



STRONGER... GREENER... BIGGER...



E.I.D.- Parry (India) Limited
Annual Report 2009-2010





Stronger...Greener...Bigger...

Synergistic alliances, dynamic expansions and futuristic green ventures - these defined Parry's growth strategies, as the company expanded in size and scale and delivered a strong operating performance.

While the Sugar division extended its geographical boundaries, Bio-pesticides focused on developing

new crop protection formulations. The Nutraceuticals division took the big leap in scale and competencies, with alliances and new breakthrough products.

Sugar, Bio pesticides, Nutraceuticals, each of the three businesses of the company had their road map clearly defined - to grow Stronger... Greener... Bigger.....





Sugar

A year of major expansions. Expansions in scale. Expansions in geography. The recent acquisition of Sadashiva Sugars Ltd and proposed acquisition of GMR Industries Ltd will see a large scale increase in Parry's sugar milling, cogeneration and distillery capacities, positioning the company as one of the largest sugar manufacturers in India.

A year of strong performance. The sugar business delivered record turnover and profits while completing its investments in capacity expansions

and modernisation of existing plants and commissioning the cogeneration facility at Pettavaithalai.

It was also a year of consolidation. Moving up the value chain by producing premium quality, customised grades of sugar for its customers, the company consolidated its market leadership in the industrial sugar segment. In the retail market, Parry's flagship brand, Parrys Pure, expanded shelf space, reach and volume.

Nutraceuticals

At Parry's Nutraceuticals division, it was a year of consolidation of alliances and acquisitions. In sync with its core principle of providing preventive health care, the Nutraceuticals division focused on developing a platform of wellness products, addressing major health concerns relating to eye, heart, joints and nutrition deficiencies, and for women's health, energy and well being.

The division is well poised to expand its footprints in the global market by leveraging its marketing network in over 20 countries.

Working out synergies with alliance partners, developing new products and accessing new markets, the Nutraceuticals division is taking a big leap, to consolidate its position as a global manufacturer of wellness products.



Bio Pesticides

In line with its commitment to support farmers by providing safe and sustainable agricultural inputs and its vision of becoming a complete solution provider for achieving plant wellness, Parry's Bio Pesticides Division focused on expanding its product range.

The largest manufacturer of neem based Bio-pesticides in the world, Parry's NEEMAZAL® range

of eco friendly bio pesticides are being marketed in 36 countries across America, Asia, Europe and Oceania.

With the market for organic agro inputs estimated to grow at a CAGR of 10% world over, the Bio division is poised to become a key player in crop protection products.





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

Financial Highlights - ten years at a glance

Rs. Lakhs

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
PROFITABILITY ITEMS										
Gross Income	136658	152713	137636	64145	81913	103044	73869	72932	170599	133526
Gross Profit (PBDIT)	15646	15513	11487	9119	15893	17766	20109	1898	96539	35536
Depreciation	4187	4369	4502	3037	2817	2915	3287	4403	5017	6933
Profit/(Loss) Before Interest & Tax	11459	11144	6985	6082	13076	14851	16822	(2505)	91522	28603
Interest	6585	5278	3282	753	350	739	(211)	1345	2682	3857
Profit/(Loss) Before Tax	4874	5866	3703	5329	12726	14112	17033	(3850)	88840	24746
Tax	410	2383	1020	1006	2300	2528	4291	(2192)	19644	4218
Profit/(Loss) After Tax	4464	3483	2683	4323	10426	11584	12742	(1658)	69196	20528
BALANCE SHEET ITEMS										
Net Fixed Assets	52098	50621	47978	29428	31460	33322	48256	61999	85942	84650
Investments	7695	7689	7663	11011	10126	11167	11736	18344	48561	68282
Net Current Assets	31751	25863	24803	19420	22680	33131	35616	33537	26584	27561
Total Capital Employed	91544	84173	80444	59859	64266	77620	95608	113880	161087	180493
Shareholders Funds	40808	37384	38573	32877	40850	47939	53005	50607	96346	109066
Borrowings	50736	39107	33469	22160	18340	24880	35236	58161	53853	57552
Deferred Tax Liability		7682	8402	4822	5076	4801	7367	5112	10888	13875
Total	91544	84173	80444	59859	64266	77620	95608	113880	161087	180493
RATIOS										
Book Value per share (Rs.)	228	209	216	184	234	54	60	57	113	127
EPS (Rs.)	24.72	19.48	15.03	24.22	58.41	12.98	14.28	(1.86)	77.80	23.81
Dividend on Equity %	70	70	60	75	125	225	295	25	1000	500

Notes : -

1. The Farm Inputs Division was demerged into Coromandel Fertilisers Limited with effect from April 1, 2003.
2. The equity shares of Rs. 10 each were subdivided into shares of Rs. 2 each with effect from June 3, 2005.
3. The Parryware Division was transferred on March 1, 2006 to Parryware Glamourooms Private Ltd, a wholly owned subsidiary.
4. Parry Nutraceuticals Ltd. was merged effective 1st September 2006.

Corporate Information

BOARD OF DIRECTORS	<p>A. Vellayan, <i>Chairman</i></p> <p>K. Raghunandan, <i>Managing Director</i></p> <p>Anand Narain Bhatia</p> <p>V. Manickam</p> <p>M.B.N. Rao</p> <p>V. Ravichandran</p> <p>R. A. Savor</p>
COMPANY SECRETARY	G. Jalaja
CORPORATE MANAGEMENT TEAM	<p>K. Raghunandan, <i>Managing Director</i></p> <p>D. Kumaraswamy, <i>President (Bio, Nutra & Corporate Affairs)</i></p> <p>Sebastian K. Thomas, <i>Chief Executive (Nutraceuticals)</i></p> <p>Dr. M.C. Gopinathan, <i>Senior Vice President (R&D)</i></p> <p>P. Gopalakrishnan, <i>Vice President (Finance)</i></p> <p>S.K. Sathyavrdhan, <i>Vice President (HR)</i></p>
REGISTERED OFFICE	'Dare House', Parrys Corner, Chennai – 600 001
AUDITORS	Deloitte Haskins & Sells, Chartered Accountants Chennai
BANKERS	State Bank of India
INVESTOR CONTACTS REGISTRAR AND TRANSFER AGENTS	<p>Karvy Computershare Private Limited, Unit: E.I.D. - Parry (India) Ltd., Plot No: 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081. Tel : +91-040-23420815-823 Fax : +91-040-23420814 E-Mail : mailmanager@karvy.com; vkjayaraman@karvy.com</p>
COMPANY	<p>Ms. G. Jalaja, Vice President & Company Secretary Tel : +91-044-25306789, Fax: +91-044-25341609 E-Mail : investorservices@parry.murugappa.com</p>

Directors' Report

Your Directors have pleasure in presenting their Report together with the audited accounts for the financial year ended 31st March, 2010.

The performance highlights of the Company for the year are summarised below:

FINANCIAL RESULTS

	Rs. Lakhs	
	2009-2010	2008-2009
Total Income	129682	167772
Profit Before Interest and Depreciation	35536	96539
Less : Interest	3857	2682
Depreciation	6933	5017
Profit Before Tax	24746	88840
Less : Provision for Tax :		
- Current	2600	13800
- Deferred	2987	5776
- MAT Credit entitlement	(1369)	-
- Fringe Benefit Tax	-	68
Profit After Tax	20528	69196
<i>Add</i> : Surplus brought forward	59180	15784
Amount available for Appropriation	79708	84980
APPROPRIATIONS		
Transfer to General Reserve	40000	6920
Transfer to Debenture Redemption Reserve	417	-
Dividend on Equity Capital :		
Interim paid	5181	12181
Proposed Final	3454	5167
Dividend Tax (Net)	(24)	1532
Surplus carried to Balance Sheet	30680	59180
TOTAL	79708	84980

PERFORMANCE

The Company recorded a revenue of Rs.129682 lakhs (including other income of Rs.14950 lakhs) for the year ended 31st March, 2010. Other income includes Rs.798 lakhs (2008-09 - Rs.74972 lakhs) of Profit on sale of investments. The total gross sales of the company for the year 2009-10 grew by 51% to Rs. 118576 Lakhs from Rs. 78384 Lakhs in the year 2008 - 09.

The Earnings before Interest, Depreciation, Tax and Amortization for the year was Rs. 34738 Lakhs (excluding Profit on sale of Investments of Rs.798 lakhs) representing 30% of total sales and showed a growth of 61% over previous year's Rs. 21567 Lakhs (excluding profit on sale of investments of Rs.74972 lakhs). The increased profits in Sugar resulted in higher EBIDTA during current year.

Sugar sales increased from Rs.58618 Lakhs to Rs.93634 Lakhs in 2009-10, showing a growth of 60% mainly driven by higher prices. Alcohol sales increased by 113%

consequent to the newly commissioned Distillery plant at Sivaganga district, Tamilnadu. Revenue from sale of power recorded an increase of 29%.

Bio-Pesticides' sales dropped marginally due to drop in volume.

Nutraceuticals division's sales increased by 29%, due to higher sales volume of Spirulina and traded products that include Lycopene , Lutein & Others.

SUGAR

The sugar industry is one of the largest agro based industries, supporting India's economic growth. The downturn in sugar production witnessed in 2008-09 Sugar Season is slated to continue into the next two Sugar Seasons (2009-10 and 2010-11) as production is expected to be significantly lower than consumption, leading to the possibility of sugar imports to meet domestic demand.

The Company has six sugar plants spread across South India of which four are in Tamil Nadu, one in Puducherry and one in Karnataka through its subsidiary, Sadashiva Sugars Ltd. The Company has increased the throughput sugarcane capacity to 21,500 TCD and cogeneration capacity to 100 MW across its sugar mills. The integrated Sugar Units have been designed to optimize process efficiencies, increase sugarcane recovery ratio, and increase energy efficiency through reduced steam and power consumption.

The Company continues to be one of the low cost producers of international quality sugar, through its innovative process and farmer centric practices.

The existing Distillery unit at Nellikuppam has been converted into a multi-product unit with ENA and Ethanol production facilities. Further expanding capacity from 40 KLPD to 75 KLPD is in progress. The green field stand alone distillery factory in Sivaganga, with a capacity of 60 KLPD, commissioned during March 2009 stabilised during the year.

INVESTMENT IN SADASHIVA SUGARS LIMITED

As part of the growth strategy for the Sugar business, in October, 2009 the Company acquired a 76% stake in the Equity of M/s Sadashiva Sugars Limited, Bangalore having its factory at Nagara Nainegali, Bagalkot District, Karnataka. The factory has a capacity to crush sugarcane of 2500 TCD and Cogen capacity of 15.5 MW. With this acquisition, the Company made an entry in the State of Karnataka.

JOINT VENTURE WITH CARGILL ASIA PACIFIC HOLDINGS PTE LIMITED

During the financial year ended 31st March 2010, your company invested Rs. 1430 lakhs in the equity of the Joint Venture entity viz. Silkroad Sugar Private Ltd.

The commercial production is yet to commence and is expected to commence in 2010-11 and the delay has been due to non availability of gas. With a capacity of 2000 tons of refined sugar production per day and with a 35 MW Co-Generation Plant, this refinery will be the largest in the South Asian region.

BIO PRODUCTS

Bio Pesticides

The US market experienced economic slowdown resulting in 10-15% sales reduction for agrochemicals.

Organic crop areas reduced by 20-30% over 2008-09 leading to sales reduction of biological inputs. Better economic outlook over 2010-11 and thereafter is expected to bring back the organic momentum.

Domestic markets, mainly in Tamil Nadu, Karnataka, West Bengal and North Eastern States registered growth over 2008-09, mainly due to the product acceptability of Bio Granule Abda in rice and Fruits & Vegetables crop segments.

The revenue (including excise duty) for the year ended 31st March, 2010 was Rs.3626 lakhs as compared to Rs.3636 lakhs of previous year. PBIT for the year was Rs. 561 lakhs against the previous year's Rs. 717 lakhs.

Nutraceuticals

The Nutraceuticals products continued to grow in all the markets and are currently exported to over 38 countries. Certified Organic Spirulina continues to outperform competition in its segment.

The revenue (including excise duty) for the year ended 31st March, 2010 was Rs. 3747 lakhs representing 3% of the Company's revenue. About 80% of this represents exports. Nutraceuticals division's sales has increased by 28%, due to higher sales volume of Spirulina and traded products that include Lycopene, Lutein & Others.

To ensure that Parry Nutraceuticals maintains its edge in product development, the Parry Life Sciences facility was established at TICEL Park, Chennai to develop products and formulations in line with market demand across dietary supplement, functional foods and Pharmaceuticals segments.

R & D

During the year, the Company incurred a sum of Rs. 357.90 lakhs towards the revenue expenditure on account of Research and Development at the Approved In-House R & D units at Bangalore and Nellikuppam. The Company also incurred a sum of Rs. 1.61 lakhs towards Capital expenditure in respect of Approved In-House R & D units at Bangalore and Nellikuppam. In addition to the above, the Company also spent a sum of Rs. 270.49 lakhs towards revenue expenditure and Rs. 298.19 lakhs towards Capital expenditure for establishing a new research centre at Chennai.

DIVIDEND

Your Directors are pleased to recommend a final dividend of Rs. 4 (200 %) per equity share of Rs. 2 each for the

financial year ended 31st March, 2010. During the year, the Company had already paid an interim dividend of Rs. 6 (300%) per equity share of Rs. 2 each in February, 2010.

With this, the total dividend declared for the year is Rs.10 (500%) per share.

