

Harvesting Value

ANNUAL REPORT 2020-21



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Harvesting Value

EID Parry remained resilient and continued to harvest value from its sugar and nutraceutical business, and its adjacencies. We exhibited improved performance even in a relatively difficult business environment riddled with market slowdown, regulatory and lockdown restrictions. Amidst the stock holding restrictions and a subdued selling price, our sugar business continued to sharpen its focus on process efficiencies, cost optimisation, strong commitment and delivery on the retail front. Moreover, we harvested value by achieving margin expansion by focusing on cost-effectiveness, continuous cost reduction and scaling up our manufacturing and other efficiencies on the back of healthy volume growth, strong product portfolio and market development. The lower interest cost, better realisation from sugar retail sales and alcohol sales also aided in enhancing our bottom line. Our focus continues to lie in strengthening the large farming community through our Cane R&D and aiding sustainable sources of livelihood to the farmers.

Moreover, with sustained profitable growth being our focal point, we are working on further enhancing our brand portfolio. Our brand strategy is enabled by innovation and entails ingenuity for the future.

We continue to expand our market presence in the retail space, and increase our customer base in our existing core portfolio through improved innovation and increased penetration of Parry's Jaggery, Parry's Amrit Brown Sugar, Parry's Sweet Care Low GI Sugar and other value-added products along with an efficient supply chain and distribution network.

We have incorporated synergy in all our functions and continue to derive sustainable benefits from new products and processes.

With the existing distilleries at Nellikuppam, Haliyal and Sankili and the commissioning of a new distillery at Bagalkot to grow the ethanol stream, focus on cane development and value creation through by-products as well as a strong retail foray and leveraging our nutraceutical segment, we are all set to stay our course and harvest better value from our core and non-core assets.



Financial Highlights Ten Years at a Glance

Standalone

₹ Lakh

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16#	2016-17	2017-18	2018-19	2019-20	2020-21
Profitability Items										
Gross Income	175364	241448	194548	226504	278559	263121	228169	204644	201557	240965
Gross Profit (PBDIT)	27447	60562	26237	38918	15751	50867	30521	41421*	23518	133561^
Depreciation & Amortisation	7397	10787	9731	10193	11200	11211	11446	11377	11956	20436
Profit/(Loss) before Interest & Tax	20050	49775	16506	28725	4551	39656	19075	30044	11562	115111
Finance costs	6,443	13668	19616	15127	16710	13991	11290	11343	13566	9272
Profit/(Loss) Before Tax	13607	36107	(3110)	13598	(12159)	25665	7785	18701	(2004)	105839
Tax	(125)	2936	(5763)	(1227)	(2948)	(2696)	(2316)	2388	(2187)	19353
Profit/(Loss) after Tax	13732	33171	2653	14825	(9211)	28361	10101	16313	183	86486
Balance Sheet Items										
Net Fixed Assets	80876	128652	152515	149968	157806	148816	139584	133561	137771	129535
Investments	68278	87110	54478	68293	77432	78575	87831	97851	100341	101018
Net Current Assets	63604	104089	106014	83987	25359	8539	31370	17705	29465	96810
Total Capital Employed	212758	319851	313007	302248	260597	235930	258785	249117	267577	327363
Shareholders Funds	121223	134162	127432	136408	128276	147746	163813	171350	171375	259409
Borrowings	78971	172309	178559	160211	131941	94346	101800	83229	103499	55436
Deferred Tax Liability/(Asset)	12564	13380	7016	5629	380	(6162)	(6828)	(5462)	(7297)	12518
Total	212758	319851	313007	302248	260597	235930	258785	249117	267577	327363
Ratios										
Book Value per share (₹)	70	77	73	78	73	84	93	97	97	146
EPS (₹)	7.92	19.08	1.51	8.43	(5.21)	16.03	5.70	9.21	0.10	48.86
Dividend on Equity %	400	600	-	300	-	400	300	300	-	-

