



Building Capabilities **Shaping the Future**



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

ANNUAL REPORT 2017-2018

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Cautionary Statement

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of the risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expect, project, intend, plan, believe and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, our actual result could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Parched lands, drought, cane deficit seasons, global sugar glut, plummeting domestic prices, weak market demand, Policy stranglehold, Regulatory bottleneck. 2017-18 was a year that tested the strongest in the sugar industry. We were no exception.

Instead of being resigned to cyclical downturns, we resolved to be resilient, to build new capabilities: people upskilling, enhancing process efficiencies, deploying precision and smart farming systems, integrating digital connectivity, expanding channel presence and exploring new product streams, new adjacencies.

**At E.I.D Parry, we resolved that
the time had come to change, for**

**Building Capabilities and
Shaping the Future...**



Building Capabilities Shaping the Future

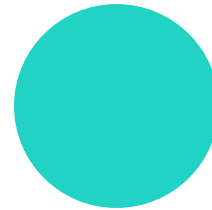
E.I.D Parry is the first sugar manufacturer in India and among the few in the world, to introduce digital connectivity in the industry.

Our smart and precision farming systems with highly integrated digital connectivity, has made a tremendous impact in transforming the lives of the farmers, accelerating growth, increasing productivity and helping in the migration to newgen technologies.

The key digital connectivity initiatives undertaken in 2017-18 were:

- The entire cane command areas have been geo tagged to integrate with future technologies and track cane operations. Real time data from the time of cane registration by the farmer to planting, crop growth monitoring, soil health and nutrient application schedules to harvesting, including weather alerts, are captured through satellite images. Around 1,00,000 plus acres across TamilNadu, Andhra Pradesh and Karnataka have been digitally connected, empowering farmers to access information and avail on-call services right at their doorstep.

Smart Farms



- Transitioning to Smart farms: Aerial drone survey of fields for mapping cane yield. Pilot survey initiated at Sankili.
- Farm mapping, including topography, extent and soil type to provide customised farmer support implemented.
- Improved farm returns with smart, precision farming.
- Pilot work on mobile enabled, aggregator model of 'on-call' Agri Mechanisation Service and Solutions support for farmers initiated.
- Continued partnering with both International and Government of India Agencies on sustainable, collaborative projects on water conservation and carbon footprinting. With water probes installed for capturing data of ground water levels, we advise farmers on better management of their water resource.
- Drip irrigation support for farmers - around 13,000 additional acres have been covered under the command areas of our 3 Karnataka Plants.

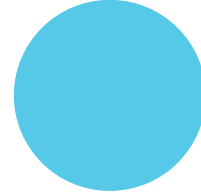
At E.I.D Parry, our single minded focus for value creation finds resonance in everything that we do. And determines our course for Shaping the Future.

Farmer Connect



- Launched a 'Farmer Connect' App to facilitate transactional and technical support for farmers.
- i-cane Extension Services for speedy redressal of farmer complaints with on-site capturing of problems and 48 hours resolution window.
- Introduced a novel IT enabled crop management and advisory tool to engage with and intensify farmer connect - 'crop doctor' for managing crop health and disease management, 'crop calendar' to advise and alert on farming schedules.
- Started Weather Advisory Services with dedicated Weather Stations to alert farmers on weather conditions using IoT (Internet of Things). E.I.D Parry is the first Sugar Company in India to introduce this facility.

Data driven decision capability



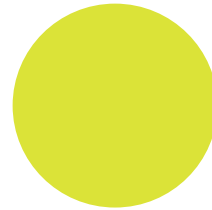
- Enhanced data driven decision capability to mitigate business risks
- First sugar company in India. to introduce 'Enterprise Analytics' providing 360° view of operations.
- Centralised system for the entire farm data base for better management of cyclical downturns.
- Laid the framework for Big Data Analytics

Building Capabilities Shaping the Future

E.I.D Parry is the industry leader, with benchmark standards in operational capabilities.

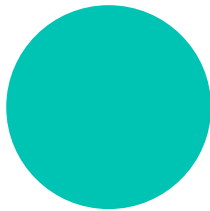
Our advanced and sustainable manufacturing systems and processes have redefined the sugar industry and set new parameters in efficiencies and optimisation of resources.

