) Finished goods	**17,221.61**	14,783.17
(d) Finished goods in Transit	**-**	6.63
(e) By Products	**456.99**	690.34
(f) Stores and spares	**374.86**	1,311.82
	18,175.32	17,661.09
NOTE 16		
TRADE RECEIVABLES (UNSECURED)		
Debts outstanding for a period exceeding six months		
(a) Considered good	**-**	2,878.58
(b) Considered doubtful	**-**	-
	-	2,878.58
Other Debts:		
Considered good	**459.37**	1,722.87
	459.37	4,601.45

NOTES forming part of accounts

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 17		
CASH AND CASH EQUIVALENTS		
(a) Balances with banks		
In Current account	**5.42**	259.07
In Dividend account	**36.13**	46.57
In Margin Money accounts towards Bank Guarantee	**11.00**	18.68
In Deposit account		
• More than 12 months of maturity	**-**	-
• Others	**-**	1,000.00
(b) Cash on hand	**2.30**	4.88
	54.85	1,329.20
NOTE 18		
SHORT-TERM LOANS AND ADVANCES		
(a) Security Deposits	**-**	29.79
(b) Other loans and advances		
- Balance with Customs and Central Excise Authorities	**505.43**	2,452.19
- Advance recoverable in cash or in kind or for value to be received		
• Unsecured and Considered Good	**733.35**	3,423.61
• Considered Doubtful	**356.87**	622.36
• Less: Provision for Doubtful Advances	**(356.87)**	(622.36)
	1,238.78	5,905.59
NOTE 19		
OTHER CURRENT ASSETS		
Income Accrued on Deposits etc.	**2.06**	6.94
	2.06	6.94

₹ in Lakhs

Particulars	Year ended March 31, 2013		Year ended March 31, 2012 (9 Months)	
NOTE 20				
REVENUE FROM OPERATIONS				
(a) Sales of Products	**10,478.08**		47,153.66	
Less : Excise Duty	**505.11**	**9,972.97**	1,701.08	45,452.58
(b) Sale of services		**-**		-
(c) Other operating revenues				
- Liabilities/Provisions no longer required written back		**-**		9.27
- Other income from Power		**-**		-
- Insurance Claims Received		**28.75**		353.25
- Scrap Sales		**23.86**		200.97
- Sundry Income		**47.88**		723.02
		10,073.46		46,739.09

NOTES forming part of accounts

₹ in Lakhs

Particulars	Year ended March 31, 2013		Year ended March 31, 2012 (9 Months)	
NOTE 21				
OTHER INCOME				
Non Trade Investments		0.08		-
Interest on Deposits, etc.		10.11		5.75
		10.19		5.75
NOTE 22				
CHANGES IN INVENTORIES				
(Increase)/Decrease in Stocks				
Opening Stock: *				
Work-in-process	226.46		149.58	
Finished Goods	4,856.73		11,250.50	
		5,083.19		11,400.08
Closing Stock:				
Work-in-process	121.86		739.26	
Finished Goods	17,678.03		15,480.14	
		17,799.89		16,219.40
		(12,716.70)		(4,819.32)
*Refer Note Nos. 37 & 38				
NOTE 23				
EMPLOYEE BENEFIT EXPENSES				
Salaries, Wages and Bonus		323.41		1,446.03
Deputed Employee Cost		175.15		271.10
Contribution to Provident and Other Funds		19.36		98.84
Workmen and Staff Welfare Expenses		58.97		145.67
		576.89		1,961.64
NOTE 24				
FINANCE COST				
(a) Interest expense:				
- Debentures		-		-
- Other Fixed Loans		906.07		4,351.71
- Others		507.39		580.30
(b) Other borrowing costs		15.26		246.16
		1,428.72		5,178.17

