

READY FOR TOMORROW



ANNUAL REPORT 2007-2008

There is no present. Only the past or the future. No matter how fine you split time. It has either happened or is yet to happen. Then, where do those who claim to live in the present live? The past lulls them into believing that it still lingers. And they call it the present. Not we, at EID Parry.

READY FOR TOMORROW







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

Registered Office : 'DARE HOUSE', Parys Corner, Chennai 600 001

**Thirty Third Annual General Meeting****Notice to the Shareholders**

NOTICE is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING of the Shareholders of E.I.D.- Parry (India) Limited, Chennai, will be held on Monday, the 28th July, 2008 at 4 p.m. at The Music Academy, No.168 TTK Road, Royapettah, Chennai – 600 014, to transact the following business:

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date and the Report of the Auditors thereon.
2. To declare dividend on Equity Capital.
3. To appoint a Director in the place of Mr. S.B.Mathur, who retires by rotation in terms of Articles 102 and 103 of the Company's Articles of Association and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. R.A.Savoor, who retires by rotation in terms of Articles 102 and 103 of the Company's Articles of Association and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and in this connection, to consider and if deemed fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**.

"RESOLVED that Messrs. Deloitte Haskins & Sells, Chartered Accountants, Chennai, be and they are hereby reappointed 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 a remuneration of Rs.12,00,000/- in addition to reimbursement of actual travelling and out-of-pocket expenses incurred by them".

SPECIAL BUSINESS

6. To consider and if deemed fit, to appoint Mr.K.Raghuandan as a Director in respect of whom the Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a member along with a deposit of five hundred rupees, signifying his intention to move the following Resolution as an **Ordinary Resolution**.

"RESOLVED that Mr.K.Raghuandan be and he is hereby appointed a Director of the Company."

7. To consider and if deemed fit, to pass with or without modification (s) the following Resolution as an **Ordinary Resolution**.

"RESOLVED that the consent of the Company be and the same is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all or any of the specific immovable and movable properties of the Company wheresoever situate, present and future, and/or conferring power to enter upon

and to take possession of the assets of the Company in certain events, to or in favour of State Bank of India, Chennai and Canara Bank, Chennai, to secure:

- i) Term Loan of Rs.32 crore (Rupees Thirty Two crore only) granted by State Bank of India;
- ii) Term Loan of Rs.16 crore (Rupees Sixteen crore only) granted by State Bank of India;
- iii) Term Loan of Rs.54 crore (Rupees Fifty Four crore only) granted by State Bank of India;
- iv) Additional Working Capital facilities amounting to Rs.181 crore (Rupees One Hundred and Eighty One crore only) granted by State Bank of India;
- v) Term loan of Rs. 50 crore (Rupees Fifty crore only) granted by Canara Bank

together with interest thereon at the agreed rates, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company under their respective Loan Agreements/ Letters of Sanction/Memorandum of Terms and Conditions entered/ to be entered into by the Company in respect of the said term loans/ working capital facilities.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with State Bank of India, Chennai and Canara Bank, Chennai, the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above Resolution".

8. To consider and if deemed fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**.

"RESOLVED that in accordance with the provisions of Sections 198, 309, 310, 314 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "The Act") read with Article 92-A of the Articles of Association of the Company and subject to such approvals as may be required, the Directors (including the alternate Directors) who are neither in the whole-time employment of the Company nor the Managing Director(s) of the Company be paid with effect from 1st April, 2008 in respect of each financial year of the Company for a period of five financial years ending 31st March, 2013, remuneration by way of commission not exceeding an amount equal to 1% of the net profits of the Company as computed under Section 349 of the Companies Act, 1956.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to decide, from time to time, the quantum and manner of distribution of commission amount to one or more Directors within the limits prescribed.

RESOLVED FURTHER that the aforesaid commission shall be exclusive of the fees payable to such Directors for

attending the Meetings of the Board and Committees thereof.

RESOLVED FURTHER that consent of the Company be and the same is hereby accorded for payment of the aforesaid commission to such Directors who may be relatives/partners of other Directors.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution".