CORPORATE DEVELOPMENTS

INVESTMENT IN EQUITY SHARES OF PARRY PHYTOREMEDIES PRIVATE LIMITED, SUBSIDIARY COMPANY

During the year under review, the Company acquired a further 20,000 equity shares of Rs. 100 each of Parry Phytoremedies Private Limited, a subsidiary increasing the stake from 51% to 63%.

INVESTMENT IN EQUITY SHARES OF COROMANDEL INTERNATIONAL LIMITED, SUBSIDIARY COMPANY

During the year, the Company acquired a further 3,36,500 shares of Rs.2 each of Coromandel International Limited, a listed Subsidiary of the Company. With this, the Company holds 63% in their Equity.

SALE OF SHARES IN TRICHY DISTILLERIES AND CHEMICALS LIMITED

During the year, the Company divested its entire stake of 2,20,000 equity shares of Rs.10 each held by the Company in Trichy Distilleries and Chemicals Limited.

VOLUNTARY DELISTING OF EQUITY SHARES FROM THE MADRAS STOCK EXCHANGE LTD.

In accordance with the provisions of SEBI (Delisting of Equity Shares) Regulations, 2009, the Company has made an application to The Madras Stock Exchange Limited for voluntary delisting of its Equity Shares from where the Company's Equity Shares are listed. The proposed voluntary delisting would not adversely affect the investors, as the Company's shares would continue to be listed on the NSE and BSE, which have nation wide terminals.

EMPLOYEE STOCK OPTION SCHEME

Under the 'Employee Stock Option Scheme' ('the Scheme') of the Company, the Company had not granted any Options during the year ended 31st March, 2010. The details of the Options granted up to 31st March, 2010, and other disclosures as required under Clause 12 of the Securities and Exchange Board of India

(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are set out in the Annexure to this Report.

The Company's Auditors, Messrs. Deloitte, Haskins & Sells, have certified that the Scheme had been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions passed by the Members in this regard.

SUBSIDIARY COMPANIES

Coromandel International Limited

The name of the Company has been changed during the year from Coromandel Fertilisers Limited to Coromandel International Limited (Coromandel) in order to communicate the business potential of the Company across the globe to the stakeholders. Coromandel achieved a turnover of Rs. 639473 lakhs for the year ended 31st March, 2010 and the profit after tax was Rs.46820 lakhs. The Company's Board had recommended a final dividend of Rs. 4 per share (200 %) for the year. With the interim dividend of Rs. 6 per share (300%) paid in February, 2010, the total dividend from Coromandel for the year ended 31st March, 2010 is Rs.10 per share (500%).

Parry Chemicals Limited

Parry Chemicals Limited, a 100% subsidiary of Coromandel, achieved a turnover of Rs.56.96 lakhs for the year ended 31st March, 2010. The Profit after Tax was Rs.1.68 lakhs.

Parrys Sugar Limited

The Company during the year ended 31st March 2010, earned an income of Rs.12.56 lakhs and after providing for expenses amounting to Rs.0.44 lakhs, the Profit before tax was Rs.12.12 lakhs. After providing for tax of Rs. 3 lakhs, the Profit after Tax was Rs.9.12 lakhs. With the brought forward amount of Rs.27.95 lakhs, Rs.37.07 lakhs is carried to Balance sheet.

Parry Infrastructure Company Private Limited

The Company is in the process of evaluating various properties held by the Murugappa Group Companies and depending on the market demand and potential value, the Company will progress on the development of these properties for residential/commercial purposes.

During the year under review the company earned a profit of Rs.5 lakhs. After adjusting the carried forward loss of Rs.4 lakhs, the balance amount of Rs.1 lakh is carried to the Balance Sheet.

Parry America Inc.

Parry America Inc, the 100% subsidiary based in US, reported an income of US\$ 2,960 thousands for the year ended 31st March, 2010. The Profit After Tax was US\$ 134 thousands. Including the carried forward profit of US\$ 142 thousands for the previous year, the profit carried forward for the year was US\$ 276 thousands.

Parrys Investments Limited

During the year ended 31st March, 2010 the company earned an income of Rs.5 lakhs and the Profit after Tax was Rs.1 lakh.

Coromandel Bathware Limited

No operations were carried on during the current year.

Parry Phytoremedies Private Limited

The revenue for the year was Rs.603 lakhs. During the year ended 31st March, 2010 the company made a loss of Rs. 89 lakhs.

Sadashiva Sugars Limited

The Company, acquired by EID Parry during October, 2009 recorded a revenue of Rs.1123 lakhs for the year ended 31st March, 2010. After providing for depreciation, interest and expenses the loss carried forward was Rs.1470 lakhs.

SUBSIDIARY ACCOUNTS

In terms of the approval granted by the Central Government u/s 212 (8) of the Companies Act, 1956, copies of the Balance Sheet, Profit & Loss Account, Reports of the Board and the Auditors of all the Subsidiary Companies have not been attached to the Balance Sheet of the Company as at 31st March, 2010. However as directed by the Central Government, the financial data of the subsidiaries have been separately furnished forming part of the Annual Report. These documents will also be available for inspection at the Registered Office of the Company and the concerned subsidiary companies, during working hours up to the date of the Annual General Meeting. However, the related detailed information of the Annual Accounts of the Subsidiary Companies will be made available to the Holding and Subsidiary Companies investors seeking such information at any point of time. The Annual Accounts of the Subsidiary Companies will also be kept for inspection by the investors at the Registered Office of the Company and that of the Subsidiary Companies concerned.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards (AS-21, AS-23 and AS-27) issued by the Institute of Chartered Accountants of India and the same together with Auditors' Report thereon form part of the Annual Report.

DIRECTORS

Mr.Sridhar Ganesh, Director resigned from the Board with effect from 30th October, 2009.

The Board places on record its grateful appreciation of the valuable services rendered and contributions made by Mr.Sridhar Ganesh as a Director.

Mr.M.B.N.Rao and Mr.V.Ravichandran, joined the Board as Additional Directors on 1st August, 2009 and 30th October, 2009 respectively and will hold office till the ensuing Annual General Meeting. The Company had received notices from members proposing the appointments of Mr.M.B.N.Rao and Mr.V.Ravichandran as Directors of the Company.

Mr. A.Vellayan, Chairman retires by rotation in terms of Articles 102 and 103 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.

As required under Clause 49 of the Listing Agreement relating to Corporate Governance, a brief resume, expertise and details of other directorships of Mr.M.B.N.Rao, Mr.V.Ravichandran and Mr.A.Vellayan are provided in the Notice of the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

CEO / CFO CERTIFICATION

Mr.K.Raghunandan, Managing Director and Mr.P.Gopalakrishnan, Vice President (Finance), have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, an amount of Rs.6.32 lakhs being unclaimed dividend, interest on fixed deposit and unclaimed deposits etc.

was transferred during the year to the Investor Education and Protection Fund established by the Central Government.

DEPOSITS

4 deposits totalling to Rs. 0.39 lakhs due for repayment on or before 31st March, 2010 were not claimed by the Depositors on that date. Efforts are being made to contact all such deposit holders to facilitate the refund to them. The Company had discontinued acceptance of deposits since July 2003.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief :

- in the preparation of the Profit & Loss Account for the financial year ended 31st March, 2010 and the Balance Sheet as at that date ("financial statements"), applicable Accounting Standards have been followed;
- appropriate accounting policies have been selected and applied consistently and such judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognised. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit Committee meets at regular intervals to review the internal audit function;
- the financial statements have been prepared on a going concern basis.

AUDITORS

M/s. Deloitte, Haskins & Sells, Chartered Accountants, Chennai, the Company's Auditors, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

The Board, on the recommendation of the Audit Committee, has proposed that M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai be re-appointed as the Statutory Auditors of the Company and to hold office till the conclusion of the next Annual General Meeting of the Company. M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai have forwarded their certificate to the Company, stating that their re-appointment, if made, will be within the limit specified in that behalf in Sub-section (1B) of Section 224 of the Companies Act, 1956.

COST AUDITOR

The Company received the approval of the Central Government for appointment of Mr.D.Narayanan as Cost Auditor to conduct the cost audits for the financial year 2009-10.

PARTICULARS OF EMPLOYEES

Under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report.

ACKNOWLEDGEMENT

The Directors thank the customers, suppliers, farmers, financial institutions, banks and shareholders for their continued support and also recognise the contribution made by the employees to the Company's progress during the year under review.

On behalf of the Board

Chennai
April 24, 2010

A. VELLAYAN
Chairman

Annexure to the Directors' Report

Statement as at 31st March, 2010 pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

a) Total Number of Options granted	:	Date of Grant	No. of Options granted	
		31.08.2007	929100	
		29.10.2007	116200	
		24.01.2008	230300	
		24.04.2008	76100	
		28.07.2008	65000	
		24.09.2008	193500	
		29.10.2008	56800	
		20.03.2009	23900	
			<u>1690900</u>	
b) (i) Pricing Formula	:	The pricing formula, as approved by the shareholders of the Company, is the latest available closing price of the equity shares on the stock exchange where there is highest trading volume as on the date prior to the date of the Compensation & Nomination Committee resolution approving the grant.		
(ii) Exercise Price per option, (Rs.) (Each Option represents 1 Equity Share of Rs.2/- each)	:	31.08.2007	29.10.2007	24.01.2008
		Rs.129.60	Rs.151.40	Rs.188.30
		24.04.2008	28.07.2008	24.09.2008
		Rs.207.20	Rs.185.95	Rs.212.60
		29.10.2008	20.03.2009	
		Rs.149.90	Rs.138.25	
c) Total number of Options vested	:	161438		
d) Total number of Options exercised	:	244656		
e) Total number of Shares arising as a result of exercise of Options	:	244656		
f) Total number of Options lapsed/cancelled	:	432306		
g) Variation of terms of Options	:	Nil		
h) Money realised by exercise of options	:	Rs.378.87 lakhs		
i) Total number of Options in force	:	1013938		
j) Details of Options granted to:				
i) Senior Managerial Personnel	:	As provided below		
Name		Designation	No. of options granted	
1. Mr. P.Gopalakrishnan		Vice President-Finance	42600	
2. Dr. M.C.Gopinathan		Senior Vice President- R & D	50500	
3. Mr. D.Kumaraswamy		President- Bio, Nutra & Corporate Affairs	91600	
4. Mr. K.Raghunandan		Managing Director	129100	
5. Mr. Sebastian K.Thomas		Chief Executive- Nutraceuticals	63200	
6. Mr. S.K. Sathyavrdhan		Vice President (HR)	38600	

Annexure to the Directors' Report (Contd.)

ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year	: 1. Mr. G. Madhavan 2. Mr. P. Nagarajan 3. Mr. K.E. Ranganathan 4. Mr. Manoj Kumar Jaiswal 5. Mr. G. Rajasekar	32500 32500 193500 56800 23900
iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	: None	
<hr/>		
k) Diluted Earnings Per Share (EPS) pursuant to issue of Shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	: Rs. 23.62	
<hr/>		
l) (i) Method of calculation of employee compensation cost	: The employee compensation cost has been calculated using the intrinsic value method of accounting to account for Options issued under ESOP 2007. The stock-based compensation cost as per the intrinsic value method for the financial year 2009-10 is Nil.	
(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	: Rs. 237 Lakhs	
(iii) The impact of this difference on profits and on EPS of the Company	: The effect on the net income and earnings per share, had the fair value method been adopted is presented below:	
	Net Income	Rs. in Lakhs
	As reported	Rs. 20528
	Add: Intrinsic Value Compensation Cost	Rs. Nil
	Less: Fair Value Compensation Cost (Black Scholes model)	Rs. 237
	Adjusted Net Income	Rs. 20291
	Earnings per Share	Basic Diluted
		(Rs.) (Rs.)
	As reported	Rs. 23.81 Rs. 23.62
	As adjusted	Rs. 23.53 Rs. 23.35
<hr/>		
m) Weighted average exercise prices and weighted average fair values of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock	: Weighted average exercise price Per Option :	Rs. 155.05
	: Weighted average fair value Per Option :	Rs. 54.73
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Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988 and forming part of the Directors' Report

I. CONSERVATION OF ENERGY

1. At the Nellikuppam Sugar unit, Condensate pumps were eliminated by introducing 'U' Siphon system for condensate withdrawal from the Evaporator.
2. At the Pugalur Sugar unit, various steam saving measures implemented like Flash heat recovery system for juice heaters, Clear juice for B & C sugar melting and Evaporator Third body vapour bleeding for Sulphured juice heating first stage.
3. At the Pugalur and Pudukottai Sugar units, planetary gear drives were installed at crystallizers for electricity saving.
4. At the Pugalur and Pudukottai Cogen units, introduced automation of Air Cooled Condenser operation based on vacuum for energy savings.

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

At the Pugalur Sugar unit, mill automation (speed of the rake has to be controlled based on the crushing rate) installed for better crushing rate and energy saving.

