



ANNUAL REPORT

2001-2002

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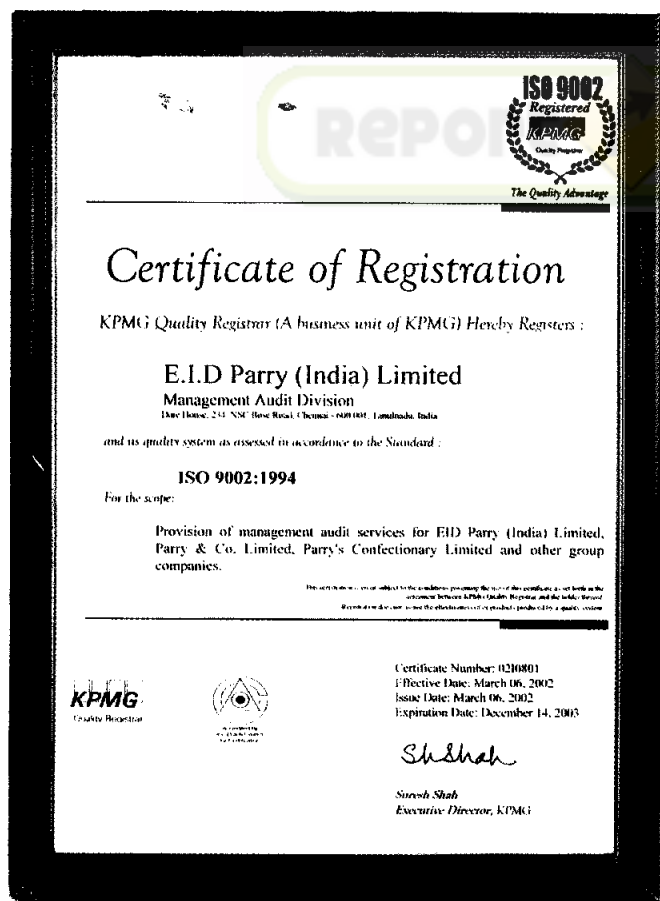
N E W S P I R I T



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

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Over the past few years, the business environment in India has been seeing dramatic changes.

Some that threw up new opportunities and some that stretched and challenged every resource of ours. Caught up in this storm of events and counter-events, we did what we knew best. Conquer the present to win the future, with new ideas and a new spirit.

Today, we are proud to announce a turnover that has crossed Rs. 1500 crore.

We now invite you to take a journey through our endeavours of the past 12 months.

## The EID Parry Board Members



A. Vallayen, P.S. Nanda, T.B. Subramanian, L.N. Jayaraman, R.A. Savor, S. Viswanathan, R. Seshasayee,  
P. Ramie Babu, S.M. Datta, M.V. Subbiah.



# Homage to a Pioneer

In the centenary year of his birth.



Over four generations spanning more than one hundred years, the Murugappa Family have dedicated themselves to the nation's well being and development. They built a thriving business enterprise on the pillars of ethical values, a code of conduct reflecting moderation and humility, integrity, discipline and above all responsible citizenship.

One man who laid the foundations of this successful institution was Sri. A.M. Murugappa Chettiar. His leadership, vision, clarity of thought, sound intellect and a unique ability of building relationships had a significant impact on the fortunes of what is today a progressive and respected business group.

The founder of the group, Murugappa's father, Dewan Bahadur A.M. Murugappa Chettiar was a man of humble means. With his sharp business acumen, so typical of his Chettiar community tradition, he built a banking and trading business in India and South East Asia. He was unconventional. He sent his sons Murugappa and Vellayan to regular schools while simultaneously indoctrinating them with traditional Chettiar business principles of seizing opportunities.

Burma and S.E. Asia, Murugappa travelled the world seeking to widen his horizons and build relationships.

