

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

Regd.Office : Dare House, 234,N.S.C. Bose Road, Parrys Corner, Chennai 600 001, India.

Tel : 91.44.25306789 Fax : 91.44.25341609 / 25340858

CIN : L24211TN1975PLC006989

Website : www.eidparry.com

May 18, 2017

National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor Plot No.C/1, G. Block Bandra Kurla Complex, Bandra (E) <u>Mumbai – 400 051</u> <u>Scrip Code: EIDPARRY</u>	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, <u>Mumbai – 400 001.</u> <u>Scrip Code No: 500125</u>
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Dear Sirs,

We enclose a copy of Press Release issued in connection with Audited Standalone and Consolidated Financial Results of the company for the 4th quarter / year ended March 31, 2017 approved by the Board today.

Yours faithfully

For **E.I.D.- PARRY (INDIA) LIMITED****G.JALAJA**
Company Secretary

Encl.: a/a

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Press Release

**E.I.D.-Parry (India) Limited
Financial Results**

Chennai, 18th May 2017: EID Parry (India) Limited, one of the largest manufacturers of Sugar in India, has reported financial results for the quarter and year ended 31st March 2017.

Consolidated performance for the year ended 31st March 2017 and Q4 (Jan '17 – Mar '17):

The consolidated turnover for the quarter ended 31st March 2017, was Rs. 3,364 Crores registering a decline of 24 % in comparison to the corresponding quarter of previous year of Rs.4,413 Crores. Profit before depreciation, interest and taxes (EBITDA) and before exceptional item for the quarter ended 31st March 2017 of Rs. 471 Crores against corresponding quarter of previous year of Rs.459 Crores. Consolidated profit after tax and minority interest was Rs. 248 Crores compared to Rs.201 Crores in corresponding quarter of previous year.

The consolidated turnover for the year ended 31st March 2017 was Rs. 14,590 Crores registering a decline of 6% against previous year of Rs.15,456 Crores. Profit before depreciation, interest and taxes (EBITDA) and before exceptional item for the year ended 31st March 2017 was Rs.1585 Crores registering a growth of 59% against previous year of Rs.996 Crores. Consolidated profit after tax and minority interest is Rs. 521 Crores against previous year of Rs.35 Crores.

Standalone performance for the year ended 31st March 2017 and Q4 (Jan '17 – Mar '17):

The Standalone turnover for the quarter ended 31st March 2017 was Rs. 759 Crores in comparison to the corresponding quarter of previous year of Rs.949 Crores. Profit before depreciation, interest and taxes (EBITDA) for the quarter ended was Rs. 191 Crores in comparison to the corresponding quarter of previous year of Rs.196 Crores. Standalone profit after tax for the quarter is Rs.164 Crores as against corresponding quarter of previous year Rs.123 Crores.

The Standalone turnover for the year ended 31st March 2017 was Rs. 2,458 Crores against previous year of Rs.2,649 Crores and Profit before depreciation, interest and taxes (EBITDA) for the year ended was Rs. 509 Crores against previous year of Rs. 158 Crores. Standalone Profit after tax is Rs. 284 Crores against loss of Rs. 92 Crores in the previous year.



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Sugar Division

The Consolidated Sugar operations reported an operating profit of Rs. 118 Crores (corresponding quarter of previous year: Rs. 178 Crores) for the quarter.

Farm Inputs Division

The Consolidated Farm Inputs operations reported an operating profit of Rs.267 Crores (corresponding quarter of previous year: Rs.195 Crores) for the quarter.

Bio-products

For the quarter, Bio-products Division (comprising Bio-Pesticides and Nutraceuticals) registered a Profit before Interest and Tax of Rs. 15 Crores (corresponding quarter of previous year of Rs. 26 Crores).

Merger of Parrys Sugar Industries Limited with the Company

The Scheme of Amalgamation of Parrys Sugar Industries Limited, with the Company was approved by the Board of Directors at their meeting held on 10th May 2016.

The NCLT, Chennai and Bengaluru Benches approved the scheme vide their orders dated on 21st April 2017. Consequent to filing of the certified order copies along with the Scheme with the respective Registrar of Companies on 25th April 2017, the Scheme became effective from 25th April 2017 with the appointed date of 1st April 2016.