- III. During the year an amount of Rs. 6.28 Crore has been incurred on account of revenue expenditure towards Research and Development activities in the various divisions.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2009-10
	Rs. Crore
(a) Earnings	46.87
(b) Outgo	3.94

V. ENERGY CONSUMPTION

	2009-2010	2008-2009
A. Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (KWH)	6801756	5792418
Total Amount (Rs. Lakhs)	444.81	471.81
Rate per Unit (Rs.)	6.54	8.15
(b) Own Generation		
(i) Through Emergency Diesel Generator		
Units (KWH)	2807798	2227579
Units per ltr of Diesel Oil	2.99	3.10
Cost per unit (Rs.)	11.82	11.46
(ii) Generated Through Steam Turbine		
Out of Own Bagasse (KWH)	252062399	342725891
Out of Outside fuel (KWH)	136355956	43008217
2. Furnace Oil		
Qty. (K. Litres)	755	627
Value (Rs. Lakhs)	160	154
Average Rate / K. Ltr.(Rs.)	21136.60	24487.88
3. Others / Internal Generation		
HSD		
Qty (KL)	1345	447
Total Cost (Rs. In Lakhs)	472	156
Rate per KL (Rs.)	35118.14	34843.23
B. Consumption per unit of Production		
		(KWH) Electricity
	2009-2010	2008-2009
Sugar Per MT	393	296

On behalf of the Board

Chennai
April 24, 2010A. VELLAYAN
Chairman

Information as per Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report - Details of Remuneration paid for the year ended 31st March, 2010

Name/(Age)	Designation of the Employee/ Nature of Duties	Remuneration (Rs.)	Qualification/ Experience (Years)	Date of commencement of Employment	Previous Employment
(1)	(2)	(3)	(4)	(5)	(6)
A) Employed throughout the year ended 31st March, 2010 and were in receipt of remuneration aggregating not less than Rs. 24,00,000					
V. Bragadeesh (46)	Vice-President	37,97,286	M.Com, Dip in Business Admn. (19)	03.10.1996	Indian Audit & Accounts Dept. of India
Dr. M.C. Gopinathan (55)	Senior Vice-President	37,06,561	M.Sc, Phd, M.Phil (27)	01.06.1988	University of Delhi
P. Gopalakrishnan (46)	Vice-President	35,70,844	ACA, AICWA, CFA (24)	05.11.2007	Aircel Limited
G. Jalaja (52)	Vice-President & Company Secretary	38,90,409	B.Com., A.C.A., F.C.S. (26)	05.08.1983	Aicam Engineering Pvt. Ltd.
Joseph Nathan (54)	Vice-President	39,80,846	B.A., B.L., P.G.D.B.A. (29)	02.09.1985	Uttam Reddy & Co. Advocates
E.V. Krishnan (53)	Executive under deputation	44,94,480	B.A., M.B.A. (31)	17.01.1994	Diamond & Gem Development Corporation
D. Kumaraswamy (56)	President	75,56,757	B.Com., A.C.A., A.C.S., (33)	07.03.1986	Mechnafab Pvt. Ltd.
Manoj Kumar Jaiswal (46)	Senior Vice-President	46,89,803	B.A., MBA (17)	19.08.2008	Infosys Technologies Ltd.
K. Manivannan (55)	Executive under Deputation	27,34,195	B.Sc. (Agri.) (33)	09.06.1997	Dharani Sugars & Chemicals Ltd.
M. Murugesan(56)	Vice-President	31,36,243	B.E. (Chem.) (32)	04.02.1981	Cauvery Sugars & Chemicals Ltd.
Ramesh Ponnuswami (41)	Vice-President	40,61,554	BE (Mech), MBA (18)	18.10.2001	Sugar Research Ltd, Australia
K. Raghunandan (52)	Managing Director	96,68,716	MS Chem. Engg (29)	11.07.1988	IEL Ltd.
K.E. Ranganathan (47)	Executive under deputation	97,34,281	B.Com, A.C.A, A.C.S. (26)	10.10.1994	TVS Electronics Limited
G. Sreenivaasan (47)	Vice-President	34,73,619	BE (Production), PGDM (24)	27.02.2006	Lifestyle International Pvt. Ltd.
Sebastian K. Thomas (61)	Chief Executive	69,81,089	M.Sc. (Botany) (36)	01.09.1992	Biogenics, California, USA
W.R. Vasudevan (53)	Vice-President	31,43,406	B.Tech (Chem) (30)	03.09.2001	Balaji Foods & Feeds Ltd.
(B) Employed for part of the year ended 31st March, 2010 and was in receipt of remuneration aggregating not less than Rs. 2,00,000 per month.					
Cherian Mammen (56)	General Manager	23,15,103	B.Sc. (Agri) (32)	01.06.1994	Indofil Chemicals Company
Major P.S. Narayanaswamy (58)	Vice-President	39,66,227	Grad. OTA, IDCPA, (38)	01.05.1998	TVS Electronics Limited
K.N. Radhakrishnan (59)	Vice-President	39,97,506	B.Com., A.C.A. (34)	01.03.1995	Navabharat Ferro Alloys Ltd.
C.R.Rajan (58)	Executive under deputation	70,14,847	B.SC.(Hons), MBA(36)	07.05.1993	MMTC of India Limited

1. The nature of employment of all employees above is contractual.
2. Remuneration as shown above includes salary, allowances, leave travel assistance, Company's contribution to Provident Fund, Superannuation Fund and Gratuity Fund, Medical facilities and perquisites valued in terms of actual expenditure incurred by the Company in providing the benefits to the employees excepting in case of certain expenses where the actual amount of expenditure cannot be ascertained with reasonable accuracy, and in such cases, notional amount as per Income-tax Rules has been adopted.
3. Remuneration as shown above does not include amount attributable to compensated absences as actuarial valuation is done for the Company as a whole only.
4. None of the employees is related to any Director of the Company.

On behalf of the Board

Chennai
April 24, 2010

A.VELLAYAN
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-10

REVIEW OF EID PARRY'S BUSINESS

EID Parry continued to expand and grow its Sugar business by acquiring a 76% stake in Sadashiva Sugars Ltd. at Karnataka and commenced commercial production of the new Cogen unit in Pettavaithalai and the Distillery in Sivaganga (both in Tamil Nadu). Thus it increased its presence beyond Tamil Nadu and Puducherry. The Company also enhanced its position in the promising areas of Bio Pesticides and Nutraceuticals. The Company retains a significant presence in the area of Farm Inputs, through its subsidiary Coromandel International Ltd., besides a 50% stake in Silkroad Sugar Private Limited, a Joint Venture with Cargill, having a sugar refinery at Kakinada, Andhra Pradesh.

The Company's Sugar business

E.I.D Parry is one of the largest producers of sugar in Tamil Nadu. The Sugar business, being the predominant business of the Company, accounted for 92% of the total revenue at Rs. 1134 crores.

Sugar Facilities

Sadashiva Sugars Ltd., based at Bagalkot, Karnataka, has a 2500 TCD of Sugarcane and 15.5 MW of Co-generation facility. Sadashiva Sugars is E.I.D's first acquisition outside Tamil Nadu and Puducherry, establishing a presence in the Karnataka region.

The Company now has six sugar plants spread across South India of which four are in Tamil Nadu, one in Puducherry and one in Karnataka (subsidiary). Overall, the Company has increased the daily sugarcane crushing capacity to 21,500 TCD and cogeneration capacity to 100 MW across its sugar mills. The integrated Sugar Units have been designed to optimize process performance and increase energy efficiency through reduced steam and power consumption.

The Company continues to be one of the low cost producers of international quality sugar, through its farmer and people centric practices.

South India has many advantages for Sugar Production and the Company is able to capitalise on these advantages:

- Geographically, Tamil Nadu has the advantage of good soil conditions and abundant water with sugarcane yield being highest across India. Thus sugarcane productivity in terms of sugar recovery per unit land area is highest in India and arguably in the world.
- The average farm size is less than a hectare and owned by hardworking and progressive farmers.

- Farmers willing to adopt new farming practices and cultivation methodologies, including mechanization, to improve yield.
- Access to ports to reach export market and improved development of infrastructure facilities.
- Direct relationship with cane growers to ensure adequate cane availability and supply.
- Focused sugarcane breeding programmes to ensure timely availability of newer varieties of cane.

Cane and Manufacturing

Cane R&D

EID Parry is the only Sugar Company in India with a comprehensive in-house breeding program. This has given the company the advantage of developing several, new high yielding cane varieties, with higher sucrose-content, greater pest resistance and better yields, to suit the local conditions. The Company has also developed a cane grower and farmland database by conducting soil surveys including use of satellite imagery. The information is shared with the farmers for effective soil and water management.

Cane Development

EID Parry gives extensive service support to the farmers through its Cane Extension team. The team works closely with the farmers introducing them to new and innovative farming practices, monitoring crop growth, providing crop protection from pests and diseases and increasing land productivity. The Company transfers good farm management techniques through its 'lab-to-land' programmes to farmers through training sessions on yield improvement and field demos. Besides this, the company also helps its cane growers by facilitating agri-credit through Banks and offers unique insurance policies, that provide protective insurance cover, both for the crops in the field and the individual against personal accidents.

Namadhu Parry Mayyam – Farm Side Initiatives

Namadhu Parry Mayyam, a unique concept of a 'service hub' for farmers introduced last year, is being extended to cover a larger rural base. Through this concept a local entrepreneur is identified and trained to become a franchisee. The Company extends operating loan for buying farm equipments & implements, besides offering mechanized equipments on rental services. The core idea is that small farmers who are unable to afford these farm equipments could individually make use of the services at the Mayyam and at the same time ensure higher utilization of the expensive equipments.

During the year 2009-10, more than 50 Namadhu Parry Mayyams were introduced extending a range of services to the farmers such as agri inputs, farm implements, and also organizing manual labour on contract. The Mayyams assume a multi dimensional role of Information and Knowledge Centre, and a nodal centre for bank transactions besides being an agri clinic disseminating



information on improving soil health, increasing yield and profitability of the cane growers. To expand its rural reach and service its cane growers better, the Company has plans to increase the number of franchisees to 72 in the current year.

Manufacturing

EID Parry is continuously implementing new milling technologies that are process efficient and environmental friendly. All Sugar Units in Tamil Nadu are integrated with Co-generation facility while Distillery production is operational at Nellikuppam. The Distillery at Sivaganga to convert Molasses from the 2 sugar units on river Cauvery is being stabilised during the year. In the sugar process, different types of sugar, viz. Raw Sugar, White Sugar, Refined Sugar and value added products are being produced.

Value added Products

Increasingly, a large portion of the Company's production is shifting from the commodity segment to the specialized, value added segment. Apart from strengthening its base in branded Sugar in the South Indian Retail Segment, the company is also penetrating the value added segment by offering specialized sugar to the Pharma sector. Investments are being made not only in appropriate manufacturing facilities but also in branding and offering customized solutions for institutional customers.

Leveraging Co-Products

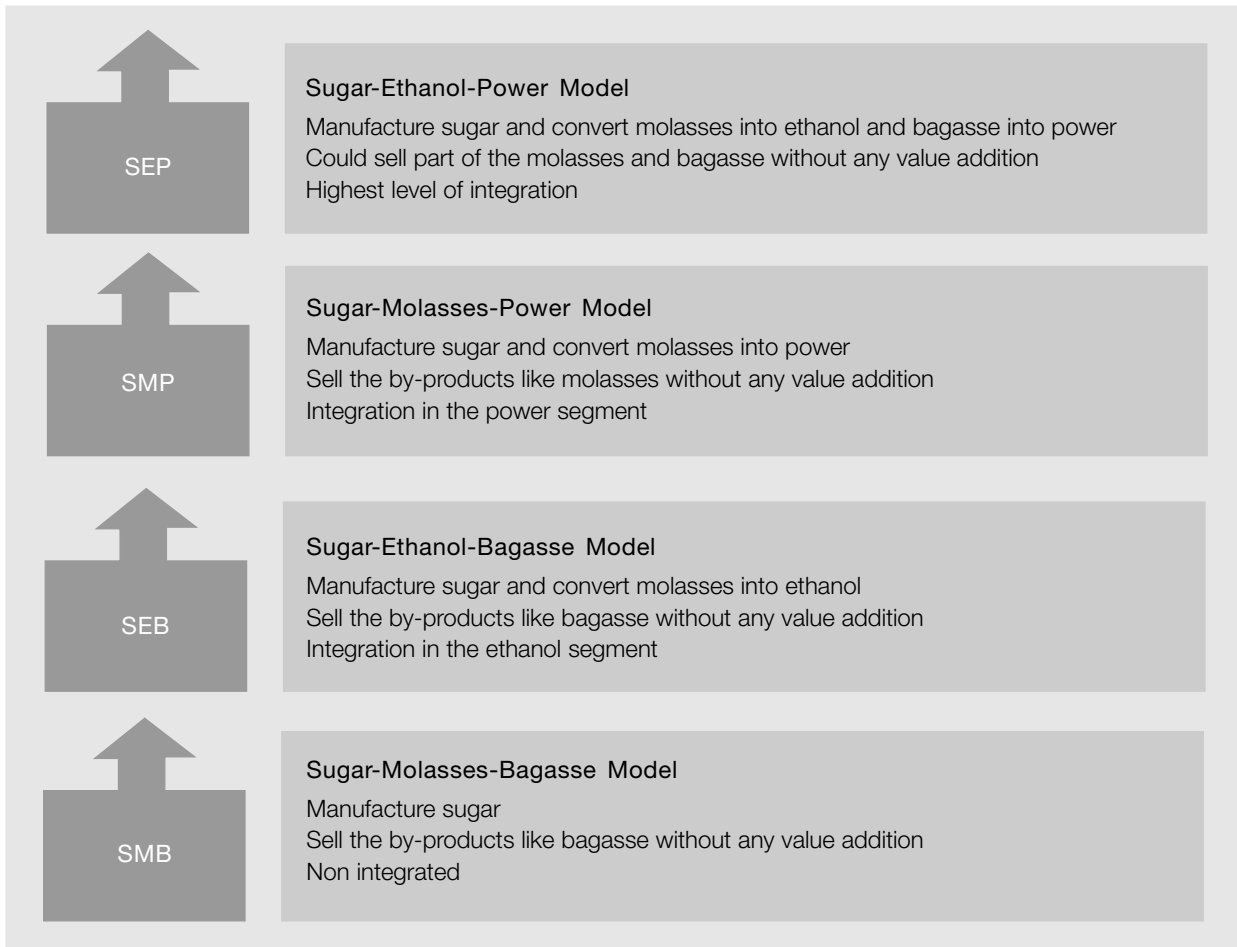
India's power requirements are growing strongly, while capacity additions are lagging far behind. Co-generation of electricity from bagasse, a by-product of sugar, offers an excellent opportunity for sugar mills to expand their earnings potential. The power generated and exported by the co-gen unit is environment friendly and made available to rural areas, where the mills are located, by a de-centralized infrastructure.