As the S.E. Asian nations became turbulent and with the advent of India's independence, Murugappa saw great opportunity in participating in the nation's development, this time in industry; uncharted waters for Chettiars who had just banking in their blood. The brothers Murugappa and Vellayan were joined by the younger Arunachalam. Industrial ventures began with a security equipment manufacturing and a sand paper business, which were the forerunners to Carborundum Universal Ltd, rubber plantations and a civil engineering and construction company. Alongside these ventures, Murugappa's close relationship with men of great eminence like Sir Ramaswamy Mudaliar and Sir Ivan Stedeford of the UK, caused him to set up India's and Asia's first integrated bicycle manufacturing plant as a joint venture with the Tube Investments of the UK. The Indian Company Tube Investments of India has since grown to become a leading supplier of not only bicycles, but also steel tubes, metal formed products, strips and chains.

While the successful foray into industry took place at a rapid pace, Murugappa ensured that the fundamental principles of family values

confidence. He was their mentor and was fondly called "Big Daddy".

Social responsibility found equal attention to that of business in Murugappa's agenda. The origins of this were set out by his father who set up a village hospital in their native Pallathur in 1924, a time when health care delivery in rural India was unheard of. Murugappa initiated the institutionalisation of such activity through the A.M.M. Charities Trust, which later became the AMM Foundation. Today the Foundation supports primary education through its many schools, health care, village and rural development and a Polytechnic College for technical training. All group companies make significant contributions to the Foundation each year.

Over the past two decades the Group has witnessed rapid growth, both organic and through acquisition. Today with revenues of 4200 crores, good profitability and resource generation, it stands tall amongst Indian industry – not only for its success but also for its commitment to the nation by being socially responsible. Recognising this commitment in an international dimension, in October 2001 the IMD, Lausanne conferred upon the Murugappa Family 'The Distinguished Family Business Award' – a fitting tribute to people of great vision such as

# Our Nation's Heritage



At this juncture in mankind's history, when modern weapons and technology combine 'horrifically with prejudices, mistrusts and angst, both ancient and new, we Indians introspect from the intense pain caused by recent events at many places in India. We can do no better than remember Swami Vivekananda's first speech at the World's Parliament of Religions, Chicago, 11th September, 1893. (Kindly note the remarkable coincidence of the date).

*I* am proud to belong to a nation which has sheltered the persecuted and the refugees of all religions and all nations of the earth.... I will quote to you, brethren, a few lines from a hymn which I remember to have repeated from my earliest boyhood, which is every day repeated by millions of human beings: 'As the different streams having their sources in different places all mingle their water in the sea, so, O Lord, the different paths which men take through different tendencies, various though they appear, crooked or straight, all lead to Thee.' ...a declaration to the world of the wonderful doctrine preached in the Gita: 'Whosoever comes to Me, through whatsoever form, I reach him; all men are struggling through paths which in the end lead to me.'

Sectarianism, bigotry, and its horrible descendent, fanaticism, have long possessed this beautiful earth. They have filled the earth with violence, destroyed civilisation and sent whole nations to despair... I fervently hope that the bell that tolled this morning in honour of this convention may be the death-knell of all fanaticism, of all persecutions with the sword or with the pen, and of all uncharitable feelings between persons wending their way to the same goal.

– Swami Vivekananda

The Murugappa idea of Indian-ness is just this. We are proud of the assimilative nature of our culture. A culture that retains its identity not by seeking to destroy or demean others, but by providing space to all, by learning from all and retaining its core of goodness and belief in a common destiny for the human race.





## Values and Beliefs

- Adhere to ethical norms in all dealings with shareholders, employees, customers, suppliers, financial institutions and government.
- Provide value for money to customers through quality products and services.
- Treat our people with respect and concern; provide opportunities to learn, contribute and advance; recognise and reward initiatives, innovativeness and creativity.

## Maintain

- An organisational climate conducive to trust, open communication and team spirit.
- A style of operations befitting our size, but reflecting moderation and humility.
- Manage environment effectively for harnessing opportunities.
- Discharge responsibilities to various sections of society and preserve environment.
- Grow in an accelerated manner, consistent with values and beliefs, by continuous organisation renewal.