NOTES forming part of accounts

₹ in Lakhs

Particulars	Year ended March 31, 2013		Year ended March 31, 2012 (9 Months)	
NOTE 25				
OTHER EXPENSES				
(a) Consumption of Stores, Spares and Consumables		**568.58**		1,312.03
(b) Power and Fuel		**54.82**		475.15
(c) Rent		**4.92**		22.58
(d) Repairs and Maintenance:				
- Buildings	**11.29**		50.12	
- Plant and Machinery	**300.78**		1,258.30	
- Others	**93.84**	**405.91**	170.22	1,478.64
(e) Insurance		**26.58**		95.81
(f) Rates and Taxes		**610.11**		74.93
(g) License Fee		**8.75**		64.14
(h) Material Handling Expenses		**2.43**		311.37
(i) Other Manpower Cost		**392.08**		257.67
(j) Distribution Expenses		**1.03**		15.45
(k) Travelling and Conveyance		**90.67**		186.10
(l) Communication Expenses		**13.35**		40.31
(m) Operation Lease Rentals		**769.85**		560.57
(n) Printing and Stationery		**8.76**		22.46
(o) Auditors' Remuneration		**20.21**		12.62
(p) Directors' Remuneration		**123.23**		71.30
(q) Directors' Fees and Commission		**7.75**		5.35
(r) Sales Promotion and Publicity		**0.51**		-
(s) Fixed Assets scrapped		**-**		2.71
(t) Professional Charges		**17.13**		99.54
(u) Provision for Doubtful Debts and Advances		**-**		589.92
(v) Bad Debts/Advances written off		**-**		-
(w) General Manufacturing, Selling and Administration Expenses		**183.99**		587.77
		3,310.66		6,286.42

26. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

26.1 Basis of preparation of financial statements

The financial statements of the Company are prepared to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards notified under Sub-section (3C) of Section 211 of the Companies Act, 1956 (hereinafter referred as "the Act") and other relevant provisions of the Act.

26.2 Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities on the date of the financial statements and reported amounts of income and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

26.3 Fixed Assets

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses for bringing the asset concerned to its working condition for its intended use, less accumulated depreciation and impairment loss. Interest on borrowings attributable to qualifying assets are capitalised and included in the cost of fixed assets as appropriate. Intangible assets are stated at the consideration paid for acquisition less accumulated amortisation.

26.4 Leases

Assets acquired under Leases, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired as leases, where a significant portion of the risk and rewards of ownership are retained by the lessor, are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis as per terms of the lease.

26.5 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

26.6 Depreciation and Amortisation

Depreciation is provided on straight line method, pro rata to the period of use, at the rates specified in Schedule XIV of the Act or the rates based on the useful lives of the assets as estimated by the management, whichever is higher. The rates based on the useful lives of the assets in the following categories are estimated to be higher than those specified in Schedule XIV of the Act:

Electrical Equipment	5.38%
Telephone Equipment	6.33%
Computer Software	16.67%

Leasehold assets are amortised at rate based on the remaining period of lease or the rate specified in Schedule XIV of the Act, whichever is higher.

All individual assets costing ₹ 5,000/- or less are fully depreciated in the year of purchase.

26.7 Investments

Long term investments are valued at cost. Provision is made to recognise a decline, other than temporary, in the value of long term investments. Current Investments are stated at lower of cost or market value.

26.8 Inventories

a. Stock of Raw-materials is valued at lower of cost or Net Realisable Value. The costs are, in general, determined on Weighted Average Basis.

b. Finished goods and Work-in-process: Finished goods are valued at lower of cost or Net Realisable Value. Cost includes direct materials, Labour and a proportion of manufacturing overheads based on normal operating capacity. Cost also includes all duties and taxes but excludes duties and taxes that are subsequently recoverable from taxing authorities.

   Work in process is valued at lower of cost or Net Realisable Value. The cost is determined up to the estimated stage of process and includes direct materials, Labour and a proportion of manufacturing overheads based on normal operating parameters.

c. By Products: At estimated realisable value.

d. Stores and Spares: At lower of cost or Net Realisable Value. The costs are, in general, determined on weighted average basis.

26.9 Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership of goods have been passed on to the buyer. Sale of goods is exclusive of sales tax and captive consumption of Molasses, Power and Baggasse.

Dividend income is recognised in the year in which the right to receive the payment is established.

Income from investments is recognised in the year in which it is accrued and stated at gross of tax deducted at source.

26.10 Foreign Currency Transactions

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions. Liabilities/assets in foreign currencies are reckoned in the accounts as per the following principles:

Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, are accounted as below:

(a) In so far as they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset; and

(b) In other cases, the said exchange differences are accumulated in a ‘Foreign Currency Monetary Items Translation Difference Account’ and amortised over the balance period of such long term asset/liability but not beyond March 31, 2020.