Molasses, the other by-product of sugarcane can be converted into various types of alcohol like Rectified Spirit, Extra Neutral Alcohol and Fuel Ethanol, providing another earning stream for the business.

Both these businesses are 'green' considering their renewable nature and, more importantly, given the relatively steady demand, help reduce the vulnerability of the Company, which is exposed to the cyclicity of the sugar business. Thus sugarcane is increasingly becoming an energy crop.

Business Models

Integration of Co-products enables movement up the value chain on bagasse and molasses. The plants at Nellikuppam, Pugalur, Pettavaithalai and Pudukottai operate at a high level of integration with Sugar, Power and Distillery operations.



Source: CRISIL Research

MARKETING

The Company offers a wide range of Sugar to a broad and diverse customer base. The company specializes in making tailor-made products to suit customer needs. This diversification effort is not restricted only to Sugar, but has been further extended to include, ENA, Ethanol, etc. This allows the Company to extract the intrinsic value of every part of the stick of Sugarcane. The company is also concentrating on smaller institutional buyers to increase the refined sugar penetration. Parry is also in the process of developing more pharma grade sugar. Additionally plans are also on the anvil to expand retail distribution to Tier - 2 cities in South India and to extend private labeling activities. Market presence in towns and operational zones is slated to double from existing levels, while shelf space in retail outlets is targeted for an upward coverage to about 33000 in the current year.

INTERNATIONAL SUGAR SCENARIO

The world sugar economy, for the second consecutive year, is facing a significant gap between consumption and production. As per recent ISO report, world production is now pegged at 151.160 million tons, raw value, up by 4.678 million tons or 3.07% from the last season. Production in the world's leading sugar producing countries - with the exceptions of the EU, Russia and probably, India - are slated to be lower than expected at the beginning of the season. Additionally, world sugar consumption is expected to grow at a rate significantly lower than the long term 10 year average (1.48% and 2.66% respectively). This lower growth is attributed to higher world market prices as well as the lingering impact of the 2008/09 global recession. The world statistical deficit expected to reach 9.425 million tons.

World Sugar Balance
(min. tonnes, raw value)

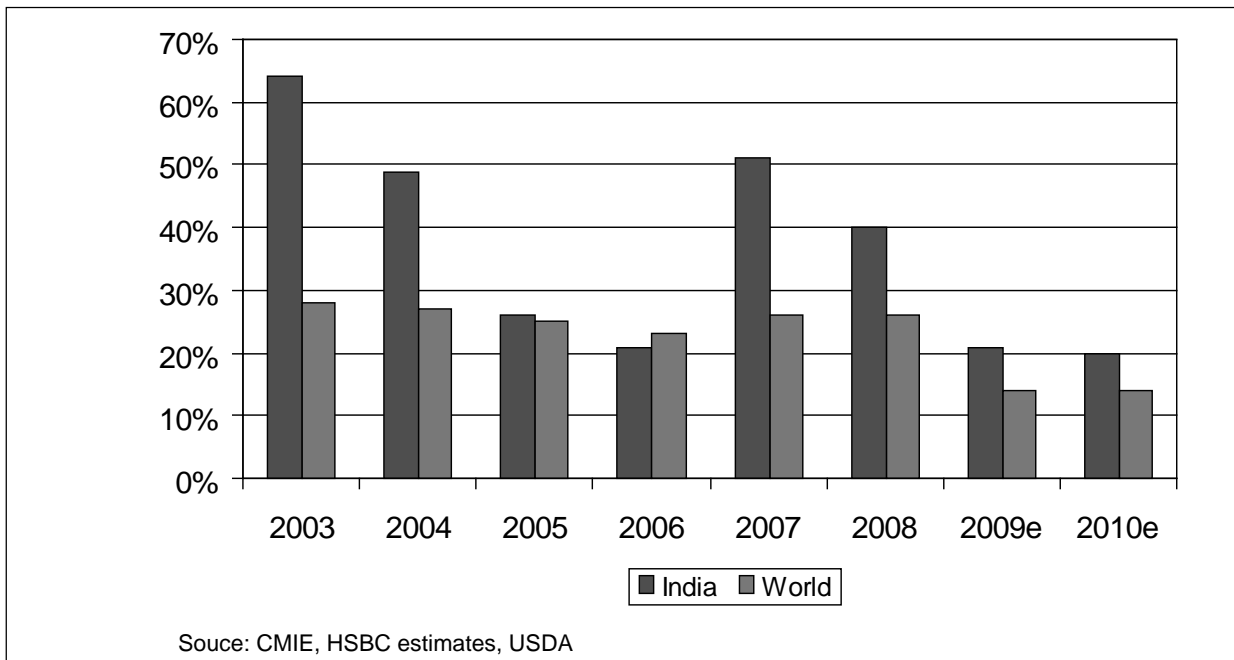
	2009/10	2008/09	Change	
			in min. t	in%
Production	151.160	152.482	4.678	3.07
Consumption	166.585	164.153	2.432	1.48
Surplus / Deficit	-9.425	-11.671		
Import demand	54.281	50.068	4.213	8.41
Export availability	52.156	50.070	2.086	4.17
End Stocks	53.068	60.368	-7.300	-12.09
Stocks / Consumption ratio in %	31.86	36.78		

Source: ISO, Quarterly Market Outlook Report, Feb 10

Crucially, although the statistical deficit projected for this season is lower than in the previous crop year (11.671 million tons), there is an increasing supply tightness as an estimated 70% of sugar stocks accumulated during the previous two surplus seasons (2006/07 and 2007/08) were already used during the first deficit season. A

continuing decrease in the level of stocks is expected to further escalate the shortage. The industry will see the lowest ever stocks/consumption ratio as low as the current 32% (last seen in 1989/90) and a trade deficit of 2.125 million tons of export shortfall from anticipated import demand.

Domestic and International inventory at decade lows



Sugar

Scorecard

Sugar prices are expected to lower over the course of the season, as better harvest in Brazil and India, and

other smaller producers come on stream. Although sugar has stalled below USc 24/lb, sentiments appear strong in the short term with the possibility of near term rally, as supplies remain tight ahead of an expected export of Brazil sugar in Q2-2010-11.

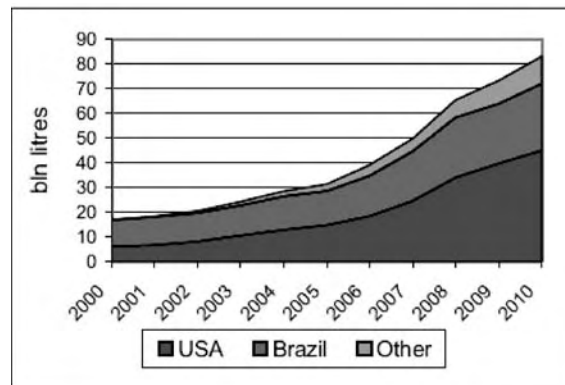
Drivers of Consumption

There are two key underlying drivers of consumption at the global level. The use of sugar is growing due to population growth, which has been rising by 1.3% annually since the mid-1990s. However, in 2008 the rate of growth almost halved since its peak of 2.2% per year, which was reached in 1963. On the one hand, population growth is still more highly correlated to sugar use changes and sugar producing countries of Central and South America. On the other hand, consumption is also increasing as a result of income growth, in particular in developing countries. Income growth has been the major driver of consumption in developing countries in Africa and Asia.

Fuel Ethanol

Global fuel ethanol production and consumption is forecasted to grow by 13% to reach around 83 billion litres in 2010. This is similar growth to that of the last year but still far below the average growth of 28% over the previous 3 years. New and expanding consumption mandates in the US, several countries in Central and South America, and the EU, together with the anticipated increase in Brazil's domestic ethanol consumption are expected to drive the expanding world ethanol market. In India, a fall in fuel ethanol output is forecast for the year, due to continuing limited availability of molasses and strong competition from the industrial alcohol sector. In the world market, Brazil's tight supplies have limited and boosted prices recently. However, looking forward there is potential for limited growth in traded volumes in 2010, on expectations of increased ethanol production in Brazil.

World Fuel Ethanol Production



INDIAN SCENARIO

The sugar industry is one of the largest agro based industries, supporting India's economic growth. The industry is inherently inclusive, supporting over 50 million farmers and their families, along with workers and entrepreneurs of almost 500 mills, apart from a host of wholesalers and distributors across the country. The Indian sugar industry enjoys an annual turnover of Rs.700 billion and contributes more than Rs.22.50 billion annually to the Central and state Exchequers as tax, cess and excise duty.

The downturn in sugar production witnessed in 2008-09 Sugar Season (SS) is slated to continue into the next two years (2009-10 SS and 2010-11) as production is expected to be lower than consumption, leading to the possibility of sugar imports to meet domestic demand. This is likely to be the first time in more than a decade that India will see imports for three years in a row (2008-09 SS to 2010-11 SS). Domestic sugar production in SS 2009-10 is expected to be 16.80 million tons, an upward rise of 16% over the previous season. This is a result of higher production in

India Sugar Balance - SY (Mn MT)

Domestic Sugar Balance - Likely Surplus in F2011

(Million Tonnes)	F2001	F2002	F2003	F2004	F2005	F2006	F2007	F2008	F2009E	F2010E	F2011E
Opening Stock	9.3	10.6	11.2	12.4	8.2	4.6	3.7	9.8	8.9	3.7	5.0
Production	18.5	18.5	20.1	13.5	12.7	19.3	28.3	26.4	14.7	16.8	23.5
Increase in production	2%	0%	9%	-33%	-6%	52%	47%	-7%	-44%	14%	40%
Local Consumption	16.2	16.8	17.5	17.9	18.5	20.4	20.2	22.5	22.5	22.5	23.0
Growth YoY	0.6%	3.7%	4.2%	2.3%	3.4%	10.3%	-1.0%	11.4%	0.0%	0.0%	2.0%
Exports	1.0	1.1	1.5	0.2	-	1.1	2.0	4.8	-	-	-
Imports	-	-	-	0.4	2.1	-	-	-	2.6	7.0	-
Closing Stock	10.6	11.2	12.4	8.2	4.6	3.7	9.8	8.9	3.7	5.0	5.6
Months of consumption	7.9	8.0	8.5	5.5	3.0	2.2	5.8	4.7	2.0	2.7	2.9
Stock-to-use ratio	65.4%	66.7%	70.9%	45.8%	24.9%	18.1%	48.5%	39.6%	16.4%	22.2%	24.2%

E = Morgan Stanley Research estimates

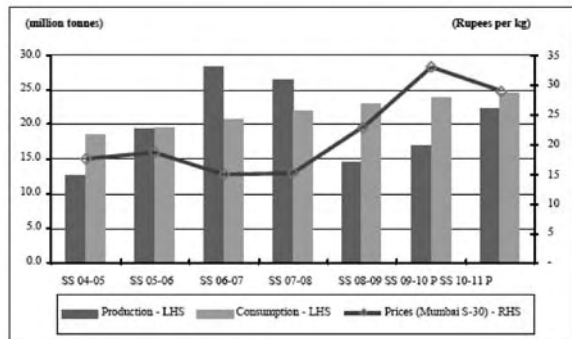
Source: Company data, Morgan Stanley Research

Uttar Pradesh and Maharashtra, together with yields, higher than anticipated.

Going by the past trends, with higher sugar and sugarcane prices, fresh planting is expected. In SS 2010-11, production is expected to reach 22.30 million tons, a growth of about 33% over SS 2009-10. This surge in production would largely be on account of an increase in area under sugarcane cultivation. Sugarcane acreage in Uttar Pradesh and Maharashtra, which together account for 60-65% of Indian sugar production, is projected to increase by 30% and 20% respectively.

India: Sugar Supply and Demand

The tightness in demand and supply arising from lower production and stretched inventories is expected to drive sugar prices, which have been on an upswing since the latter half of 2007-08 SS further up in SS 2009-10.



Source: NCFCS & CRISIL Research

Government Policies and Interventions

Sugar being an essential commodity and having a high weightage (3.62%) in the Wholesale Price Index (WPI), is regulated by the Government through control on cane pricing, sale quantities and thus indirectly prices that can be sold in the open market.

In a significant change, the Central Government has replaced the Statutory Minimum Price (SMP) with the Fair Remunerative Price (FRP) from 21st Oct'2009, at which sugar mills have to purchase sugarcane from farmers. The FRP is based on the recommendations of the Commission for Agricultural Costs and Prices. For the 2009-10 Sugar Season, the FRP was fixed at Rs.129.84 per Quintal linked to a base sugar recovery of 9.50%. Cane prices saw a spurt across the country. In a series of controls exercised to hold sugar prices, the Central Government has increased the levy quota to 20% (vs. 10%) and the proposal to increase the levy price is in the pipeline. The government has omitted the Additional Cane Price (5A clause) in Sugarcane (Control) Amendment order, 2009.

The Central Government has announced the stocking limit for the bulk consumers of sugar to 10 days and has

extended the stay on stocking limit to August 2010 from earlier limit of March 2010.

The government has directed the sugar mills in the country to sell the free sale sugar on a weekly basis from February 2010, and report the actual sale and dispatch of sugar to the Directorate of Sugar within 7 days, at the end of each week. If any sugar mill fails to report the sale and dispatch to the Directorate, the sugar will be deemed unsold, Sugar is left unsold will automatically get converted into levy sugar.