**E.I.D. - PARRY (INDIA) LIMITED****ANNUAL REPORT 2001-2002****BOARD OF DIRECTORS**

**M.V.SUBBIAH**  
*Executive Chairman*

**A.VELLAYAN**  
*Vice Chairman*

**S.M.DATTA**

**L.N.JAYARAMAN**

**R.S.NANDA**

**PRAMA BABU**  
*Whole-time Director*

**R.A.SAVOOR**

**R.SESHASAYEE**

**T.B.SUBRAMANIAN**

**S.VISWANATHAN**

**BOARD'S SUB-COMMITTEES****Audit Committee**

**S.M.DATTA**  
*Chairman*

**R.SESHASAYEE**

**T.B.SUBRAMANIAN**

**S.VISWANATHAN**

**Shareholders/Investors  
Grievance Committee**

**S.VISWANATHAN**  
*Chairman*

**L.N.JAYARAMAN**

**PRAMA BABU**

**Remuneration and  
Nomination Committee**

**S.M.DATTA**

**R.SESHASAYEE**

**S.VISWANATHAN**

**Corporate Management Team**

**V.RAVICHANDRAN**  
*Vice President (Fertilisers (Marketing) & Pesticides)*

**M.S.SRINIVASAN**  
*Vice President (Fertilisers (Manufacturing))*

**K.RAVINDRAN**  
*General Manager (Sugar (Operations))*

**G.RAMPRASAD**  
*Vice President (Operations-Parryware)*

**DR.S.S.PILLAI**  
*Vice President (Bio-products)*

**D.KUMARASWAMY**  
*Vice President (Finance)*

**K.RAGHUNANDAN**  
*Vice President (Information Services)*

**Company Secretary**

**G.JALAJA**

**Registered Office**

'DARE HOUSE', PARRY'S CORNER  
CHENNAI - 600 001, INDIA

**Auditors**

**LOVELOCK & LEWES**  
*Chartered Accountants*  
Chennai

**Bankers**

**STATE BANK OF INDIA**



## BOARD OF DIRECTORS – BRIEF PROFILE

Sl. No.	Name of the Director	Profile
1.	<b>Mr. M. V. Subbiah</b> (63 years) <i>Executive Chairman</i>	Mr. M.V. Subbiah holds a Diploma in Industrial Administration from University of Aston, UK and has attended the Advanced Management Programme of the Harvard Business School. He joined the Board in November 1983 and played a major role in the successful turnaround of the company. He is currently the Executive Chairman of the Company and is on the Boards of several reputed companies like ICI Limited, Lakshmi Machine Works Limited, Triveni Engineering and Industries Limited, Coromandel Fertilisers Limited, SRF Ltd. etc., where he brings his varied experience into play for improving procedures and stakeholder value. He is keenly interested in the Human Resources Development movement in India and has been awarded the National HRD Award in 1988. The All India Management Association has recently bestowed upon Mr. M.V. Subbiah JRD Tata Corporate Leadership Award 2001 for his outstanding Industry Leadership.
2.	<b>Mr. A. Vellayan</b> (49 years) <i>Vice Chairman</i> <i>Non Executive Director</i>	Mr. A. Vellayan, holds a Diploma in Industrial Administration from Aston University, UK and Masters in Business Studies from the University of Warwick Business School, UK. He joined the Board in November 1999. With industrial experience of about 25 years, Mr. Vellayan is a Whole-time Director of Coromandel Fertilisers Limited. He is also in the Boards of several companies like Kanoria Chemicals and Industries Limited, Indfrag Biosciences Limited, Cholamandalam Investment and Finance Co. Limited etc.
3.	<b>Mr. S.M. Datta</b> (65 years) <i>Non Executive Director</i>	Mr. S.M. Datta graduated with Honours in Chemistry and holds a post graduate degree in Science and Technology. He is a Chartered Engineer, Fellow, Institution of Engineers, Fellow, Indian Institute of Chemical Engineers, Member, Society of Chemical Industry (London) and Honorary Fellow of All India Management Association. He was the Chairman of Hindustan Lever Ltd. (HLL) as well as of all Uni Lever Group Companies in India and Nepal from 1990 to 1996. He joined the Company's Board in April 1996. He is the Chairman of Castrol India Limited, Philips India Limited, IL & FS Venture Corporation Ltd. and also on the Boards of several other reputed companies.
4.	<b>Mr. L.N. Jayaraman</b> (62 years) <i>Non Executive Director</i>	Mr. L.N. Jayaraman is a Graduate in Commerce and a Fellow member of the Institute of Chartered Accountants of India. He retired as the Chief of Finance & Accounts of Life Insurance Corporation of India and joined the Board in March 1998. He represents Life Insurance Corporation of India as an equity investor.
5.	<b>Mr. R.S. Nanda</b> (58 years) <i>Non Executive Director</i>	Mr. R.S. Nanda, holds a B.Sc. degree in Engineering (Mechanical). He is the President and Managing Director of Coromandel Fertilisers Limited since 1994. He joined the Board in February 2000. He is the Chairman of Parry Chemicals Limited and a Director of several companies like Parry Monsanto Seeds Pvt. Limited, Pratyusha Chemicals and Fertilisers Limited, Indian Potash Limited etc.
6.	<b>Mr. P. Rama Babu</b> (54 years) <i>Whole-time Director</i>	Mr. P. Rama Babu holds a Masters degree in Social Work and Labour Welfare. He joined E.I.D. Parry in February 1983. He has played a key role in the turnaround of the company and in its expansion and acquisitions. He is presently looking after the operations relating to the sugar and chemical divisions. He joined the Board as a Whole-time Director in February 2000. He is also on the Boards of several companies like E-Commodities Ltd., Trichy Distilleries and Chemicals Ltd. etc.