All other monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains/losses arising there from are adjusted to the Statement of Profit and Loss, except those covered by forward contracted rates where the premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.

Exchange differences on forward contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense for the year.

For forward exchange contracts and other derivatives that are not covered by Accounting Standard (AS) -11 'The Effects of Changes in Foreign Exchange Rates', the Company follows the guidance in the announcement of the Institute of Chartered Accountants of India (ICAI) dated March 29, 2008, whereby for each category of derivatives, the Company records any net mark-to-market losses. Net mark-to-market gains are not recorded for such derivatives.

26.11 Employee Benefits

a. Short Term Employee Benefits :

Undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave and performance incentives.

b. Defined Contribution Plans:

These comprise of contributions to Employees' Provident Fund with the government and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as an expense during the period in which the employees perform the services.

c. Defined Benefit Plans:

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognised in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the balance sheet date, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

d. Other Long Term Employee Benefits :

Other Long term employee benefits comprise of Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on actuarial valuation carried out at each balance sheet date.

26.12 Earnings per Share

The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise of the net profit after tax less dividend (including dividend distribution tax) on preference shares. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

26.13 Taxes on Income

Provision for income tax comprises current taxes and deferred taxes. Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

26.14 Provisions

A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee benefits, are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

26.15 Contingencies

Obligations which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and, to the extent not provided for, are disclosed by way of notes on the accounts.

26.16 Impairment of Assets

Impairment loss is provided to the extent carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of asset's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

26.17 Expenditure

Expenses are net of taxes recoverable, where applicable.

27. SECURED LOANS

(i) Term Loan & Short Term (Bridge) Loan extended by State Bank of India is primarily secured by Pari-passu first charge on fixed assets of the Company and collaterally secured by second charge on the current assets of the company.

(ii) Term Loan extended by ICICI Bank Ltd. is secured by Pari-passu second charge on fixed assets of the company.

(iii) Sugar Development Fund (SDF) Loan for Cane development at the Ramdurg Unit is secured by a Bank Guarantee.

(iv) Cash Credit facility extended by State Bank of India is secured by way of hypothecation of entire current assets of the company and further secured by second charge on company's fixed assets.

(v) Specific Loans pertaining to the Sankili & Haliyal Units and a portion of the general purpose borrowings have been transferred to E.I.D. Parry (India) Ltd. pursuant to the scheme of Arrangement (Demerger) with effect from April 1, 2012. Refer to Note No. 37.

The above loans extended by SDF & banks carry interest rates ranging from 4.00% p.a. to 12.60% p.a. The loans extended by banks are linked to their Base Rate.

28. UNSECURED LOANS

(i) Loan extended by Indusind Bank Ltd. is unsecured in nature.

(ii) Loans extended by Holding Company, EID Parry (India) Ltd. are unsecured in nature. These loans cannot be withdrawn during the tenancy of the loans extended by SBI & ICICI Bank Ltd. and hence classified as Long Term Borrowings.

The above loans extended by EID Parry (India) Ltd. and bank carries interest rates ranging from 8.75% p.a. to 11.75% p.a.

29. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) of ₹84.70 Lakhs (2012: ₹1,819.03 Lakhs).

30. CONTINGENT LIABILITIES NOT PROVIDED FOR ON ACCOUNT OF :

₹ in Lakhs

Particulars	2013	2012
a) Bank Guarantees	**122.23**	254.00
b) Corporate Guarantees given by the Company to banks in respect of crop loans to farmers and H&T loan	**2,344.85**	4,599.07
c) Arrears of fixed cumulative dividends of Preference shares	**-**	1.64
d) Claims made by Government Departments against the Company not acknowledged as debts:		
i. Excise/Service tax claims under appeal	**225.38**	309.04
ii. Sales tax & Commercial taxes appeal under various states	**13.18**	61.08
e) Preference Dividend attributable to Cumulative Preference Shares	**0.77**	568.31

31. a) The Ministry of Corporate Affairs, Government of India has vide its Notification No. GSR 225(E) dated March 31, 2009 has announced Companies Accounting Standards (Amendment) Rules 2009 prescribing changes to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates' extended till 31-03-2020.