To tide over the sugar shortage, the government has extended by 15 months, setting a deadline till the end of March 2011, for meeting re-export obligation of white sugar against prior duty-free raw sugar imports made between September 2004 and April 2008. The export obligation against the imported raw sugar during this period was 2.075 million tons, while 0.967 million tons are yet to be shipped out to fulfill the obligation.

In addition, the Government has also extended duty-free imports of white sugar, for a further period of nine months till December 2010, with a directive that only the mill that had made the raw sugar imports could process it anywhere in the country, without payment of additional duty.

The commodity market regulator, Forward Markets Commission (FMC) banned sugar trading futures in May 2009 and it has been extended upto September 2010. The ban is expected to be lifted based on increase in yields and sugarcane availability for SS 2010-11.

Power

The current situation of Power deficit in India is making Cogeneration an attractive option. Implementation of reforms introduced through Electricity Act, 2005 like Open access and third party sales are improving realisation and thus profits of Cogen units. The availability of bagasse is a key determinant for running a cogen plant. Many state Governments are also chalking out the plans to increase the tariff for off season production.

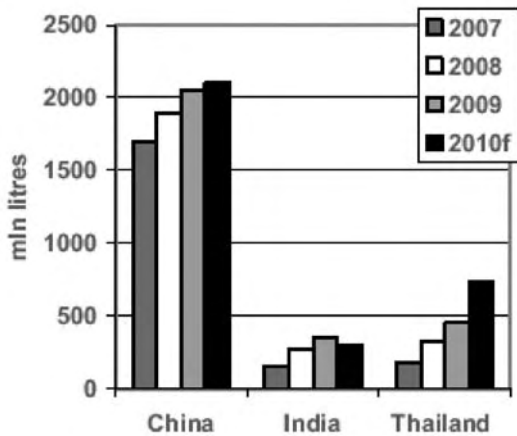
The Tamilnadu Electricity Regulatory Commission (TNERC) has come out with its latest order on pricing of power, purchased from bagasse based cogeneration units commissioned after 19th September 2008. The increase in purchase price of power is beneficial to the company's commissioned Co - generation units.

Ethanol

Fuel ethanol production in India this year will, like last year, be constrained by continued poor availability of molasses and consequent high prices for the key feedstock. Output in 2009 was put at 350 million litres,

with the regulated procurement price, of about Rs.24 per litre. There was little incentive for sugar mills to produce fuel ethanol and instead the focus was on the more viable non-fuel market. The current price of molasses is around Rs.4,500-5,000 per ton, with production costs worked at Rs.31/litre. The ongoing strong demand from the chemical and potable alcohol industry is economically more viable than the modest increase in the procurement price of Rs.27/litre agreed by the petroleum companies, which is still less than production costs.

Fuel Ethanol production in Asia



Attractive Industry Dynamics

The trends in Sugar, Cogen and Distillery favour EID Parry.

Deregulation of sugar business in developed countries lead to reduction of import restriction. Socio economic development at 7-9% with migration of people to urban areas, will result in increase in per capita consumption. Global environmental concerns favour use of renewable fuels like ethanol. Consolidation of mills will lead to increase in scale and lower production cost. Finally, ever growing demand for energy, creates opportunity for biomass power generation.

Tamil Nadu Sugar Industry

Tamil Nadu is the fourth largest sugar producing state in India, accounting for about 10% of the country's total sugar production. The State is expected to produce 16 LMT of sugar this Sugar Year as against the low production of 13.28 LMT, of the previous year. During the year 2009-10, four new units have been commissioned.

EID Performance Review

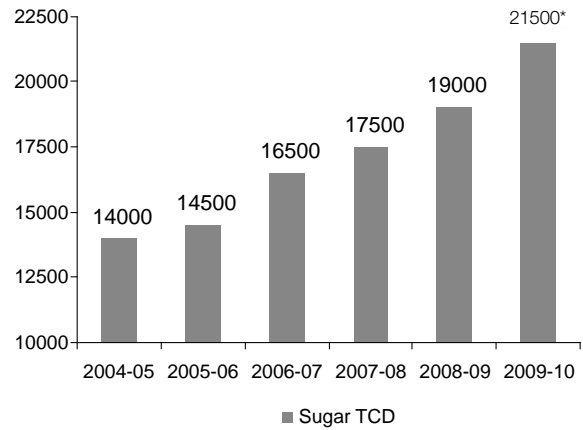
Execution of the Growth and de-risking strategy:-

- The existing Distillery unit at Nellikuppam has been converted into a multi-product unit with ENA and Ethanol production facilities. Further, the capacity

expansion from 40 KLPD to 75 KLPD is in progress. The operations are stabilized in the green field stand alone distillery unit in Sivaganga with a capacity of 60 KLPD linked to molasses from Pugalur and Pettavaithalai both of which are located close to river Cauvery.

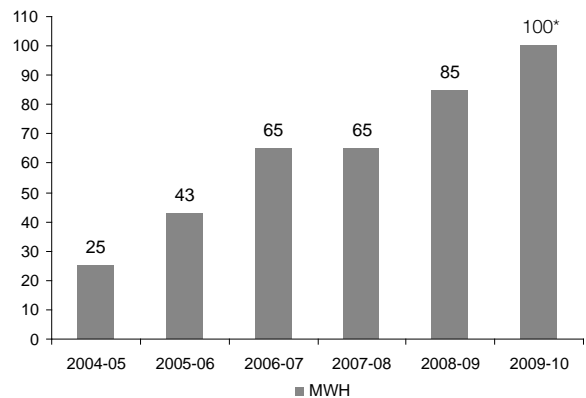
Capacity increase of Sugar & Power over years

Sugar



*including subsidiary

Co-Generation



*including subsidiary

The company crushed 25.46 LMT (33.72 LMT in 2008-09) of cane with sugar production (incl. raw sugar) of 2.89 LMT (3.22 LMT). The company continued to make substantial revenues from co-products, its export to grid were at 2570 lakh units (2518 Lakh units) and total alcohol sales were at 162.81 Lakh litres (97.80 Lakh litres) (including the ENA sales of 117.44 Lac litres (9.60 Lac litres)).

Sugar Score Card

Rs. Lakhs

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue	72463	55592	64158	75957	113439
EBIDT	9909	5764	-2211	9099	23892
EBIT	7967	3080	-5958	4716	17644
Capital Employed	40082	51427	74663	96802	91590
Operating Margin (%)	14	10	-4	12	21

	Sugar		Cogen		Distillery		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Revenue	97645	65273	10305	8114	5489	2570	113439	75957
EBIDT	19674	2780	3598	5530	620	789	23892	9099
EBIT	16510	177	1272	3829	(138)	710	17644	4716
Capital Employed	44395	52343	30393	29043	16802	15416	91590	96802

The change in the product mix lends greater stability and predictability to the financial performance of the company. With the completion of new investments in Co-products, the share of the profitability from Co-products is slated to increase substantially in the coming years, thus de-risking from Sugar cycles.

Refinery Joint Venture

A port-based stand-alone sugar refinery set up by Silkroad Sugar Private Limited, a joint venture company between EID Parry (India) Ltd. and Cargill International S.A. in Kakinada, Andhra Pradesh, will commence operations in 2010-11. With a capacity of 2000 tons of refined sugar production per day and with a 35 MW Power Plant, this refinery will be the largest in the South Asian region. The refinery will be importing the entire raw material, raw sugar, adding value by refining it, and exporting its entire production. EID Parry holds 50% in this joint venture.

Bio-Products

A. Bio-Pesticides

The Bio-Pesticides Division registered revenue (including excise duty) of Rs. 3626 lakhs in 2009/10 accounting for 3% of the Company's Revenue.

Highlights:

- US market experienced economic slow down resulting in 10-15% sales reduction for agrochemicals. Organic crop areas reduced by 20-30% over 2008-09 leading to sales reduction of biological inputs. Better economic outlook over 2010-11 and thereafter is expected to bring back the organic momentum.
- Sales through Trifolio to the European markets viz., Spain and Italy improved over the plan, in spite of the recession.
- Domestic markets viz., Tamil Nadu, Karnataka, West Bengal & North Eastern states registered 42% growth over 2008-09, mainly due to the product

acceptability for Bio Granule Abda in rice and Fruits & Vegetables crop segments.

Divisional performance

- Revenue for the year was Rs.3626 lakhs as compared to Rs.3636 lakhs of previous year. PBIT for the year was Rs. 561 lakhs against the previous year Rs. 717 lakhs.

Financial performance

(Rs.Lakhs)

Details	2007-08	2008-09	2009-10
Revenue	3060	3636	3626
EBIDTA	813	877	737
PBIT	592	717	561

Industry Scenario and Development

In early 2009, the European Union voted to phase out more than 200 chemical pesticides. The governments in the northern European countries have required a 50 percent reduction in on-farm chemical pesticide use. Many countries pay farmers large subsidies to farm organically and sustainable and organic farming which are codified into the EU Common Agricultural Policy.

In the United States, bio-pesticides are increasingly integrated in the IPM programs leading to mainstream usage. Microbials dominate in the IPM segments and contribute to high growth due to better pricing possibilities. Bioproduct usage trend is growing in Agriculture, T&O and Home gardens. Consumer Lawn and Garden organic products are the new opportunities both in Americas and Europe and the industry has started focusing its resources towards creation of product variables to address these markets.

Many Asian countries have banned classes of toxic chemicals. In India, due to the steady increase in the cost of crop protection in high value Fruit & Veg crops and Plantation crops including Tea & Spices, Scientific

Institutions and government machineries have started advocating use of Natural, green products in alternation with synthetic pesticides. Growers, getting to experience the benefits upon adopting this concept, are turning out to be the spokespersons.

In the global pesticide marketplace, biopesticides' market share is projected to reach just over 4 percent (more than \$1 billion) by 2010.

Operating results (In Kgs)

Sales	2007-08	2008-09	2009-10
100% Technical			
Domestic	1412	1471	2137
Exports	3746	3609	2691
Total	5158	5081	4828

Outlook

The market for commercial biopesticide products has been growing healthily over the past 5 years and at much faster rate. Biopesticides offer a safer, sustainable and generally more targeted approach to pest control which is reflected in their growing popularity for use in agriculture, greenhouses, nurseries, forestry, turf and home gardens. The years ahead are very clearly set for the growth of biological products in the light of growing emphasis and need for sustainable production. Hence, biologicals will play key business role due to its adoption in mainstream agriculture production.

Industry associations, Crop Life America, BPIA and OTA even though confer a definite slow down in agrochemical market 2009-10 predict better outlook in the long term with improvements in the economic conditions.

The new US government powered by Democratic Party continues to make a major influence in promoting biopesticides. Traditionally, democratic governments encouraged and provided incentives to Green Technologies. The decades ahead are an era for sustainability globally and thereby biopesticides, organic products and green products will play a major role.

The primary drivers for biopesticides globally are organic crops followed by IPM and growing through sustainable approaches. Organic Ag / animal produces and its value added products are estimated to reach US \$43 billion with a share of 34% in the US, 33% in Europe and 33% in rest of the world.

Parrys Bio's mission is to emerge as a significant biopesticides company, capitalizing the growing trends of sustainable, organic and low toxic pest control business around the world by maintaining leadership on Aza biopesticides through customer friendly product deliveries, IPR's and direct market access, adding NEEMAZAL® synergistic microbial biopesticides with quality and cost efficiency and Long term R & D focus to innovate natural products from rich Indian biodiversity for global markets.

B. Nutraceuticals

The Nutraceuticals division's turnover was Rs. 3731 lakhs for the year ended 31st March, 2010 representing 3% of the Company's Revenue. About 80% of this represents exports. The Nutraceuticals products continued to grow in all the markets and are currently exported to over 38 countries. Certified Organic Spirulina continues to outperform competition in its segment. The sales of Organic Spirulina during the year had grown at 14% over the previous year.

The Organic Spirulina produced by your Company is produced according to leading Organic standards - USDA NOP, Naturland - Germany, ECOCERT France and OCIA - IFOAM certifications. The company already holds 5 quality certifications (ISO 9001, ISO 14001, HACCP - Food Safety, Kosher and Halal) for its facility and entire algal product range in addition to US Pharmacopeia certification for its Organic Spirulina. Organic Spirulina has also received GRAS (Generally Recognised As Safe) status in the US market opening up its increased use in functional foods and beverages. Process improvements are being carried out for production of Astaxanthin in open ponds.

The Company's stake in Parry Phytoremedies, Pune has increased from 51% to 63% during the year. The Lycopene extraction facility at their Boisar, Maharashtra got further scaled up to a capacity of 1000 kg of 6% lycopene oil per month. Your company has developed key customer accounts and will focus on further developing the business during the year.

Our Overseas Associate Valensa International, Florida USA, a leading science-based developer and provider of high quality botanically sourced products for nutritional supplements and functional foods is in the process of drawing up health condition specific formulations covering eye and joint health which can be leveraged for marketing across the global markets. The Company has entered into an agreement with Aker Biomarine, Norway for developing IP protected Krill oil based formulations. Krill oil is one of the important sources of health promoting Omega 3 fatty acids. The focus of the company is to develop science backed formulations.

To ensure that Parry Nutraceuticals maintains its edge in product development, the Parry Life Sciences business initiative located at TICEL Park, Chennai will aim to develop products and formulations in line with market demand across dietary supplement, functional foods and Pharmaceuticals segments. This initiative will also be a support to our Overseas Associate Valensa International in product development and establishment of science behind the products.

Industry Scenario and Development

The size of the global Nutraceuticals industry is estimated well over US \$27 billion per annum growing at 12% per annum (Source: BCC 2009). Preventive health care is bound to grow at a steady pace with increasing

awareness on the positive effects of Nutraceuticals in health maintenance.