The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, the 16th July, 2008 to Monday, the 28th July, 2008, both days inclusive.

By Order of the Board,
For E.I.D. - Parry (India) Limited

Chennai
April 24, 2008

G. JALAJA
Secretary

NOTES

1. **A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the Company. Proxy to be valid shall be deposited with the Company not later than forty eight hours before the time for holding the meeting.**
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Items 6 to 8 is annexed.
3. As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief resume and functional expertise of the directors proposed for reappointment/appointment are furnished below along with the details of Companies in which they are directors and the Board Committees of which they are members.

i) Mr. S.B Mathur

Mr.S.B.Mathur (63) is a Commerce Graduate and a Fellow Member of the Institute of Chartered Accountants of India and also a Member of the Institute of Cost and Works Accountants of London. He took over as Chairman of Life Insurance Corporation of India in August 2002 and retired in October 2004. He took charge in an era of rapidly falling interest rates and when the insurance sector had been opened up and private sector competition began to make inroads. During the challenging and stressful period he managed to set right a lot of uncertainties and tackled issues that were critical to LIC's future. He took over as the Administrator of the Specified Undertaking of the Unit Trust of India with effect from 21st December, 2004 and his term ended on 19th December, 2007. He is a part time advisor on the Board of Advisors of the Specified undertaking of the Unit Trust of India. He joined the EID Board in November 2004. He is on the Boards of several reputed Companies.

Details of Shares held by Mr.S.B. Mathur in E.I.D.- Parry :

No. of shares – Nil

Details of other Directorships/Committee memberships held by him are as follows:

Directorship	Committee Membership	Chairman/Member
Non Executive Chairman		
National Stock Exchange of India Limited		
Subiksha Trading Services Limited	Audit Committee	Member
Director		
Munich Re India Services Private Limited		
National Collateral Management Services Limited		
Infrastructure Leasing & Financial Services Limited		
ITC Limited	Audit Committee	Member
Indian Railway Catering & Tourism Corporation Limited	Audit Committee	Chairman
Havells' India Limited	Audit Committee	Chairman
Housing Development Infrastructure Limited		
EMD Locomotive Technologies Private Limited		
IDFC Trustee Co. Limited		
AIG Trustee Company (India) Private Limited	Audit Committee	Member
Universal Sampo General Insurance Co. Limited		
Orbis Financial Corporation Limited		
Shriram Industries Limited		
Board of Advisors of the Specified undertaking of the Unit Trust of India (Part Time Advisor)		
The Bank of Rajasthan Limited	Audit Committee	Chairman

ii) Mr. R.A.Savoor

Mr.R.A.Savoor (64) is a B.Sc. Tech. He retired as Managing Director of Castrol India Ltd. with effect from 24th April, 2002. He was with Castrol India Ltd. for 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 joined the EID Board in March 2002. He is the Chairman of Audit Committee and Compensation & Nomination Committee.

Details of Shares held by Mr.R A Savoor in E.I.D.- Parry :

No. of shares – Nil

Details of other Directorships/Committee memberships held by him are as follows:

Directorship	Committee Membership	Chairman/Member
Chairman		
Foseco India Limited	Audit Committee	Member
	Shareholders/ Investors Grievance Committee	Member
Director		
Divgi Warner Private Limited		
Fidelity Fund Management Private Limited		
Automotive Stampings & Assemblies Limited	Audit Committee Shareholders/ Investors Grievance Committee	Chairman Member

iii) Mr. K.Raghuunandan

Mr.K.Raghuunandan (50), a Chemical Engineer and MS from IIT, Madras worked in ICI Group of Companies before moving to E.I.D.-Parry (India) Limited (EID Parry) and was appointed as the Deputy Managing Director with effect from 1st February, 2008. He has been redesignated as Managing Director with effect from 1st May, 2008. He has around 20 years of experience in EID Parry in Process, Plant Operations, Sales & Marketing of Farm Inputs, Information Technology, Strategic Planning and Business Development.