The Company has, pursuant to the adoption of such principles of Companies (Accounting Standards) Amendment Rules 2009, exercised the option of recognising the exchange differences arising on reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable fixed assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of a depreciable asset.

Exchange differences aggregating to Nil arising during the year ended March 31, 2013 (2012: Nil) have been adjusted to the cost of the depreciable assets.

b)

Particulars	2013	2012
Borrowing Cost Capitalised on fixed assets/CWIP	**87.32**	294.34

32. OPERATING LEASES

i. The Company has entered in to a non-cancellable operating lease agreement with Shri Dhanalakshmi Sahakari Sakkare Karkhane Niyamit, Ramdurg for the lease of sugar factory together with the specified assets on Built, Own, operate and Transfer basis (BOOT) for a period of 25 years. Lease rentals of ₹ 769.85 Lakhs (2012: ₹ 560.57 Lakhs) in respect of the obligation under such lease agreement have been recognised in the Statement of Profit and Loss.

Future obligations of lease rentals applicable to the above lease agreement aggregate to ₹13,468.55 Lakhs (2012: ₹ 14,238.40 Lakhs) and are due:

₹ in Lakhs

Particulars	2013	2012
Not later than one year	**792.94**	769.85
Later than one year and not later than five years	**3,416.89**	3,317.37
Later than five years	**9,258.72**	10,151.18
Total	**13,468.55**	14,238.40

ii. The Company has certain operating leases for office facilities and residential premises under a cancellable operating lease agreement. Such agreements are generally with the option of renewal against increased rent and premature termination of agreement. The charge on account of lease rentals under such agreements to the Statement of Profit and Loss for the year is ₹ 4.92 Lakhs (2012: ₹ 22.58 Lakhs).

The future obligations of lease rentals applicable are as under:

₹ in Lakhs

Particulars	2013	2012
Not later than one year	**8.65**	25.14

33. DEFERRED TAX

The major components of the deferred tax assets and liabilities on account of timing differences are as follows:

₹ in Lakhs

Particulars	Deferred Tax Liability/(Asset)	
	2012-13	2011-12
Deferred Tax Liability		
Difference between the written down value of assets as per books of account and Income Tax Act.	**759.14**	1,375.60
Deferred Tax Asset		
Unabsorbed Depreciation	**-**	-
Business Loss	**(759.14)**	(398.50)
Others	**-**	(977.10)
Net Deferred Tax liability	**-**	-

34. There are no suppliers falling under the Micro, Small and Medium Enterprise registered with the company.

35. (a) The following table sets forth the status of the Gratuity Plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss.

₹ in Lakhs

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Present Value of obligations at the beginning of the year	**7.98**	94.54
Current service cost	**3.60**	4.51
Interest Cost	**0.64**	19.58
Benefits Settled	**(0.43)**	(20.61)
Actuarial loss/(gain)	**(0.47)**	(0.35)
Present Value of obligations at the end of the period	**11.32**	97.67
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	**21.06**	136.55
Expected return on plan assets	**1.67**	8.05
Contributions	**-**	-
Benefits Paid	**(0.43)**	(20.61)
Actuarial gain/(Loss) on plan assets	**0.26**	(0.79)
Fair Value of plan assets at the end of the year	**22.56**	123.20
Amounts recognised in the Balance Sheet		
Projected benefit obligation at the end of the period	**11.32**	97.67
Fair value of plan assets at end of the period	**22.56**	123.20
Funded status of the plans – Asset/(Liability) recognised in the balance sheet	**11.23**	25.53

₹ in Lakhs

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Cost for the period		
Current service cost	**3.60**	4.51
Interest Cost	**0.64**	19.58
Expected return on plan assets	**(1.67)**	(8.05)
Net actuarial (gain)/loss recognised in the period	**(0.73)**	(20.61)
Net Cost	**1.85**	(4.57)
Assumptions		
Discount rate	**8.25%**	8.50%
Expected return on assets	**8.00%**	8.50%
Rate of Compensation increase	**6%**	6%
Attrition rate	**5%**	5%
Retirement expectancy (in years)	**58**	60
Expected average remaining service (in Years)	**26.25**	23.20
Mortality rates	**LIC 1994-96 ultimate table**	LIC 1994-96 ultimate table
Actual return on plan assets (₹ In Lakhs)	**1.93**	7.26

Pursuant to the Scheme of Arrangement (Demerger) becoming effective, the Gratuity as on 31.3.2013 has been provided only for Ramdurg unit.

"Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. As per the best estimate of the management, contribution of ₹2.00 lakhs is expected to be paid to the plan during the year ending March 31, 2013."

(b) Provision made during the year for other long term employee benefits based on the actuarial valuation report amounted to Nil (2012: Nil)

(c) During the period, the Company has recognised the following amounts in the Statement of Profit and Loss, which are included in 'Contribution to Provident and Other Funds

₹ in Lakhs

Particulars	2013	2012
Provident Fund and Employees' Pension Scheme	**19.36**	98.84

36. AUDITORS' REMUNERATION AND EXPENSES:

₹ in Lakhs

Particulars	2012-13	2011-12
(i) Audit Fees	**12.50**	12.50
(ii) Tax Audit	**-**	-
(iii) Company Law matters	**-**	-
(iv) Management Services	**-**	-
(v) Fees for other services	**7.50**	-
(vi) Reimbursement of out of pocket expenses	**0.21**	0.12
Total	**20.21**	12.62

37. SCHEME OF ARRANGEMENT(DEMERGER)

The Scheme of Arrangement (Demerger) between the Company and the Holding Company, .E.I.D.-Parry (India) Ltd., (EID Parry) under Sections 391 to 394 of the Companies Act, 1956 for transfer and vesting of the Company's manufacturing facilities located at Haliyal and Sankili, to and into EID Parry, with appointed date of April 1, 2012 has been approved by the order of the Hon'ble High Court of Karnataka dated February 1, 2013 and Order of the Hon'ble High Court of Judicature, Madras dated February 18, 2013. The Scheme as approved by the High Courts, has become effective from March 18, 2013 pursuant to filing of the orders of the Hon'ble High Courts of Karnataka and Madras with the Registrar of Companies, Bangalore and Registrar of Companies, Chennai, respectively. The broad details of Assets and Liabilities transferred and vested with EID Parry w.e.f. April 1, 2012 are as below:

₹ in Lakhs

Particulars	2012-13
Assets:	
Fixed Assets	45,522
Non-Current assets	4,577
Current Assets	21,022
Total Assets	**71,122**
Less: Equity & Liabilities	
Share Capital & Reserves	11,156
Non-Current Liabilities	37,056
Current Liabilities	28,628
Total Liabilities	**76,839**
Excess of liabilities over assets	**5,718**

38. Pursuant to the announcement of partial decontrol of Sugar Industry on April 4, 2013, the Company does not have any obligation to ear mark any part of production towards levy stock from the sugar season 2012-13 onwards and hence the entire sugar stock arising from production in the 2012-13 sugar season is valued at Cost or NRV whichever is lower.

39. PARTICULARS IN RESPECT OF FINISHED GOODS STOCK

Classes of Goods	Unit	OPENING STOCK				CLOSING STOCK			
		2012-13		2011-12		**2012-13**		2011-12	
		Qty.	**Value ₹ Lakhs**	Qty.	Value ₹ Lakhs	**Qty.**	**Value ₹ Lakhs**	Qty.	Value ₹ Lakhs
Sugar	Quintals	**620,550**	**13,995.69**	437,855	10,096.61	**548,838**	**17,221.61**	620,550	13,995.69
Molasses	MT	**20,828**	**545.26**	19,347	560.95	**7,336**	**366.81**	20,828	545.26
Work-in-process	Quintals	**34,214**	**728.00**	7,713	173.77	**4,380**	**121.86**	34,214	728.00
WIP-Molasses	MT	**1,628**	**33.34**	30	0.80	-	-	1,628	33.34
Bagasse/Bio-mass	MT	**26,260**	**184.83**	2,239	16.00	**6,937**	**90.18**	26,260	184.83
Distillery:									
Rectified Spirit	Litres	**393,092**	**90.71**	414,723	98.81	-	-	393,092	90.71
Impure Spirit	Litres	**349,450**	**62.90**	32,630	38.10	-	-	349,450	62.90
ENA	Litres	**1,850,467**	**427.16**	1,107,172	275.34	-	-	1,850,467	427.16
Ethanol	Litres	**750,353**	**151.51**	594,093	125.97	-	-	750,353	151.51
Work-in-progress	Litres	-	-	-	-	-	-	-	-
			16,219.40		11,386.35		**17,800.46**		16,219.40