**E.I.D. - PARRY (INDIA) LIMITED**

Sl. No.	Name of the Director	Profile
7.	<b>Mr. R. A. Savor</b> (58 years) <i>Non Executive Director</i>	Mr. R.A. Savor is a B.Sc. Tech. He retired as Managing Director of Castrol India Limited with effect from 24 <sup>th</sup> April 2002 and continues to be its non-whole time Director. He had been with Castrol India Ltd. for the past 34 years, of which 12 years as Chief Executive and Managing Director. Under his leadership Castrol India had grown from being a minor oil company to becoming the number 2 lubricant company in India and the second largest Castrol Company worldwide. He is also on the Board of Tata Honeywell Limited. He joined the Board in March 2002.
8.	<b>Mr. R. Seshasayee</b> (54 years) <i>Non Executive Director</i>	<p>Mr. R. Seshasayee, is a Chartered Accountant who started his career with Hindustan Lever Limited (a subsidiary of Uni Lever) in 1971. He joined Ashok Leyland Ltd. in 1976. Appointed as Executive Director in 1983, he was elevated as Deputy Managing Director in 1993 and has been its Managing Director since 1.4.1998.</p> <p>On the National Council of Confederation of Indian Industry (CII) for over a decade, Mr.R. Seshasayee has been Chairman of several National Committees of CII including on 8<sup>th</sup> Plan, Economic affairs, Defence, Surface Transport and Finance. He was the Chairman for the National Committee on International Trade/WTO. He is President of the Society of Indian Automobile Manufacturers. He is a Director of several Public Limited Companies including ICICI Bank Limited, Ashok Leyland Finance Limited, Ennore Foundries Limited etc. He joined the Board in October 2000.</p>
9.	<b>Mr. T.B. Subramanian</b> (65 years) <i>Non Executive Director</i>	Mr. T.B. Subramanian, is a Chartered Accountant. He retired as Chief General Manager (CFD) of IDBI, Mumbai. He is a nominee of IDBI as a lender and joined the Board in August 2000. He is also a Director on the Boards of The Simplex Mills Co. Ltd., Galada Power and Telecommunication Ltd, etc.
10.	<b>Mr. S. Viswanathan</b> (61 years) <i>Non Executive Director</i>	Mr. S. Viswanathan is a Science Graduate and an Associate Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He was inducted to the Board in March 1998. He retired from the Murugappa Group as Group President (Finance) and has served various group Companies at the higher management level. He is also on the Boards of Parry Monsanto Seeds Pvt. Ltd. and Sterling Abrasives Ltd.