He heads the sugar operations of the company and is also responsible for achieving the growth plans of the company by implementation of expansion and new plants and capital expenditure proposals which are under progress involving an outlay of about Rs. 700 crore up to 2009-10.

Details of Shares held by Mr. K.Raghuunandan in EID Parry :

No. of shares – 1500

Details of other Directorships/Committee memberships held by him are as follows:

Directorship	Committee Membership	Chairman/Member
Director		
Silkroad Sugar Private Limited		
Parry Infrastructure Company Private Limited		
Coromandel Bathware Limited		
Parry Monsanto Seeds Private Limited		

- The dividend declared at the Meeting will be made payable within 10 days of the AGM in respect of shares held in physical form to those members who are entitled to the same and whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrar and Share Transfer Agents viz. Karvy Computershare Private Limited, at the end of business hours on 15th July, 2008 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).
- Members holding shares in physical form are requested to notify change of address and change in bank mandate if any, to Karvy Computershare Private Limited, Unit: E.I.D.-Parry (India) Limited, Karvy House, Plot No.17 to 24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, the Registrar and Share Transfer Agents and those who hold shares in dematerialised form are requested to notify their Depository Participants (DP) any change in address and/or bank mandate **on or before 15th July, 2008.**
- Members are requested to note that as per Section 205A of the Companies Act, 1956 dividends not encashed or claimed within seven years from the date of transfer to the Company's unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund established under Section 205C of the said Act. The details of the dividend declared from the year 2000-01 to 2006-07 and the due date for transfer to the Investor Education and Protection Fund are given in the Section relating to General Shareholders Information. Members who have not yet encashed the dividend warrant(s) are requested to forward their claims to the Company's Registrar and Share Transfer Agents. **It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount.**

Annexure to the Notice

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

The following Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 sets out all material facts relating to items 6 to 8 mentioned in the accompanying Notice dated 24th April, 2008.

ITEM NO. 6

Mr. K.Raghuunandan who was appointed as an Additional Director and designated as Deputy Managing Director of the Company with effect from 1st February, 2008 will hold office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

The profile of Mr. K.Raghuunandan appears under note 3 (iii) of the Notes above.

Consequent to the retirement of Mr.P.Rama Babu, Managing Director with effect from 30th April, 2008 the Board of Directors at the meeting held on 24th April, 2008 redesignated Mr. K. Raghuunandan as Managing Director of the Company with effect from 1st May, 2008.

He will be in charge of the sugar plants at Nellikuppam, Pugalur, Pettavaittalai, Pudukottai and Ariyur and the co-generation

plants located at Nellikuppam, Pudukottai and Pugalur and the new plant coming up at Pettavaittalai. The Company is also planning to set up new distilleries at Pudukottai and Sivaganga. Besides, the Company is investing in the equity of Silkroad Sugar Private Ltd., a joint venture with Cargill Asia Pacific Holdings PTE Ltd. for setting up a Sugar Refinery at Kakinada, Andhra Pradesh. All these expansion and new plants involve heavy capital expenditure proposals for which the company is planning to invest about Rs. 700 crore up to 2009-10 to become one of the most profitable integrated Sugar Companies. He will be responsible for implementing these growth plans.

The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a member along with a deposit of Rs.500/-, signifying his intention to propose at the ensuing Annual General Meeting the appointment of Mr. K.Raghunandan as a Director of the Company and for that purpose to move the resolution as mentioned in the said notice.

Accordingly, the Ordinary Resolution set out under Item No.6 of the Notice is submitted to the Meeting.

Interest of Directors

Mr. K.Raghunandan is interested or concerned in the Resolution.

None of the other Directors is interested or concerned in the Resolution.