40. PARTICULARS IN RESPECT OF FINISHED GOODS – SALES

Classes of goods	Unit	SALES (including Excise Duty)			
		2012-13		2011-12	
		Qty.	**Value ₹ Lakhs**	Qty.	Value ₹ Lakhs
Sugar	Quintals	**297,952**	**8,578.76**	1,589,519	40,013.30
Molasses*	MT	**26,373**	**1,319.39**	57,220	698.50
Cogeneration - Power#	Units	**14,099,083**	**558.62**	79,408,742	2,343.24
Distillery **					
Rectified Spirit	Litres	-	-	3,628,100	1,073.95
ENA	Litres	-	-	4,703,000	1,564.59
Impure Spirit	Litres	-	-	548,600	38.46
Ethanol	Litres	-	-	3,537,000	1,096.93
Others			**21.30**		324.69
			10,478.08		47,153.66

* Includes inter division transfers of Nil (2012: 40,833 MT) at Nil value.

Net of captive consumption

** Excludes quantities used in the processing of other distillery products mentioned above.

41. ANALYSIS OF RAW MATERIALS CONSUMED

Description	Unit	2012-13		2011-12	
		Qty.	**Value ₹ Lakhs**	Qty.	Value ₹ Lakhs
Sugarcane	MT	**574,862**	**18,287.44**	1,460,989	37,280.37
Coal	MT	-	-	1,146	47.98
Others		-	-	-	472.55
			18,287.44		37,800.90

42. VALUE OF IMPORTS ON C.I.F BASIS

₹ in Lakhs

Description	2012-13	2011-12
Spares	-	9.82
	-	9.82

43. EXPENDITURE IN FOREIGN CURRENCY

₹ in Lakhs

Description	2012-13	2011-12
Travel	-	0.69
	-	0.69

44. EARNINGS IN FOREIGN CURRENCY

₹ in Lakhs

Description	2012-13	2011-12
Sale of Carbon Credit Emission Reduction	-	70.13
	-	70.13

45. SEGMENT REPORTING

The Company has identified two business segments viz. Sugar and Power. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure and internal business reporting system.

(a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Un-allocable".

(b) Segment Assets and Segment Liabilities represent assets and liabilities of respective segment. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "Un-allocable".

(c) The Company generally accounts for inter segment sales/transfer as if the sales/transfers were to external parties at prevailing average market price on the date of transfer.