Worldwide, the Nutraceuticals industry is increasingly being regulated to safeguard consumer interests with science based product claims. Consequently, a major portion of R&D spent by leading players in the Nutraceuticals industry is in establishing product claims through clinical studies. The use of Nutraceuticals in functional foods and beverages would increase demand for these products.

Outlook

The Nutraceuticals industry is set to play an important role in preventive healthcare and in improving the quality of life across all sections. With our strategic investments in Valensa International and Parry Phytoremedies, the

division has strengthened its position in the fast growing Carotenoid segment which has wide applications in the Nutraceuticals, functional foods and beverage sector. With the establishment of Parry Life Sciences, the division will be able to play a significant role in the global Nutraceuticals market by offering science based specialty formulations. The Company is also set to participate in a very significant segment of Omega 3 fatty acids which is currently the fastest growing segment backed by scientific claims and studies. Parry Nutraceuticals is committed to provide complete manufacturing solutions to its customers from carrying out formulation development to carry out private labeling for customers both in India and overseas.

With the global trend moving towards preventive healthcare, Parry Nutraceuticals is at the threshold of riding a new emerging business opportunity.

Financial Analysis and Review 2009-10

The Company as a whole has shown improved growth in its Sugar and Nutra businesses. Non-Operating Income of the company has also contributed for the growth of the company.

Detailed analysis of the operations is given below:

l) Results of Operations

Revenue

The Company's Operations are classified into the following segments :

Segments	Unit	2009-10			2008-09		
		Qty	Value Rs. Lakhs	Realisation Rs./Unit	Qty	Value Rs. Lakhs	Realisation Rs./Unit
Sugar	Tonnes	328643	93634	28491	366925	58618	15975
Alcohol	Lac Ltrs	163	5488	33.67	98	2570	26.28
Power	Lac units	2572	9765	3.80	2518	7585	3.01
Bio Pesticides	Kgs	4828	3578	74109	5081	3632	71489
Nutraceuticals			3747			2911	
Others			2364			3068	
Total			118576			78384	

The total Gross revenue of the company grew by 51 % to Rs. 118576 Lakhs in the year 2009-10 from Rs. 78384 Lakhs in the year 2008-09.

Sugar sales increased from Rs.58618 Lakhs to Rs.93634 Lakhs in 2009-10 mainly driven by increased average realization of 78%. Alcohol sales increased by 113% as the newly commissioned Distillery at Sivaganga district, Tamilnadu contributed to the higher output. Power sales recorded an increase of 29% due to higher rate realized during off season period.

Bio-Pesticides' sales dropped marginally due to drop in exports volume by 919 Kgs in 2009-10.

Nutraceuticals division's sales have increased by 29%, due to higher sales volume of Spirulina and traded products that include Lycopene, Lutein & Others.

Other Income

Other income was Rs. 14950 Lakhs as against Rs. 89248 Lakhs in 2008-09. Other income of the previous year includes Rs. 74639 Lakhs of profit on sale of shares held in Parryware Roca Pvt. Ltd.

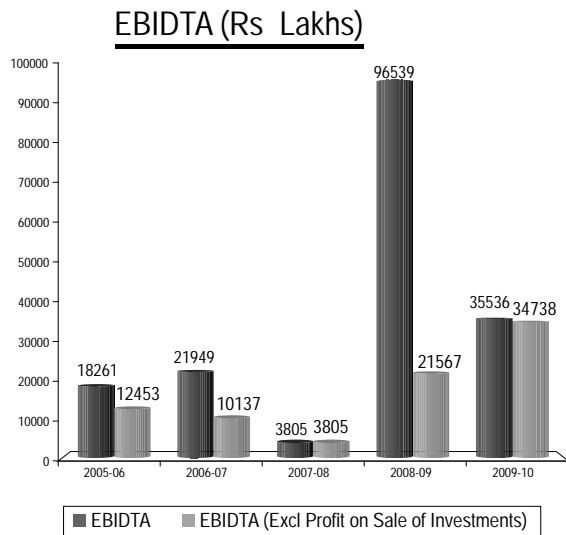
Dividend Income decreased by 13% to Rs. 10017 Lakhs mainly due to drop in the short term investible surplus during the year. The interest income earned during

the year is Rs. 772 Lakhs as against Rs.840 Lakhs in 2008-09.

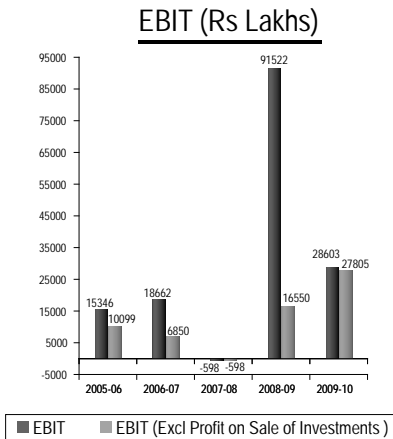
Profits

EBIDTA

The Earnings before Interest, Depreciation, Tax and Amortization for the year was Rs. 34738 Lakhs (excluding Profit on sale of Investments) representing 30% of total revenues and showed a growth of 61% over previous year of Rs 21,567 Lakhs. The increased profits in Sugar Segment have contributed for higher EBIDTA during current year.



EBIT



EBIT (Excluding Profit on sale of Investments) was Rs. 27805 Lakhs as against Rs.16550 Lakhs of 2008-09, up by 68%.

Finance Charges

The Company incurred finance charges of Rs. 3857 Lakhs for the year 2009-10 as compared to Rs. 2682 Lakhs in 2008-09.

Term loan interest was Rs. 2815 Lakhs as against Rs. 2313 Lakhs in 2008-09. The increase is due to additional term loans availed during the year for capital

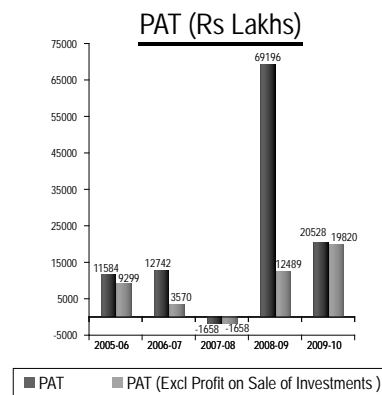
expenditures on various projects. Other Interest cost was higher at Rs.1042 Lakhs due to lower interest capitalization of Rs. 236 Lakhs as against Rs. 1516 Lakhs in 2008-09.

Depreciation

Depreciation was Rs. 6933 Lakhs for the year 2009-10, as compared to Rs. 5017 Lakhs for the year 2008-09. Completion of various sugar expansion and cogeneration projects by the end of 2008-09 has resulted in higher depreciation by 38% in 2009-10.

PAT

PAT (excluding Profit on sale of investments and tax thereon) stood at Rs 19820 Lakhs representing 17% of the total revenue as against Rs 12489 Lakhs of previous year.



II) Financial Condition

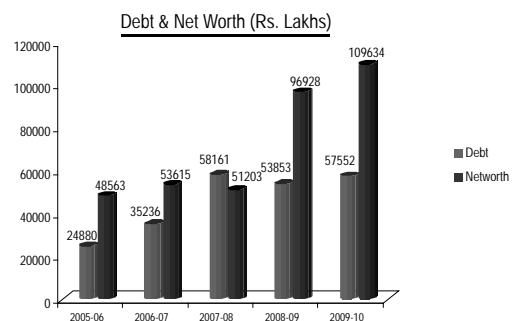
Net worth

The Net worth increased from Rs. 96932 Lakhs in 2008-09 to Rs. 109634 Lakhs. During the year, the Company earned a net profit of Rs. 20528 Lakhs.

During the year, 244656 Equity Shares were issued to the employees on exercise of Employee Stock options for an aggregated premium of Rs. 374 Lakhs (2009 : Nil) and total number of shares were 86358470 as on 31st March, 2010.

Debenture Redemption Reserve has been created for the Non-convertible Debentures of Rs.5000 Lakhs issued and Rs. 417 Lakhs has been transferred from Profit and loss account.

Borrowing



During the year, the company had issued 500 - 8.65% Secured Redeemable Non-convertible Debentures aggregating to Rs.5000 Lakhs and availed Rs. 3694 Lakhs from the Sugar Development Fund at a concessional rate of interest. Also term loans of Rs. 4941 Lakhs has been availed from State Bank of India towards the Distillery projects.

Working capital borrowing decreased to Rs. 13970 Lakhs as on 31st March, 2010 as against Rs. 21381 Lakhs in previous year end.

Fixed Assets

The Company has incurred Rs. 4451 Lakhs of Capital expenditure during the year towards Distillery expansion at Nellikuppam and normal capex. Since the company has already completed the expansion projects in 2008-09, the Capex spend was lower by 84% in 2009-10 compared to previous year.

Investments

During the year, the Company made its entry in Karnataka State by acquiring 76% stake in M/s Sadashiva Sugars Ltd. for Rs. 4962 Lakhs. Further, Company infused equity of Rs. 1430 Lakhs in M/s Silkroad Sugar Private Limited.

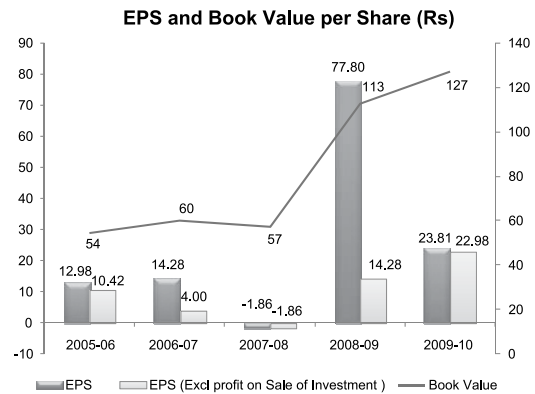
Other investments include Rs. 804 Lakhs in Coromandel International Limited and Rs.40 Lakhs in Parry Phytoremedies Private Limited, subsidiary companies. The total investment of the company as at 31st March 2010 amounts to Rs. 68282 Lakhs. The Mutual Fund Investments as at 31st March, 2010 was Rs. 37710 Lakhs.

Rating

During the year, rating agency CRISIL has upgraded the Long Term Debt rating to AA/Stable outlook from AA-/Stable outlook. It has reaffirmed P1+ rating for short term borrowings. The same ratings have also been assigned by CRISIL as Bank loan rating as per BASEL II requirements for the existing and proposed Bank Facilities. Further, in its Independent Equity Research Report, CRISIL has graded the Company as "Superior Fundamentals and Potential upside to the current market price" (4/5). The company holds prime rating from its main banker State Bank of India.

Book Value and Earnings per Share

Book Value of the Company has increased from Rs. 113 per share to Rs. 127 per share, as on 31st March, 2010. Earnings per share (excluding Profit on sale of investment) grew by 61 % to Rs. 22.98 per share for the year ended 31st March, 2010.



RATIOS

Particulars	2009-10	2008-09
Key Profitability Ratios		
EBIDTA (excl Profit on Sale of Investments)/Sales %	30.28%	28.54%
PAT (excl Profit on Sale of Investments)/Sales %	17.28%	16.53%
PAT/ Networth % (ROE)	18.72%	71.39%
Key Capital structure Ratios		
Debt/Equity ratio	0.52	0.56
Long Term Debt/Equity ratio	0.44	0.40
Outside liabilities / Networth	0.81	0.82
Net Fixed Assets/Networth	0.78	0.89
Debt Service coverage Ratio (Excl profit on sale of invt)	4.15	5.87
Liquidity Ratios		
Current Ratio	1.23	1.11
Inventory Turnover (days)	57	66
Receivables (day gross sales)	35	59
Earnings and Dividend Ratios		
Dividend %	500%	1000%
Dividend Payout %	42%	27%
Earnings Per share	23.81	77.80
Book Value Per share	127	113
P/E Multiple (Excl Profit on sale of Invnt)	14.87	9.89

Risk Management

The Company has a Risk Committee which systematically evaluates the business risks, operational controls and policy compliance associated with its business through its risk document, on an on-going basis.

The Risk document details the various risks, the probability of their occurrence, their likely impact and the strategies to mitigate the risks.

The Board is apprised of the Risk Document and the mitigation plans at the Board Meetings.

Business risks - Sugar

The major risks faced by Sugar business includes - Cane availability, Government regulations, Linkage of sugar price and sugar cane price (Cyclicality of sugar business), and Capacity utilisation.

Cane availability - During 2009-10, there was a substantial shortage of sugar cane availability due to which sugar prices exceeded Rs 40/Kg. The cane availability depends on climatic conditions and the economies in planting cane. EID's farmer-centric initiatives of prompt payments, good agronomy practices and ethical transactions have helped in maintaining a good relationship with the cane growers, earning their support in successive cane plantings. Introducing the farmer to modern technologies like drip irrigation, mechanical harvester, etc., and also fixing the cane price at Rs. 1725/MT for the SY 2009-10, has substantially mitigated the risk of lower cane availability.

Government regulations - During 2009-10, the Government increased the levy quota from 10% to 20%. The monthly free sugar release order mechanism was changed from a monthly to a weekly working basis. However, import duty was removed on import of raw sugar and white sugar. To mitigate this risk, the company has been working closely with the Indian Sugar Mills Association (ISMA) and South Indian Sugar Mills Association (SISMA) towards developing appropriate policy recommendations, to represent the needs of industry to the government.

Linkage of sugar price and sugar cane price - Sugar price was riding an uptrend till January 2010, going to about Rs. 40/Kg and from February 2010, prices started to fall. The risk of high fluctuations in sugar price is mitigated by increasing the proportion of retail sugar sales and making direct bulk sales to institutional customers.