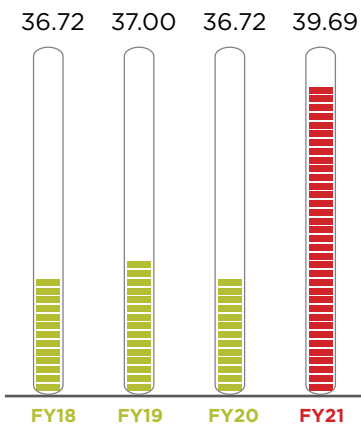
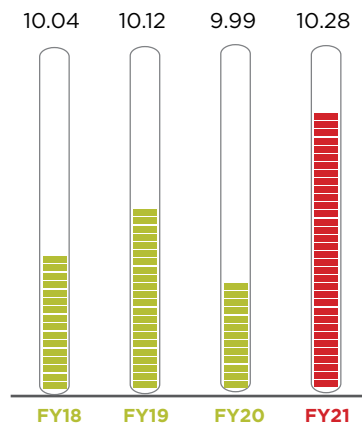
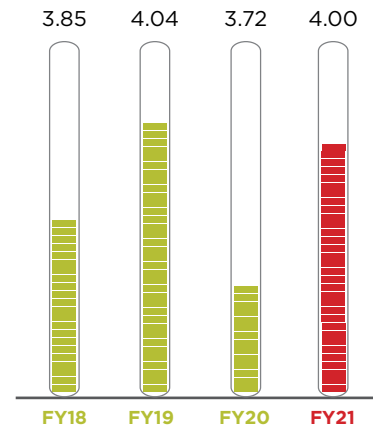
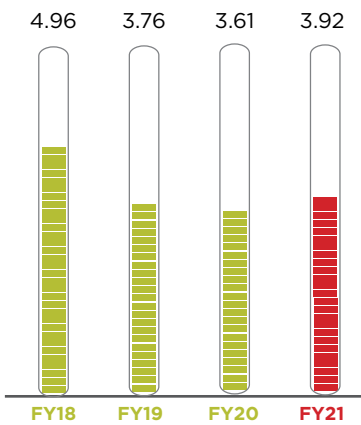
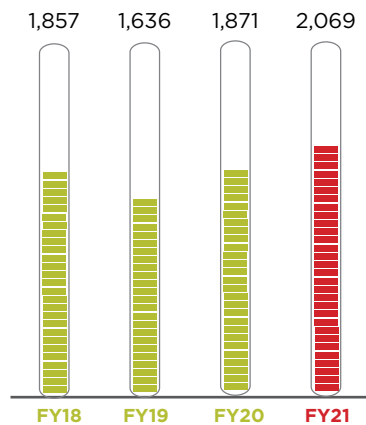
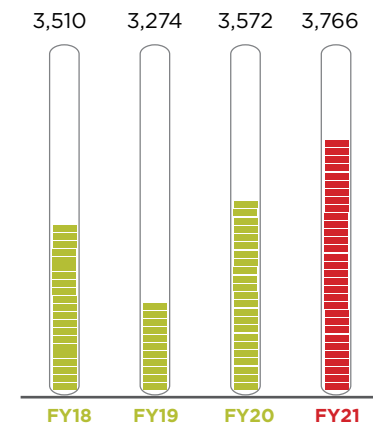
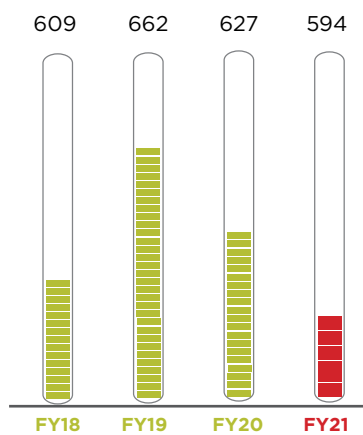
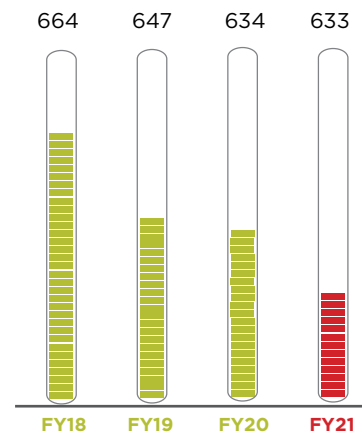
Regrouped based on Ind AS.

