

CRACKING THE CODE



E.I.D.-PARRY (INDIA) LIMITED
Annual Report 2011 - 2012



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Stretch goals that defied the impossible. Record clocks wired to spin. A motivated team driven by an inner fire to exceed and excel. At E.I.D. Parry 2011-12 was a milestone year. A fiscal when the company cracked the code of cyclical. Redefined the perimeter of the extraordinary and the norm. Across the company, the year was marked by a peak in performance and process efficiencies, product innovation and people capabilities. The Sugar Division redefined industry trends, reset benchmarks and emerged a clear winner. While the Bio-products business registered robust growth with a range of plant and crop vitalisers, the Nutraceuticals business enlarged its presence in the OTC segment with a slew of health and body care products. Each of the three businesses cracked the code and reinvented sustainable strategies.





'Parry's' has been selected and is being awarded the Consumer Superbrand ranking for 2011-12 by popular consensus among both consumers and industry experts. This global acknowledgement places it in an elite league of the world's best brands. Parry's Sugar is the only sugar brand in India to be conferred Superbrand status.



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PERFORMANCE EXCELLENCE

Performance excellence in process methods and business strategies became the driving force of the sugar business as it worked its magic of revival and restoration and rewrote business history. The division charted a new and dynamic direction to growth, breaking away from the confined code of cyclicalities. Across plants, people and process efficiencies redefined industry trends, broke records and created new benchmarks in manufacturing. Enhanced operational efficiencies, increase in planting acreage and reduction in downtime contributed to a quantum jump in sugar production. Exports touched a new high.

Focus on quality and deliverables contributed to performance excellence. Across plants, dedicated teams worked to improve the quality of the sugar produced and ensured compliance to standards, right from cane planting to finished product. The refinery at Nellikuppam received its accreditation for ISO 22000 PAS 220 equivalent to the highest Food Safety Management Standards, opening up vendor opportunities with global pharma, food and beverage manufacturers.

The Bio Products business scripted a success run with a 13% growth in profits. Collaborative farmer centric initiatives, structured field trials, rural training programmes and a dedicated, direct contact field force, working closely with the farmers helped the division to establish its non aza brand of plant vitalisers and position itself as a Total Solution Provider in Crop Management.

New products and new markets was the defining strategy of the Nutraceuticals Division. The business expanded its product offering in Active, Health and Body Care in the OTC segment, through breakthrough research, clinical trials and innovative marketing strategies.

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PRODUCT INNOVATION



Product innovation served as a growth driver and enabled the company to crack the code of traditional business trends. The sugar division made a strategic shift in marketing sugar from a commodity product to a customer driven, value add variant, thereby increasing its institutional sales and earning higher revenue. The business also leveraged the potential of its co-products and converted its residual potash waste to 'Kash', a fertilizer used in agriculture. In the global market, the division expanded its market space with export sales recording a new high.

At the Bio Products division, Neemazal continued to garner new accreditations and expand its global presence in the Agri, Home and Garden segment. Organic spirulina produced by E.I.D. Parry became the first and only spirulina in the world to qualify as per the proposed USP monograph. Capitalising on the growing trend in organic cultivation, the division launched its Abda, Abda Gold and Abda Foliar brand of liquid plant vitalisers for new crop segments. Customer driven demand for the vitalisers, helped to ramp up a 42% increase in domestic sales and contributed to an upward growth graph.





New product lines, focused market penetration and visibility promotion marked the winning strategy of the Nutraceuticals division. In line with its strategic intent to consolidate its presence in the US market and increase its global footprint, the company acquired a 100% voting right in Valensa International. The division also forayed into the OTC segment, expanding market base with a range of Health and Body care products such as GreenT⁶, Rejuveneyes and Pro9 brand of dietary supplements. New products that are market ready and poised for a commercial breakthrough include, 'Fenupower' clinically proven for its efficacy in diabetic care and 'Spiriblu' a research based, natural blue colourant.



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PEOPLE SYNERGY

At E.I.D. Parry, the year 2011-2012 ushered in a totally new direction to people and human resource management. Driven with a zeal to excel, teams across plants demonstrated a cohesive oneness in cracking the efficiency code and making stretch goals easy and effortless.

The People Strategy of 'Building organisation capability to deliver superior business performance' worked in tandem with the Company's key business imperatives for growth and transformation.



E.I.D. continued to invest in people for building leadership capabilities, focusing on employee engagement initiatives which touched base with people aspirations and created an exciting work culture. There was a pulsating people energy as empowered teams across the Company innovated, broke records, won awards and jubilated. At E.I.D., people synergy had set a new direction.



MESSAGE FROM THE CHAIRMAN

A great team always demonstrates its ability to remain cohesive, surmount challenges, define new directions and excel.



Dear Shareholders,

We began the year 2011-2012 with a resolve and certainty, that, irrespective of economic trends and industry indicators, we would correct the trend of the past fiscal in our main sugar business and achieve a turnaround. I am indeed very happy to share with you the significant growth that your company achieved during the year, with each of the businesses putting in a creditable performance.

Sugar : The Sugar Division did exceedingly well despite it being a challenging year for the overall industry. This was made possible by a concerted effort to optimize efficiencies, sweat assets and achieve stretch targets. The team touched the highest ever record in production and process capabilities in sugar and co-products. The team has clearly demonstrated its ability to surmount challenges, define new directions and still remain cohesive. We are also encouraged by the appointment of Rangarajan Committee to look at moving towards de-control of the sugar industry. This is a move which has been awaited for a long time and should augur well for our Company. An indication of the thinking of the Government was the release of sugar exports without licensing. This itself is a move in the right direction and should help the Sugar Division earn a better price parity for its sugar in the overseas markets.

Acquisitions made during the previous years were consolidated with a 100% increase in stake in Sadashiva Sugars. The process of gradual merging of Parrys Sugar Industries Limited into E.I.D. has also begun and during the year 2012-13 this will be given effect to. This would enlarge E.I.D.'s scope of operations in the future. Technology upgradation, reduction in cyclicalities and diversification into value added products, would be the drivers of future growth.

Bio-Products and Nutraceuticals : The Bio Products business capitalized on the growing demand for organic farming crop protection products. The division posted a robust growth, establishing itself as a Provider of Total Solutions in Crop Protection. Nutraceuticals expanded its market presence in health and body care, with a range of differentiated product offerings for the OTC segment.

Last year was a challenging one for the Company, but the team demonstrated its capabilities to excel in difficult circumstances and is well poised to continue this performance into the next year.

As we march into another year with confidence, I thank all our shareholders for their continued support and patronage.

Yours sincerely
A Vellayan
Chairman