Capacity utilisation - Sugar being a seasonal business, cane is available for crushing during 7/8 months in a year. Non-availability of cane leads to under utilisation of sugar plant and cogeneration plant capacities. This risk is

mitigated by operating the sugar plant with imported raw sugar and cogeneration plants with coal or other fuels.

Business risks - Bio Pesticides

The major risks faced by the Bio-Pesticides division include dependence on overseas markets, dependence on single product, raw material price and procurement, currency risks.

Dependence on Overseas markets - Recession in Europe and Americas and the consequent slowdown in economic activities poses a risk to the Bio-Pesticides division since most of the sales are to overseas customers. This risk is mitigated by providing adequate techno-commercial support to a few select countries in Europe and Americas, where there is a greater awareness and demand for organic products.

Dependence on single product - A substantial proportion of the products sold by the division is made from Aza (taken from neem seed). The risk of high dependence on a single molecule is mitigated by proposed introduction of new biological products.

Raw material price and procurement - Neem seed trade is unorganized, with no government support, no new plantations and unlawful felling of trees. Increase in neem seed price is a cause of concern. These risks are mitigated by procuring seeds from non-traditional areas in Tamil Nadu, planned procurement from the Mysore market and preserving Aza content in neem seeds/kernels through cold storage facilities.

Currency risks -Bio-pesticide sale is predominantly export oriented and hence the currency fluctuations have a direct impact on the income. This risk is mitigated by implementing hedging policies.

Business risks - Nutraceuticals

The major risks in Nutraceuticals division include, dependence on weather, sourcing of raw materials, currency risk.

Dependence on weather - The micro algae production is weather dependent and changes in the weather patterns will have an adverse impact on productivity and cost of production. The risk is mitigated through operation of multiple algae varieties requiring differing weather conditions that will provide opportunities to minimise impact due to changes in weather patterns. Efforts are on to manage the controllable factors in Astaxanthin production to reduce the risks to a large extent.

Increasing Regulatory Issues - Increasing regulatory issues across the world for the Nutraceuticals products

are being mitigated by obtaining various certifications like the ISO 9001:2000, 14001, HACCP system, Organic certification, GRAS for Spirulina in the US market etc., and following the GMP systems, documentation and also close follow up with various authorities on product documentation.

Sourcing of raw materials - This risk is mitigated by moving from a single source to multi source of raw material supply and developing indigenous source for raw materials.

Currency risks - The Nutraceuticals business is largely export oriented. The division operates in multiple markets with multiple currencies, hence exchange fluctuations have a direct impact on the income. Also there are some raw materials which are imported, where the company is posed to currency risks. This risk is mitigated by taking exchange cover and implementing hedging policies.

Internal Control and Systems

The Company believes that internal control is a necessary part of the principle of governance and that freedom of management should be exercised within a framework of appropriate checks and balances. The Company remains committed in its endeavor to ensure an effective internal control environment that provides assurance on the efficiency and effectiveness of operations, reliability of financial reporting, statutory compliance and security of assets.

The Company has a well established and robust internal systems and processes in place to ensure smooth functioning of the operations. An effective internal control system, supported by an Enterprise Resource Planning platform for all business processes, ensures that all transaction controls are continually reviewed and adequately addressed. The control mechanism involves well documented policies, authorization guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses.

The company has its own Internal Audit department that monitors and makes continuous assessments of the adequacy and effectiveness of the internal controls and systems across the Company. The status of compliance with operating systems, internal policies and regulatory requirements are also monitored. The Board, Audit Committee and the Management review the findings and recommendations of the Internal Audit department and take corrective actions wherever necessary.

It is a matter of satisfaction and reassurance that the Company's Internal Audit function is certified as

complying with ISO 9001:2008 quality standards for its process.

Information Technology

The Company continues to invest judiciously in Information Technology infrastructure, to increase productivity and maintain low cost of ownership. Systems audit of SAP is being conducted on a periodic basis to validate the internal control systems of the ERP and the controls were found to be adequate and commensurate with the business requirements.

The Company focuses on improving security and enhancing productivity. During the current year, servers and core network has been shifted to a new Level 2 data center at VSNL in a highly secured environment. Windows server and clients critical security patches distribution and installation has been automated across the company to enhance the security of the network. Constant review and validation of the Security Architecture is carried out and the Company is investing for further strengthening the security framework.

Cane Management System

During the year, the Web Enabled Cane management system has been implemented in all the sugar factories to facilitate the business to improve Cane availability monitoring and related enhancements.

Process Improvement

To keep pace with the rapidly changing business processes and improve productivity, payments for the vendors has been centralised in tie up with State Bank of India. This would benefit the business by moving towards service oriented architecture and enhancing the bargaining power with vendors and Banks thereby reducing cost.

The Company has been optimally utilizing the IT resources and is constantly focused on improving existing systems and processes thereby facilitating in the business growth.

Human Resources

EID Parry is a value based company with a culture that promotes empowerment and freedom. In a challenging and competitive environment, the Company believes that people are the key to success. The Human Resources function proactively develops innovative and business focused methods to attract, develop, motivate and retain our talented competitive resources - our people. The Company had a total employee strength of 1666 as on 31st March, 2010.

The Human Resources function strives to deliver contemporary HR practices focusing on the five key imperatives of talent management, learning & development and capability enhancement, employee communication, employee engagement and employee rewards and recognition.

Talent Management

The Company values both experience and fresh talent. The Company has inducted experienced talent for its existing and sunrise businesses in support of the Company's overall growth strategy. With a view to build a future talent pipeline in the Company, participation in campus placement programs continues. Adequate importance is placed on job enrichment as a means of retention of talent.

Learning & Development and capability enhancement

The Company places a high emphasis on learning and facilitates every employee to experiment, learn and develop new ideas. Training programs are mostly organized in-house with the help of internal/ external faculty. Behaviourial programs are conducted on topics such as Supervisory Skills, Stress Management, Interpersonal Relations etc., focusing on helping executives develop their managerial capability.

Employee Communication

The Company is guided by its stated core values which influences our management practices. The contemporized version of our values and beliefs was launched as "The Five Lights" - integrity, passion, quality, respect and responsibility. In order that all employees abide by these Five Lights, communication to one and all is essential. With this objective, the awareness and understanding of these five lights were cascaded to all executives of the Company through a series of initiatives.

Employee Engagement

The Company has instituted an Industrial Social Work wing which is now present at three of our factories. The ISW operates on the concept of 'Employee and beyond'. Intervention strategies are designed and executed to support employees in dealing with issues that impact work life such as addiction, poor financial management,

marital discord and health. The Company engages with its employees by connecting with their families. Various initiatives such as awareness programs on pre-marital counseling, parental care, domestic safety, women's health supports the objective of enhancing the quality of life of the employees and their families.

The Company places importance on the health and well being of its employees, children of employees and the society. This is done by promotion campaigns which include lectures, free screening facilities, provision of informative booklets, etc., on prevention and management of major diseases such as diabetes and AIDS. Employees are also encouraged to participate in voluntary blood donation camps that are organized on a regular basis. Workshops on yoga and meditation are organized for employees and their families to further emphasize the importance of good health and well being.

Rewards and Recognition

Talent is rewarded and recognized in formal forums such as the Annual Communication Meetings. Long service of employees is valued and recognized at such forums and also at the Annual Retirement Function. Parry awards are given to employees every month to recognize innovative ideas.

With aggressive growth targets for the future, Human Resources practices at Parry strives to deliver the business requirements of an organization that is committed to its people and responds to them with care and concern.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

On behalf of the Board

Chennai
April 24, 2010

A. VELLAYAN
Chairman

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

EID Parry, a member of the Murugappa Group of Companies, adheres to good corporate practices and is constantly striving to improve them and adopt the best practices. Adherence to business ethics and commitment to corporate social responsibility are the enablers for a company to maximising value for all its stakeholders. EID Parry is committed to the spirit of Murugappa Group by upholding the core values of integrity, passion, responsibility, quality and respect in dealing with all stakeholders of the Company.

II. Board of Directors

Composition

- The Company has 7 Directors with a Non - Executive Chairman. Of the 7 Directors, 4 are Independent Directors, 2 are Non - Executive Non Independent Directors and 1 Executive Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement.
- The day to day management of the company rests with the Managing Director.
- None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees across all the companies in which he is a Director.
- The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the listing agreements.

Profile of the Board

- Mr. A. Vellayan (57) the Non Executive Chairman is a Promoter Director. He holds a diploma in Industrial Administration from Aston University, Birmingham, U.K. and Masters in Business Studies from the University of Warwick Business School, U.K. He joined the EID Parry Board in the year 1999. He has 29 years of industrial experience. He has been the Chairman of the Company since 2006.
- Mr. K. Raghunandan (52) is the Managing Director. He is a Chemical Engineer and MS from IIT, Madras. He joined the EID Parry Board in the year 2008. He has 29 years of industrial experience including 21 years in EID Parry.
- Mr. Anand Narain Bhatia (63) is an Independent Director. He was educated at Delhi University and Cambridge where he graduated with a degree in Economics. He joined the EID Parry Board in the year 2004. He has 39 years of

industrial experience. He is the Chairman of the Shares & Shareholders/Investors Grievance Committee.

- Mr. V. Manickam (58) is an Independent Director representing Life Insurance Corporation of India. He is a Science Graduate and an Associate Member of the Institute of Chartered Accountants of India. He is the Executive Director (Investment - M&A) of Life Insurance Corporation of India, Mumbai. He joined the EID Parry Board in the year 2008.
- Mr.M.B.N.Rao (61) is an Independent Director. He is the former Chairman and Managing Director of Canara Bank. He was also Chairman and Managing Director of Indian Bank during the period from 2003 to 2005. He is a Graduate in Agriculture and an Associate of the Chartered Institute of Bankers and a Fellow of the Indian Institute of Banking & Finance. He was a Banker with over 38 years of hands on experience, with over 9 years of overseas experience and as the Board level appointee for about 8 years and at Chairman level for about 5 years. He joined the EID Parry Board in the year 2009.
- Mr. V.Ravichandran (53) is a non Independent Director. He is an Engineering Graduate and holds Post Graduate Diploma in Management from IIM, Ahmedabad. He is also a Cost Accountant and a Company Secretary. He has 30 years of experience including 25 years in the Murugappa Group.

He is the Managing Director of Coromandel International Limited, a subsidiary of E.I.D.-Parry (India) Limited. He joined the EID Parry Board in the year 2009.

- Mr.R.A.Savoor (66) is an Independent Director. He is a B.Sc. Tech. He retired as Managing Director of Castrol India Ltd. He joined the EID Parry Board in the year 2002. He has 40 years of industrial experience. He is also the Chairman of Audit Committee and Compensation & Nomination Committee.

Resignations/Appointments

- Mr. Sridhar Ganesh, Director resigned from the Board with effect from 30th October, 2009.
- Mr.M.B.N.Rao and Mr.V.Ravichandran, joined the Board as Additional Directors on 1st August, 2009 and 30th October, 2009 respectively and will hold office till the ensuing Annual General Meeting. The Company has

received notices from members proposing the appointments of Mr.M.B.N.Rao and Mr.V.Ravichandran as Directors of the Company. Relevant details relating to Mr.M.B.N.Rao and Mr.V.Ravichandran are furnished in the Notice convening the Annual General Meeting to be held on 28th July, 2010 sent along with the Annual Report.

- Mr. A.Vellayan, Chairman retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Relevant details relating to Mr. A.Vellayan are furnished in the Notice convening the Annual General Meeting to be held on 28th July, 2010 sent along with the Annual Report.

Board Meetings

- The Board of Directors met 7 times during the financial year 2009 - 10. i.e. 30.04.2009, 29.07.2009, 07.10.2009, 30.10.2009, 29.01.2010, 03.03.2010 and 22.03.2010. The maximum gap between any two meetings was less than 4 months as stipulated under Clause 49 of the Listing Agreement.

Board Meetings/AGM - Attendance & Directorships/Committee Memberships

- Information on the Directors of the Company, their attendance at Board Meetings & Annual General Meeting of the Company held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given below:

Sl. No.	Name of the Director	Category	Number of Board Meetings attended during the year 2009-10	Whether attended last AGM held on July 29, 2009	No. of Directorships in other public companies*		No. of committee positions in other public companies*	
					Chairman	Member	Chairman	Member
1.	Mr. A. Vellayan Chairman	Non-Independent Non-Executive Promoter	7	Yes	2	3	-	1
2.	Mr. K. Raghunandan Managing Director	Executive	7	Yes	-	4	-	-
3.	Mr. Anand Narain Bhatia	Independent Non-Executive	6	Yes	-	1	1	1
4.	Mr. V. Manickam	Independent Non-Executive	6	Yes	-	1	-	-
5.	Mr. M.B.N. Rao	Independent Non-Executive	4 a	N.A.	-	6	-	4
6.	Mr. V. Ravichandran	Non-Independent Non-Executive	3 b	N.A.	1	2	-	1
7.	Mr. R.A. Savor	Independent Non-Executive	6	Yes	1	3	3	2
8.	Mr. Sridhar Ganesh	Non-Independent Non-Executive	2 c	Yes	N.A.			

* Represents directorships / memberships of audit and investors grievance committees, in public limited companies governed by the Companies Act, 1956.

a Appointed as additional director w.e.f. 1st August, 2009.

b Appointed as additional director w.e.f. 30th October, 2009.

c Resigned w.e.f. 30th October, 2009.