* includes profit on sale of bio-pesticides division and investment in Parry America of ₹ 243.93 Crore.

^ includes profit on sale of 4% stake in Coromandel International Limited of ₹ 827.25 Crore.

Notes : -

1. Haliyal and Sankili units of Parrys Sugar Industries Limited was merged with effect from April 1, 2012.
2. Sadashiva Sugars Limited was merged effective April 1, 2013.
3. Parry Phytoremedies Private Limited was merged effective April 1, 2014.
4. Parrys Sugar Industries Limited was merged with effect from April 1, 2016.

Cane crush (LMT)**Recovery%****Sugar Sold (LMT)****Sugar Produced (LMT)****Cogen Units Sold (LU)****Cogen Units Produced (LU)****Alcohol Sold (LL)****Alcohol Produced (LL)**

Managing Director's Message

Dear Shareholder,

As we usher in a new financial year, I am motivated to quote Jodi Picoult's famous quote, "The human capacity for burden is like bamboo – far more flexible than you'd ever believe at first glance". The quote resonates well with the current times where we are all stuck in the middle of the pandemic and have exhibited sheer grit and resilience in facing the crisis.

It has been more than a year now that covid-19 has been wreaking havoc the world over and we are still fighting it in phases; the first wave, the second and may be the third yet to come. The pandemic has brought upon us emotional, physical, social and economic distress and even though the return of normalcy is still hidden behind the hazy clouds of unpredictability, we have not given up as a collective human race. The invention of vaccines and steady adoption of new normal is a testimony that humanity is capable of facing all the challenges head-on and is a master of adaptability.

We, at EID Parry, have become all the more resilient and the manner in which the unprecedented event that panned out last year, I believe has further strengthened our resolve to become a company that can continue to be growth and profit oriented. Despite a difficult 2020-21, with a shaky economic condition, hindered market growth, disrupted supply chain and operations, we have managed to stay the course. Our Sugar business improved during the year and in the middle of the disruption it has exhibited a better performance.

We exhibited a strong resilience by focusing on process efficiencies, cost optimisation and strong commitment and delivery on the retail front. We prepared ourselves meticulously and seeing the situation, we emphasised on savings and scaled up our efficiencies. We also worked on gaining a healthy volume growth and building up a strong portfolio of our products and focused on market development. Our deliberate focus on improving efficiencies in the systems and processes, lowering interest cost, and better realisation from sugar retail sales and alcohol sales helped us in enhancing the Company's bottom line. We also managed

to exhibit healthy and consistent volume growth, which is a testimony of our resilience and strength.

We, EID Parry, have been pivotal in empowering the cane farmers and improving their social well being and building a long-term growth platform for the farming community, who are one of our biggest stakeholders. Over the years, we have supported the farmer with sustainable sourcing and sustainable livelihood. Your Company has also strengthened its R&D and has revved up its technological wing with the latest technological know-how and innovation, which will help your company attain sustainable growth and become an undisputed leader in the said domain. Moreover, our customer-centric approach has made us to create a niche for ourselves and helped our iconic brand 'Parry' to develop a greater brand resilience. We have also succeeded in creating better penetration for Parry's Jaggery and Parry's Amrit Brown Sugar and developing an efficient supply chain and distribution network.

The year 2020-21, was marked by the launch of Parry's Sweet Care, a low GI Sugar aimed at catering to the need of the health-conscious consumer segment. In addition, we also started to harvest value from the Nutraceuticals business, and our adjacencies apart from sugar. Under the Nutraceuticals segment, our products like Spirulina, Astaxanthin, and Chlorella are well-received among the health-conscious community the world over. As far as Spirulina and Chlorella are concerned, both helped us to gain a leadership position with our superlative product quality and timely scientific interventions and investments.