Operational Capabilities



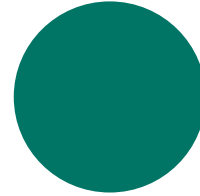
- Augmented capacity at Haliyal Unit to address the needs of institutional customers and the retail market.
- Continued to set benchmark standards in terms of Environmental Management, with stringent compliance norms.
- Focused on reduce - recycle- reuse and zero discharge at Plants. First in the sugar industry in the country to recycle almost 100% of the entire effluent back to the process.
- Commissioned a non incinerator model of zero liquid discharge for distillery operations. E.I.D Parry is the first sugar manufacturer in India to have this capability.
- Introducing the bagasse diffusion system instead of the cane diffusion system at Haliyal Unit, through global technology absorption. Another first in the sugar industry in India, this will help to achieve optimum extraction levels from sugarcane.
- Focused initiatives and calibrated monitoring of process parameters and effective water and energy management. led to maximising efficiencies and reducing cost.

Certification Standards



- Three of our Plants continued to be the first in Asia and in the country, to be 'Bonsucro' certified, providing the Company a significant advantage to be future ready, in a global environment migrating to sustainable development goals.
- Continued to pursue the model of manufacturing excellence. While TPM certification is under progress at our Nellikuppam, Pudukottai and Bagalkot Plants, FSSC and International Quality Certifications and compliance to stringent customer audits has enabled the Company to be awarded the preferred vendor ranking by major pharmaceutical, food and beverage manufacturers.

Marketing Capabilities

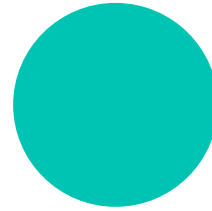


- Focused on de-commodisation of sugar to de-risk and reduce dependence on the volatility of the traded volumes market.
- Enhanced people and supply chain competencies to expand retail footprint.
- Leveraged on strong brand capital to enlarge market penetration and retail presence - Amrit Brand of Natural Brown Sugar increased significant shelf space.
- Focused on differentiation in quality, customisation and last mile connectivity to expand the institutional customer portfolio.

Building Capabilities Shaping the Future

**At E.I.D Parry,
we have always
believed that
innovation in
agriculture is the
key to
productivity and
rural prosperity.**

Innovation driven farming technologies



At E.I.D Parry, a robust and business aligned R&D and extension function is in effective operation for building new capabilities in sustainable and advanced agri technologies.

- 'Sweet Bloom' - a collaborative project is in progress with Sugarcane Breeding Institute (SBI – ICAR), Coimbatore and SISMA to develop early maturing varieties in 8-9 months. 2 varieties have been identified and seed material provided to farmers for on-farm, multi-location (MLT) trials. This would enable higher farm returns, reduce cost for farmers and enhance productivity.
- The Company's state-of-the-art, micro propagation facility with a capacity to produce 10 lakh disease-free sugarcane plants certified by the Sugarcane Breeding Institute (SBI - ICAR), Coimbatore, runs a distinctive nursery program to ensure 100 % high quality clean seed material to farmers. This has helped to minimise yield loss and reduce cost for the farmer.
- Around 180 Farmer-Entrepreneurs have been nurtured for production of seedlings across units rendering sugarcane as a direct transplantable crop with ease of cultivation. Around 1000 acres have been covered through the Sustainable Sugarcane Initiative (SSI) of the State Government.



Precision Farming



- In addition to our centralized soil testing laboratory in Pugalur, Tamil Nadu, a new soil lab was commissioned in Haliyal to cater to the needs of the farmers attached to our 3 Karnataka Plants.
- Soil testing of more than 8000 samples were undertaken during the year and soil mapping was done in Haliyal and Sankili command areas. Soil health cards, with need based nutrient recommendations were given to farmers reducing cost through precision input management.



Sustainable Farmer Models

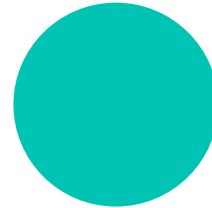


- Around 1800 farmers across 3 Plants have been nurtured to adopt sustainable sugarcane cultivation practices with farmers' fields certified as 'Bonsucro' standard compliant. E.I.D Parry is the only sugar manufacturer to follow a metric sustainability standard at the farm level. Our 'Bonsucro' Farmers have emerged as good role models, propagating sustainable farming practices in the rural community.

Building Capabilities Shaping the Future

As global trends make a major shift to natural wellness products, Parry Nutraceuticals is getting ready to ride the change and shape the future.

Strategic Alliances



- The Nutraceutical business entered into a Joint Venture Collaboration with Synthite Industries, Cochin, for the manufacture of Value Added Algal products. The newly formed Company, Algavista Greentech, will benefit from E.I.D Parry's algal cultivation capabilities and Synthite's downstream prowess, besides mutual access to markets and customer base.
- The Company has forged strategic partnerships in the realm of new product development, cGMP compliance and sourcing, across its operations in India and the USA.