ITEM NO. 7

State Bank of India, CAG Branch, Chennai, (SBI) had sanctioned to the Company term loans of Rs. 32 crore and Rs.16 crore towards part cost of co-generation plant and modernisation cum expansion project at the Pettavaittalai sugar plant. SBI in addition to providing additional working capital facilities amounting to Rs.181 crore had also sanctioned a term loan of Rs.54 crore under a Scheme for extending Financial Assistance to Sugar Undertakings (SEFASU) – 2007 for clearance of cane price arrears of 2006-07 sugar season and cane price of 2007-08 sugar season relating to the Statutory Minimum Price fixed / to be fixed by the Central Government.

Canara Bank, Chennai had sanctioned to the Company a term loan of Rs.50 crore to reimburse the cost of acquisition and renovation of sugar plant at Ariyur, Puducherry.

The above term loans and working capital facilities will be secured by a charge by way of hypothecation / mortgage of all or any of the movable and immovable properties of the Company (both present and future) or on such other security as may be agreed to by the Company.

The approval of the members is required to pass a resolution under Section 293(1) (a) of the Companies Act, 1956 for creation of the said mortgage/charge.

Accordingly, the Ordinary Resolution set out under Item No. 7 of the Notice is submitted to the Meeting.

Interest of Directors

None of the Directors is interested or concerned in the Resolution.

ITEM NO. 8

The Central Government vide its letter No.2/16/2005-CL.VII dated 19th July, 2005 approved the payment of increased remuneration by way of 1% commission on the net profits of the Company under Section 198 of the Companies Act, 1956 to all the Non Whole-time Directors of the Company as approved by the members for the financial years 2004-05 to 2007-08.

In view of the various expansion programmes and setting up of new plants involving heavy capital expenditure proposals of about Rs.700 crore up to 2009-10 to become one of the most profitable integrated Sugar Companies, the responsibility of the Non Whole-time Directors have increased considerably and demands greater time and devotion from them for attending the Board and committee meetings in terms of regularity, participation and contents.

In order to suitably compensate them, approval of the members is sought for authorising the payment of remuneration by way of commission to the Non Whole-time Directors (other than Managing Directors/ Whole-time Directors but including Alternate Directors) not exceeding 1% of the net profits of the Company for a period of five financial years commencing from 1st April, 2008 in the manner stated in the Special Resolution.

In accordance with Section 309 of the Companies Act, 1956 the aforesaid Special Resolution shall not remain in force beyond a period of five years but may be renewed from time to time, by a Special Resolution for a further period of five years at a time. The renewal shall be effective not earlier than one year from the date on which the Special Resolution is to come into force. The proposed payment of remuneration by way of commission to Non Whole-time Directors, requires the approval of the Company in General Meeting through a Special Resolution.

Accordingly, the Special Resolution set out under Item No. 8 of the Notice is submitted to the Meeting.

Interest of Directors

All the Directors (other than Mr.P.Rama Babu, Managing Director and Mr.K.Raghunandan, Deputy Managing Director) are interested in the Resolution.