The last few years were marked by our decision to close some of our unviable operations in TN and Puducherry due to the non-availability of adequate cane. We decided to shift some of our capacities to the high cane growing areas of Karnataka which should augur well to utilize the capacities in a productive manner in the years to come. Your company has embarked on its journey of building and leveraging the brand Parry and is in the process of delighting the consumers with differentiated value added products. We believe that the business need not have to manufacture sugar to sell sugar

and there is enormous opportunity available in this untapped space, which we will be exploring with our solid foundation of brand and quality. While we have done well, we can do better. We are inspired to embrace more ambitious opportunities to expand our business.

Right from strengthening our Sugar business in terms of the upgradation of the existing distilleries at Nellikuppam, Haliyal and Sankili, the commissioning of a new distillery at Bagalkot to grow the ethanol stream, along with focusing on increasing the higher recovery cane, leveraging our Nutraceutical segment and expanding consumer-centric product portfolio, your company has left no stone unturned to strengthen its position and stand its ground as one of the leaders and pioneers in the industry.

At this point in time, I take the privilege to express my gratitude to our stakeholders, farmer community and our employees and their families who continue to stay with us and extend their full support to us.

I extend my special thanks to our shareholders who stood firm with us and put their trust in our capabilities.

Your Company continues to look forward to your encouragement and support in this difficult time of the pandemic and prays for your safety and health.

Stay Safe,

Yours Faithfully

S.Suresh
Managing Director





Board Of Directors



Mr. V. Ravichandran, Chairman

Mr. V. Ravichandran is a Non-Executive Non-Independent Director and has over three decades of experience in several spheres including Finance, Strategy, Marketing, General Management, and Governance. Mr. Ravichandran holds a bachelor's degree in Engineering and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is also a qualified Cost Accountant and Company Secretary. He has served the Murugappa Group for the past 30+ years. In 1994 he moved to Farm Inputs Division of E.I.D Parry as General Manager – Pesticides and consequent to the demerger of Farm Inputs Division into Coromandel Fertilizers Limited in 2003, he

assumed the role of Vice-President. He has also been the Managing Director of Coromandel International Limited from 2006 to 2013 and served the Board of several Companies.



Mr. S. Suresh, Managing Director

Mr. S. Suresh is an Executive, Non – Independent Director and has been associated with the Murugappa Group since August 2014. He is a Mechanical Engineering Graduate with a Post Graduate Diploma in Industrial Engineering and an MBA with specialization in Finance. He has 31 years of experience across different industries in handling SBUs and also in the functional areas of Sales, Marketing, Manufacturing, Industrial Relations, Supply Chain, Management of Special Projects, Industrial Engineering and business turnarounds. He is also the Managing Director of Parry Sugars Refinery India Private Limited, a subsidiary of E.I.D. Parry



Mr. Ajay B Baliga, Director

Mr. Ajay B Baliga, is an Independent Director. He holds a B.Tech in Chemical Engineering from the University of Madras. He is a veteran supply chain and manufacturing professional. He has over 38 year's experience in the Alcohol Industry. He is the Chairman of Nomination and Remuneration Committee of the Board of E.I.D. Parry.



Mr. V. Manickam, Director

Mr. V. Manickam is an Independent Director. He is a Chartered Accountant cum insolvency professional and has put in more than 29 years of service in the Life Insurance Corporation of India in various notable capacities. He retired as Managing Director and CEO of LIC Pension Fund Ltd and served as the Secretary-General of Life Insurance Council till March, 2020. He joined the Board of E.I.D.-Parry (India) Limited the year 2013 and is the Chairman of the Audit committee and Corporate Social Responsibility Committee of the Board of E.I.D. Parry.