Information about primary business segments: ₹ in Lakhs

Business Segments	Sugar		Power		Distillery		Unallocable		Total	
Particulars	**2013**	2012	**2013**	2012	2013	2012	**2013**	2012	**2013**	2012
Revenue										
Revenue from Customers	**9,414.35**	39,254.35	**558.62**	2,343.24	-	3,854.99	-	-	**9,972.97**	45,452.58
Job work Income - Raw Sugar processing		-		-	-	-	-	-	-	-
Inter Segment Revenue	**1,003.12**	3,837.10	**1,607.01**	3,492.49	-	-	-	-	**2,610.13**	7,329.59
Segment Revenues	**10,417.47**	43,091.45	**2,165.63**	5,835.73	-	3,854.99	-	-	**12,583.10**	52,782.17
Operating Expenses	**8,952.07**	38,293.39	**506.23**	1,232.60	-	1,425.42	-	278.23	**9,458.30**	41,229.64
Inter Segment Cost	**1,607.01**	3,317.74	**1,003.12**	2,512.36	-	1,499.49	-	-	**2,610.13**	7,329.59
Depreciation/ Amortisation	**344.13**	1,243.06	**145.78**	681.58	-	326.02	-	99.30	**489.91**	2,349.96
Segment Result	**(485.73)**	237.26	**510.50**	1,409.19	-	604.06	-	(377.53)	**24.76**	1,872.98
Interest Expenses	**(1,064.26)**	(2,674.48)	**(364.47)**	(1,984.46)	-	(517.34)	-	(1.89)	**(1,428.73)**	(5,178.17)
Interest Income	**10.19**	0.14	**-**	-	-	-	-	5.61	**10.19**	5.75
Other income	**99.98**	1,103.70	**0.52**	23.83	-	124.17	-	34.81	**100.50**	1,286.51
Profit/(Loss) before tax	**(1,439.82)**	(1,333.38)	**146.55**	(551.44)	-	210.89	-	(339.00)	**(1,293.27)**	(2,012.93)
Taxation										
Current tax										
Deferred tax									**-**	(1,375.60)
Net Profit/(Loss) after taxation/Adjusted Profits									**(1,293.27)**	(637.33)
Other Information										
Segment Assets	**26,526.69**	54,487.30	**4,365.00**	17,258.38	-	9,453.63	-	5,672.81	**30,891.68**	86,872.12
Segment Liabilities	**29,201.16**	18,051.01	**151.62**	2,066.21	-	883.95	-	59,100.73	**29,352.78**	80,101.90
Capital Expenditure	**1,742.99**	3,636.24	**1,570.51**	793.26	-	324.42	-	51.45	**3,313.50**	4,805.37
Other Non-cash expenses/(income) (net)	**-**	592.63	**-**	-	-	-	-	-	**-**	592.63

During the year under report, the Company has engaged in business only within India and not in any other country. The conditions prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

46. EARNINGS PER SHARE

The computation of earnings per share is set out below:

Particulars	2013	2012
Nominal Value of Equity Shares (₹)	**10**	10
Net Profit/(Loss) after Tax (₹ Lakhs)	**(1,293.27)**	(637.33)
Less : Preference Dividend attributable to Preference Shares (including corporate tax thereon) (₹ Lakhs)	**0.77**	660.49
Net Profit/(Loss) attributable to the Equity Shareholders (₹ Lakhs)	**(1,294.04)**	(1,297.82)
Shares:		
Weighted average number of Equity Shares of ₹ 10 each outstanding during the year	**19,961,707**	19,961,707
Basic and diluted Earnings/(Loss) – ₹ Per Share	**(6.48)**	(6.50)

47. RELATED PARTY DISCLOSURES

i. Names of the related parties and description of relationship.

Relationship	Name of the Parties
Holding Company	E.I.D. - Parry (India) Limited
Fellow Subsidiaries	Alagawadi Bireshwar Sugars Private Limited
	CFL Mauritius Limited
	Coromandel Brasil Limitada – Partnership.
	Coromandel International Ltd.
	La Belle Botanics LLC
	Parry Agrochem Exports Limited
	Parry America Inc.,
	Parry Chemicals Ltd.
	Parry Infrastructure Company Private Limited
	Parry Phytoremedies Private Limited
	Parrys Investments Limited
	Parrys Sugar Limited
	Sabero Argentina SA
	Sabero Australia Pty. Ltd.
	Sabero Europe BV
	Sabero Organics America SA
	Sabero Organics Gujarat Limited
	Sadashiva Sugars Ltd.
	Silkroad Sugar Private Limited (w.e.f. December 2012)
	US Nutraceuticals Inc.,
	Valensa Europe AG
Key Management Personnel	Mr. D. Kumaraswamy

ii. Summary of transactions with the above related parties are as follows: ₹ in Lakhs