By Order of the Board,
For E.I.D. - Parry (India) Limited

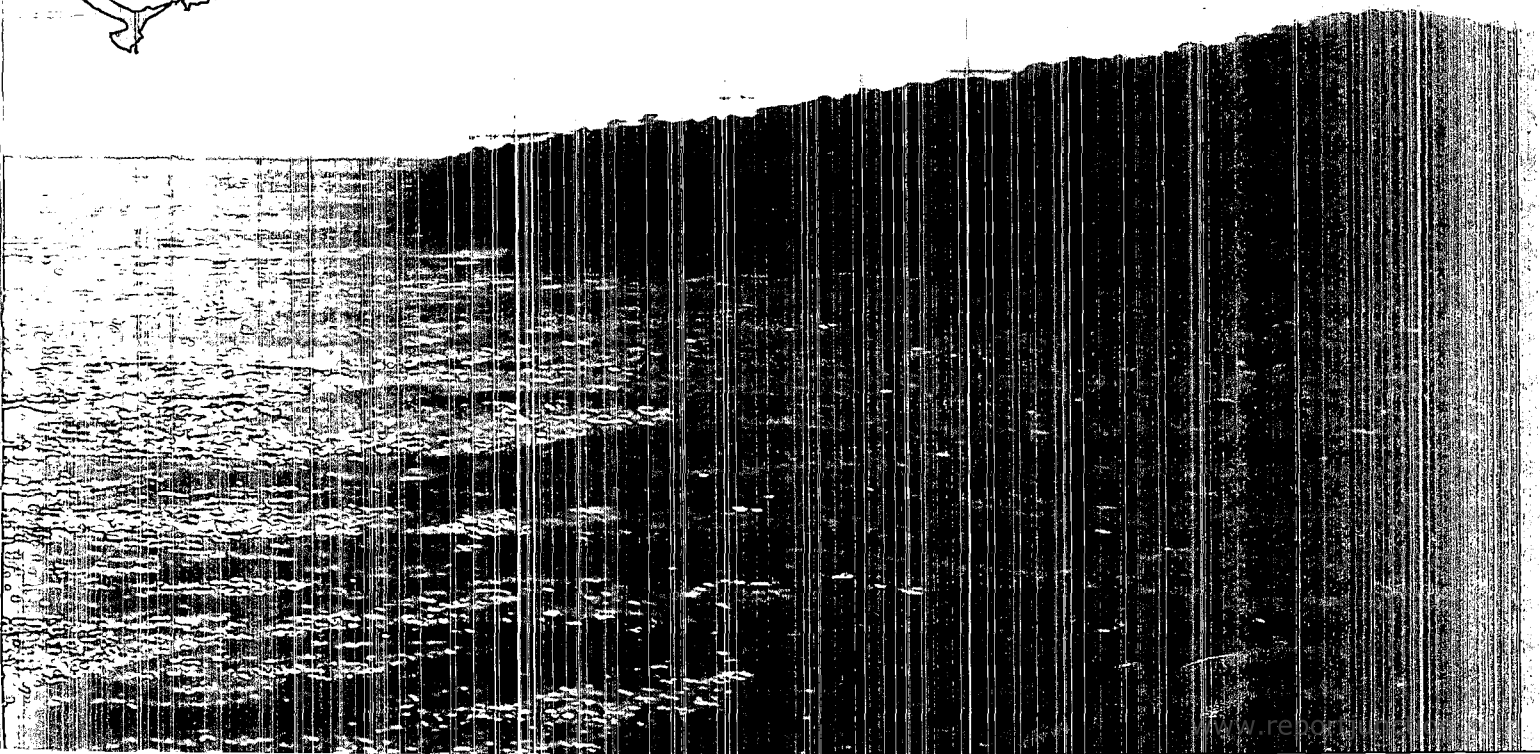
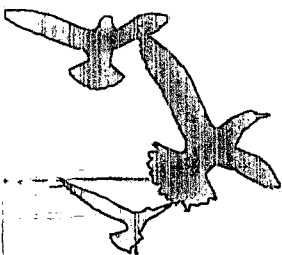
Chennai
April 24, 2008

G. JALAJA
Secretary

THE FUTURE THEN

Time flies. Future is rapidly becoming the Past. That's what people say today. In EID Parry, we believe this ever since we began our journey in 1788. We started the first sugar factory in India in 1842. When the world around us was yet to wake up to global trading, we were shipping acids in ceramic jars all the way to Britain. Our foray into fertilisers was just another step forward from our sulphuric acid business. Our leadership in the sanitary ware business was a spin-off from clay-pots. And the list goes on...

REPORT





SWAPPING THE PAST FOR THE FUTURE

Resting on laurels is tempting. Even more tempting is to lament that the future is not as promising. But, at EID Parry, we have moved on from our successes. Five years ago we created value for all stakeholders from our farm inputs business. Two years ago, we again added value by forming a joint venture out of our highly successful sanitary ware business. All this while, we invested in co-products value creation from Sugarcane, Algae, Neem and searching for other unexplored gifts of nature. Today, processing sugarcane for food and energy remains our mainstay. Emerging stars include Nutraceuticals and Bio-pesticides.