Mr. Ramesh K B Menon, Director

Mr. Ramesh K B Menon is a Non-Executive Non-Independent Director. He is a Science graduate from Jaihind College, Mumbai and an alumnus of XLRI, Jamshedpur. Prior to joining the Board of Coromandel, Mr. Menon led the Group's HR function and was actively involved in the development of business strategy, supervision for business results and governance as Executive Director-HR in the Murugappa Corporate Advisory Board (MCAB). He also served as Lead Director of the Diversified Businesses of the Murugappa Group and had been the Member of MCAB for seven years. Mr. Menon earlier worked as the Director-HR of Coats, South Asia, with a career spanning 26 years in key HR leadership assignments across regions before joining the Murugappa Group. He is currently on the Boards of Coromandel International Limited, Parry Agro Industries Limited, Parry Murray & Company Limited, UK and Ambadi Enterprises Limited.



Dr. R̥cā Godbolé, Director

Dr. (Ms) R̥cā Godbolé is an Independent Director. She is a trained plant molecular biologist. She has a postgraduate degree in Bio-Chemistry from the University of Bombay and a Ph.D. from Freiburg, Germany. She has held Post Doctoral positions at the Heidelberg Institute of Plant Sciences and TU Munich. She has worked as a Scientist with Syngenta Seeds (India) Limited, and was involved in various research aspects of the seed business. She is a co-founder of an Agtech firm SaliCrop in Israel, commercializing her technology which enables crops to cope with abiotic stresses better. She joined the Board of E.I.D. - Parry (India) Limited in November 2015.



Mr. M. M. Venkatachalam, Director

Mr. M. M. Venkatachalam is a Non-Executive Non-Independent Director. He is a graduate from the University of Agricultural Sciences, Bangalore and holds a Master's Degree in Business Administration from George Washington University, USA. Mr. Venkatachalam has held senior positions in the Murugappa Group of Companies spanning a period of two and a half decades. He is presently the Chairman of Parry Agro Industries Limited. He also serves on the Boards of The Ramco Cements Limited, Ramco Systems Limited, Coromandel Engineering Company and Coromandel International Limited. He has a keen interest in conservation and volunteers time to the Nature Conservation Foundation and the Madras Crocodile Bank Trust.



Mr. T. Krishnakumar, Director

Mr. T. Krishnakumar is an Independent Director. He holds BE (Hons) from the College of Engineering, Guindy. He has done his Post-Graduate Diploma in Management (MBA) from the Indian Institute of Management, Bangalore and also Advanced Management Program from The Wharton School, USA. He has over 38 years of rich experience with leading, reputed companies like Asian Paints, Henkel India, Murugappa group, IFFCO group (Tiffany) UAE, Johnson & Johnson and Hindustan Coca-Cola Beverages Pvt. Ltd. in various spheres, including General management, strategy, marketing, sales, distribution, supply chain, team building and governance. He was the Chairman and CEO of Hindustan Coca-Cola Beverages Pvt. Ltd., India and also the Chairman of Coca-Cola India Pvt. Ltd.



Keeping cane at the core

Cane is the core of our business. More cane is more sugar, more bagasse. More sucrose is more sugar, more molasse, more alcohol. More research is more value to farmers and everyone else. More cane development is more farmer stickiness, more and better cane availability. At EID, we are amplifying our cane development play in a very holistic and sustained manner.

Development of Cane forms the soul of EID Parry's business and to support that we are relentlessly working on breeding and development of good varieties of cane. Our research and breeding program is one of its kind in the sector across the world and we are the only sugar manufacturer in India with a well-structured and dedicated cane R&D wing relentlessly working towards improving the yield and quality of sugarcane.

With an emphasis on creating cane crop par excellence, we have ensured developing disease-free quality clean seeds under a three-tier nursery program in tissue culture-based nurseries, a part of our captive farms. Over the years, we have developed more than twelve high-yielding and high sugarcane varieties for the benefit of the farming community. The early maturing variety Co 11015 is being produced under the sugarcane breeding program which is witnessing scale multiplication in Tamil Nadu and Andhra mills. This variety can be multiplied through tissue culture lab and to be used by the Parry farmers as well as the farmers of other mills. We also developed location-specific varieties so as to promote and retain farmers in cane cultivation and help them to realize good yield in their farms. Our timely interventions have resulted in