Nature of the Transaction	2013	2012
Purchase of Goods/Receipt of Services		
i. Holding Company		
EID Parry (India) Limited	**213.53**	456.61
ii. Fellow Subsidiary		
Coromandel International Limited	**17.89**	15.75
Sadashiva Sugars Limited	**74.52**	117.64
Interest on Unsecured Loan		
i. Holding Company		
EID Parry (India) Limited	**397.40**	908.45
ii. Fellow Subsidiary		
Coromandel International Limited	**-**	16.38
Sadashiva Sugars Limited	**-**	37.17
Sale of Goods/Rendering of Service		
i. Holding Company		
EID Parry (India) Limited	**527.80**	332.89
ii. Fellow Subsidiary		
Sadashiva Sugars Limited	**262.12**	264.02
Coromandel International Limited	**-**	55.75
Unsecured loans given		
Subsidiary – Alagawadi Bireshwar Sugars Private Limited (ABSPL) during 2011-12	**-**	10.34
Unsecured loans taken		
i. Holding Company- EID Parry (India) Limited	**-**	3,000.00
ii. Fellow Subsidiary- Coromandel International Limited	**-**	2,000.00
iii. Fellow Subsidiary-Sadashiva Sugars Limited	**-**	1,500.00
Issue of Preference Shares		
i. Holding Company- EID Parry (India) Limited	**1,500.00**	2,500.00
Remuneration		
Key Management Personnel		
Mr. D. Kumaraswamy	**122.23**	71.30
Balance Payable /(recoverable) at the end of the year:		
i. Holding Company	**10,065.18**	15,859.61
ii. Subsidiary Company	**-**	(1,322.99)
iii. Fellow Subsidiaries	**130.35**	(65.23)
iv. Individuals exercising control or significant influence and their relatives	**-**	-
v. Enterprises where Individuals exercising control or significant influence over the company have significant influence	**-**	-

48. The Scheme of Arrangement (Demerger) involving the demerger of the Sankili and Haliyal Units of the company into EID Parry (India) Ltd. became effective from March 18, 2013 with April 1, 2012 as the Appointed date.

Hence the figures for the financial year ended March 31, 2013 relates to the post demerged company and are therefore not comparable with that of previous year.

49. Previous year's figures have been regrouped/reclassified to conform to Current year's classification.

For and on behalf of the Board

For R.G.N Price & Co.
Chartered Accountants
FRN : 002785S

H.S. Venkatesh
Partner
Membership No: 026666

Chennai
April 24, 2013

S. Sandilya
Chairman

D. Kumaraswamy
Managing Director

G. Jalaja
Chief Financial Officer

B.M. Rath
Company Secretary

Parrys Sugar Industries Limited

Regd. Office: Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road, Jakkasandra,
Koramangala, Bengaluru - 560034

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the meeting hall)

Name & Address of the Member	Registered Folio No.	Client ID & DP ID No.	No. of shares held

I hereby record my presence at the Annual General Meeting of the Company held on Monday, July 22, 2013.

SIGNATURE OF THE MEMBER OR PROXY ATTENDING THE MEETING

If member, please sign here	If Proxy, please sign here

Note: Members are requested to bring their copy of the AGM Notice to the Meeting as the same will not be circulated at the Meeting.

Parrys Sugar Industries Limited

Regd. Office: Venus Building, 3rd Floor, 1/2 Kalyanamantapa Road, Jakkasandra,
Koramangala, Bengaluru - 560034

PROXY FORM

Folio No. .... Client ID No. & DP ID No. ....

I/We .... of ....in the District of ....

being a Member/Members of Parrys Sugar Industries Limited, hereby appoint..of

.... in the District of....................................or failing him/her..

of .... in the District of ....as my/our Proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, July 22, 2013 at 10.30 A.M. and at any adjournment thereof.

Affix Revenue stamp

Signed.......................................

Date..

Note: The Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. The Proxy need not be a Member of the Company.

The Spirit of the Murugappa Group

Integrity

Responsibility

Passion

The five lights

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

Respect

Quality

Integrity

We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

Passion

We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

Quality

We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

Respect

We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

Responsibility

We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that befits our size and also reflects our humility.

murugappa

Be the energy

Parrys Sugar Industries Ltd.
Registered Office:
3rd Floor, 1/2 Kalayanamantapa Road, Jakkasandra, Koramangala, Bengaluru - 560034.
Tel.: 080 4900 6666 Fax: 080 4900 6600.
www.parrysugar.in

FORM - A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	PARRYS SUGAR INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified ~~/ Matter of Emphasis~~
4.	Frequency of observation	NOT APPLICABLE

G.Jalaja,
Chief Financial Officer

D. Kumaraswamy
Managing Director

For RGN Price & Co.
Chartered Accountants
FRN: 002785S

H.S.Venkatesh
Partner
Membership No.026666

S.Sandilya
Chairman - Audit Committee