Mr V. Ramesh, Managing Director commenting on the standalone results for the year mentioned as follows:

“The improved performance of the Company has been largely on account of better sugar prices, which have been on an upswing since August 2016. The Company has also been implementing a host of other Initiatives in the Sugar Division to improve profitability. In terms of sales, the Company has focussed on product differentiation and value addition to the customers. The Company is a leading supplier of sugar across varied Institutional segments. The product differentiation has been through certifications, particle size distribution, packing modes, structured logistics and key account management. On Retail, the product differentiation has been through focus on health and other benefits. In terms of Manufacturing, the focus has been on cost optimisation across the entire conversion cost chain. The ongoing TPM Initiative at the Company’s Unit will enable the Company to achieve Manufacturing Excellence in all its operations. The Division has also been focussing on sustainability initiatives on water, emission and effluent and new technologies with focus on energy and steam consumption. The Nellikuppam Refinery has been upgraded to meet the stringent pharma standards of production and the Company’s Distilleries have implemented a zero liquid discharge system. There have been continued improvements in quality and food safety. However, the availability of sugarcane

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has been a major concern for the year. Tamil Nadu witnessed a very severe drought and this is going to impact cane volumes going forward in 2017-18. Challenges of establishing a revenue sharing mechanism for cane price fixation in Tamil Nadu, continue to remain. The situation in AP on cane crushed has been no different, with much lower rainfall in 2016. In Karnataka too, the Company crushed lesser cane during the year due to lower yield because of drought, combined with farmers diverting cane due to fear of perishals. The Company has paid cane prices, higher than FRP across all the three States and is committed to provide a fair share of its revenue to the farmers. The Government policies, especially at the Centre, have been very supportive. The Government introduced measures like soft loan schemes, production subsidy, mandatory export and ethanol blending programmes in the previous year and once the sugar prices improved to desired levels, the Government reacted promptly with imposition of stock limits, withdrawal of production subsidy, imposition of export duty and withdrawal of excise benefit on ethanol supply for blending.

During the year the Bio Pesticides Division of the Company was severely impacted by significant increase in neem seeds price from previous year's levels due to monsoon failure across the Southern States coupled with increased competition. The unprecedented price increase impacted the profitability resulting in a 45% drop in operating profits, in spite of growth in revenue over the previous year. To mitigate the risks relating to seeds availability, the Division is implementing measures with both the short term and long term horizons in mind. The Division has commenced Research & Development work on new products in the Microbial segment. It would take the Division about 2 years for these new products to be rolled out, in both the domestic and international markets.

The Nutraceuticals Division of the Company also witnessed a marginal reduction in the overall sales due to drop in traded product sales over the previous year. Spirulina production from the new green field unit established at Saveriapuram in Tamil Nadu, has stabilised well during the year. Efforts are on to stabilise Chlorella production, which also commenced during the year. The Division has received the USFDA approval for its Oonaiyur facility for organic micro algae cultivation and processing. The Division is stepping up its new product development efforts for value added products based on micro algae, such as Green Foods, Protein and Algal Omega 3.

At the Corporate level, the Company has focussed on reducing the overall debt which has been brought down by about ₹1200 crores in the last three years, including ₹376 crores during 16-17. The Company also received a special recognition at the National level in May'17 for its "Commitment to Engagement" as part of the Aon Best Employers India 2017. During the year the Company paid an interim dividend of ₹4 (400%) per equity share ₹1 each in March 2017."





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

E.I.D. Parry is a significant player in Sugar with interests in promising areas of Bio Pesticides and Nutraceuticals. E.I.D Parry was incorporated in 1975. The company also has a significant presence in Farm Inputs business through its subsidiary, Coromandel International Limited. EID Parry has a 100% stake in Parry Sugars Refinery India Private Limited, 93.52% stake in US Nutraceuticals LLC, USA with 100% voting rights.

EID Parry, together with its subsidiaries, has nine sugar factories having a capacity to crush 43400 Tonnes of Cane per day, generate 160 MW of power and four distilleries having a capacity of 234 KLPD. In the Bio Pesticides business, the Company offers a unique neem extract, Azadirachtin, having a good demand in the developed countries' bio pesticide markets. In the Nutraceuticals business, it holds a strong position in the growing wellness segment mainly catering to the world markets with its organic products.

About the Murugappa Group

Founded in 1900, the INR 295 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Parry Sugar Industries Ltd, Shanthi Gears Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Transmission systems, Cycles, Sugar, Farm Inputs, Fertilisers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Sociedad Química y Minera de Chile (SQM), Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like Parrys, BSA, Hercules, Montra, Ladybird, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 32,000 employees. For more details, visit www.murugappa.com.



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For Further Information, please contact:

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