Board Committees

Audit Committee – (1987)

Overall purpose/objective

The purpose of the Audit Committee is to assist the Board of Directors (the "Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

Terms of reference

The terms of reference of the Audit Committee broadly are as under:

- a) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the financial reports of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
- b) Discussion with internal auditors on significant audit findings and follow up thereon;
- c) To review compliance with internal control systems;
- d) To review the quarterly and annual financial results of the Company before submission to the Board;
- e) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- f) Reviewing the functioning of the Whistle Blower mechanism;
- g) Recommending the appointment/reappointment of statutory auditors and their remuneration.

The scope of the Audit Committee includes matters which are set out in Clause 49 of the Listing Agreement with the Stock Exchanges as amended from time to time read with Section 292A of the Companies Act, 1956.

Composition & Meetings

- Audit Committee Meetings are attended by the head of Internal Audit, head of Finance, senior management team, representatives of the Statutory Auditors and the Cost Auditor. The Company Secretary acts as Secretary of the Committee.
- Five meetings of the Audit Committee were held during the financial year 2009 - 10. The dates on which the said meetings were held are as follows: 30.04.2009, 29.07.2009, 30.10.2009, 29.01.2010 and 22.03.2010.

- The composition of the Audit Committee and number of meetings attended by the members of the Audit Committee are given below:

Sl. No.	Name & Category	Whether Chairman/ Member	No. of meetings attended during the year 2009-10
1.	Mr. R.A. Savor, Independent Non-Executive	Chairman	5
2.	Mr. Anand Narain Bhatia, Independent Non-Executive	Member	5
3.	Mr. A. Vellayan, Non-Independent Non-Executive Promoter	Member	3 (a)
4.	Mr. M.B.N. Rao, Independent Non-Executive	Member	2 (b)
5.	Mr. V. Ravichandran, Non-Independent Non-Executive	Member	2 (c)

(a) Resigned w.e.f. 30th October, 2009.

(b) Appointed as Member w.e.f. 1st August, 2009.

(c) Appointed as Member w.e.f. 30th October, 2009.

Compensation & Nomination Committee – (2001)

Objective

The Committee reviews and determines the Company's policy on managerial remuneration and recommends to the Board on the specific remuneration of Executive Directors, so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance and their remuneration is in line with industry standards.

The Committee has all the powers and authority as may be necessary for implementation, administration and superintendence of the Employees Stock Option Plan/ Scheme(s) ('the ESOP Schemes') and also authorised to formulate the detailed terms and conditions of the ESOP Schemes.

Terms of Reference

The broad terms of reference to the Compensation & Nomination Committee are to recommend to the Board salary, perquisites and incentive payable to the Company's Managing Director (MD), to finalise the annual increments payable within the overall ceiling fixed by the Board. The Committee also recommends to the Board on any new appointments including re-appointments and the tenure of office, whether of executive or of non-executive Directors.

In connection with implementation, administration and superintendence of the Employees Stock Option Plan/

Scheme(s), the Committee is authorised to frame suitable policies and systems to ensure that there is no violation of;

- Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and
- Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee.

Composition & Meetings

- Three committee meetings were held during the financial year 2009 - 10. The dates on which the said meetings were held are as follows: 30.04.2009, 29.07.2009 and 30.10.2009.
- The composition of the Compensation & Nomination committee and particulars of meetings attended by the members of the committee are given below:

Sl. No.	Name & Category	Whether Chairman/ Member	No. of meetings attended during the year 2009-10
1.	Mr. R.A. Savor, Independent Non-Executive	Chairman	3
2.	Mr. Anand Narain Bhatia, Independent Non-Executive	Member	3
3.	Mr. A. Vellayan, Non-Independent Non-Executive Promoter	Member	2 (a)
4.	Mr. Sridhar Ganesh, Non-Independent Non-Executive	Member	- (b)
5.	Mr. V. Ravichandran, Non-Independent Non-Executive	Member	- (c)

- Resigned w.e.f. 1st August, 2009.
- Appointed as Member w.e.f. 1st August, 2009.
- Appointed as Member w.e.f. 30th October, 2009.

Remuneration Policy

The Company, while deciding the remuneration package of the senior management, takes into consideration the following items:

- job profile and special skill requirements
- prevailing compensation structure in companies of similar size and in the industry
- remuneration package of comparable managerial talent in other industries.

The Non-Executive Directors (NEDs) are paid remuneration by way of commission besides sitting fees. In terms of the

shareholders approval and the Central Government approval obtained from time to time, the commission is paid at a rate not exceeding 1% per annum out of the profits of the Company (computed in accordance with Section 349 of the Companies Act, 1956). The distribution of commission amongst the Non-Executive Directors is placed before the Board for its decision.

The actual commission paid to the Directors is restricted to a fixed sum. This sum is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the Directors for attending to the affairs and business of the Company and extent of responsibilities cast on Directors under general law and other relevant factors. The aggregate commission payable to all Non-Executive Directors is restricted to 1% of the net profits as approved by the shareholders. The Non-Executive Directors are paid sitting fees for every Board / Committee meeting attended by them.

During the financial year ended March 31, 2010 the Company has not granted any Employee Stock Options.

Remuneration for the year

- During the financial year 2009-2010, the Company paid a sitting fee of Rs. 15,000/- per Board Meeting and Audit Committee Meeting and Rs. 10,000/- per meeting of other committees of the Board to the Non- Executive Directors.
- All fees/compensation paid to the Non-Executive Directors and Independent Directors are approved by the Board of Directors and have shareholders approval.
- Details of the remuneration of Non-executive Directors and Executive Director for the year ended 31st March, 2010 are as follows:

Non-Executive Directors

Name	Sitting Fees paid for Board and Committee Meetings (Rs. in Lakhs)	Commission payable (Rs. in Lakhs)
Mr. A. Vellayan	2.40	3.00
Mr. Anand Narain Bhatia	2.55	3.00
Mr. V. Manickam (paid/payable to L.I.C.)	0.90	3.00
Mr. M.B.N. Rao (a)	0.90	2.00
Mr. V. Ravichandran (b)	0.85	1.25
Mr. R.A. Savor	1.95	3.00
Mr. Sridhar Ganesh (c)	0.30	1.75

- Appointed as additional director w.e.f. 1st August, 2009.
- Appointed as additional director w.e.f. 30th October, 2009.
- Resigned w.e.f. 30th October, 2009.

Non Executive Directors Shareholding

Mr. A. Vellayan, Chairman holds 265270 equity shares of Rs. 2/- each.

- Non Executive Directors are not entitled for grant of stock options under ESOP Scheme.

Executive Director

Name	Salary/Allowances (Rupees)	Contribution to funds* (Rupees)	Value of perquisites (Rupees)	Incentive paid (Rupees)
Mr. K. Raghunandan	72,50,570	6,15,945	3,57,726	14,44,475

* Represents contributions to Provident Fund, Superannuation Fund and Gratuity Fund

- Mr. K. Raghunandan, Managing Director was granted stock options aggregating to 1,29,100 during the financial years ended 31st March, 2008 and 31st March, 2009.

Shares & Shareholders / Investors Grievance Committee (2001)

Terms of reference

The shares & Shareholders/Investors Grievance Committee oversees the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/annual reports, etc. It also approves allotment of shares and matters incidental thereto including listing thereof.

Composition & Meetings

- Four Committee meetings were held during the financial year 2009 -10. The dates on which the said meetings were held are as follows: 30.04.2009, 29.07.2009, 07.10.2009 and 29.01.2010.
- The composition of the Shares & Shareholders/ Investors Grievance Committee and particulars of meetings attended by the members of the Committee are given below:

Sl. No.	Name & Category	Whether Chairman/ Member	No. of meetings attended during the year 2009-10
1.	Mr. Anand Narain Bhatia Independent Non-Executive	Chairman	4
2.	Mr. A. Vellayan Non-Independent Non-Executive Promoter	Member	3 (a)
3.	Mr. K. Raghunandan Executive	Member	4
4.	Mr. V. Ravichandran Non-Independent Non-Executive	Member	1 (b)

a. Resigned w.e.f. 30th October, 2009.

b. Appointed as Member w.e.f. 30th October, 2009.

- Ms. G. Jalaja, Company Secretary, is the compliance officer of the Company.
- Details of complaints received and redressed during the year are given below:

Opening Balance	Received	Redressed	Closing Balance
Nil	9	9	Nil

General Body Meetings

The location and time where the last three Annual General Meetings were held are given below:

For the year ended 31 st March	Day and date	Time	Venue
2007	Thursday, 26.07.2007	4.00 p.m.	The Music Academy 168, TTK Road, Royapettah, Chennai - 600 014
2008	Monday, 28.07.2008	4.00 p.m.	Same as above
2009	Wednesday, 29.07.2009	4.00 p.m.	Tamil Isai Sangam Rajah Annamalai Mandram 5 Esplanade Road, Chennai - 600 108.

Details of Special Resolutions passed during the last 3 Annual General Meetings

Date of AGM	Whether any Special Resolution was passed	Particulars
26.07.2007	Yes	Grant of options under Employee Stock Option Scheme
28.07.2008	Yes	Payment of remuneration by way of commission to Non-whole time Directors for a period of 5 years w.e.f. 01.04.2008.
29.07.2009	No	Not Applicable

During the last financial year no Special Resolution was passed through Postal Ballot. As of now there is no proposal for passing any Special Resolution through Postal Ballot.

Code of Conduct

The Board has laid-down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company, and the Code is posted on the website of the Company www.eidparry.com. Annual declaration regarding compliance with the Code is obtained from every person covered by the Code of Conduct. A declaration to this effect signed by the Managing Director is forming part of this report.

Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation measures to address such risks.

Prevention of Insider Trading

The Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors/officers (including Statutory Auditors) /designated employees. The code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

Disclosures

There were no materially significant related party transactions, with Directors/promoters/management

which had potential conflict with the interests of the Company at large.

Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had a potential conflict with the interest of the Company at large were placed before the Board.

Transactions with the Related Parties are disclosed in Note No. 30 of Schedule 19 to the Accounts in the Annual Report.

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

During the year under review, the Company has not raised any funds from public issue, rights issue or preferential issue.

During the last three years, there were no strictures or penalties imposed on the Company either by Stock Exchanges or by SEBI or any statutory authority for non-compliance on any matter related to capital markets.

The Company has a Whistle Blower policy and affirms that no personnel has been denied access to the Audit Committee.

Compliance

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the

Company as well as steps taken by the Company to rectify instances of non compliances, if any.

Subsidiary Companies

The Company does not have any material non listed Indian Subsidiary Company. The Audit Committee reviews the financial statements and in particular, the investments made by unlisted subsidiary companies. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are placed before the Board of Directors of the Company for their review.

Compliance with Corporate Governance Norms

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June 30, 2009, September 30, 2009, December 31, 2009 and March 31, 2010. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreements with the stock exchanges. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

As regards the non-mandatory requirements, the following have been adopted:

Remuneration Committee

1. As detailed in the earlier paragraphs, the Company has constituted a Compensation & Nomination Committee. The Chairman of the Compensation & Nomination Committee was present at the last Annual General Meeting held on 29th July, 2009.

Whistle Blower Policy

2. The Company has adopted a Whistle Blower Policy with the objective to provide employees, customers and vendors an avenue to raise concerns, in line with E.I.D.- Parry (India) Limited's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith.

The Audit Committee reviews periodically the functioning of the Whistle Blower mechanism.

The Whistle Blower Policy has also been posted in the Company's website www.eidparry.com

Shareholder Rights

3. The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are covered in the press releases issued by the Company and posted in the Company's website. The Company has therefore not been sending the half yearly financial results to the shareholders.
4. Other non mandatory requirements have not been adopted by the Company.

Means of Communication

The quarterly unaudited financial results and the annual audited financial results are normally published in a leading business daily, Business Standard (English) and in Dinamani (Tamil). Intimation of Board Meeting date, Record Date, Book Closure and dividend declaration notices are normally published in Business Standard (English), News Today (English) and Makkal Kural (Tamil). The financial results and press releases are placed on Company's website www.eidparry.com.

Details of Investor/Analysts/Brokers meetings whenever held are also posted on the Company's website.

Corporate Governance Voluntary Guidelines 2009

The Ministry of Corporate Affairs recently announced a set of voluntary guidelines on Corporate Governance. The Company, in line with its stated policy of being committed to the principles and practices of good corporate governance, is in compliance with many of these guidelines, as reported in the earlier paragraphs. As regards the remaining guidelines, the Company is in the process of evaluating the feasibility for implementation progressively.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report.

General Shareholder Information

A separate section has been included in the Annual Report furnishing various details viz. AGM Date, time and venue, share price movement, distribution of shareholding etc.

On behalf of the Board

Chennai
April 24, 2010

A.VELLAYAN
Chairman

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members of E.I.D.- Parry (India) Limited

We have examined the compliance of conditions of Corporate Governance by **E.I.D.-Parry (India) Limited**, (the Company) for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 008072S)

Geetha Suryanarayanan
Partner
(Membership No.29519)

Chennai
April 24, 2010

DECLARATION ON CODE OF CONDUCT

The Board of Directors
E.I.D.-Parry (India) Limited
Dare House
Parrys Corner
Chennai-600 001

Dear Sirs,

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March 2010, as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

Chennai
April 21, 2010

K.RAGHUNANDAN
Managing Director

General Shareholder Information

i. Annual General Meeting

Date & Time : Wednesday, 28th July, 2010
at 4.00 p.m.

Venue : Tamil Isai Sangam
Rajah Annamalai Mandram,
5, Esplanade Road,
Chennai - 600 108.

ii. Financial Year : 1st April to 31st March.

iii. Date of

Book Closure : 9th July, 2010 to
28th July, 2010
(Both days inclusive)

iv. Dividend Payment

Date : Within 10 days of AGM

v. Listing on stock : Equity shares exchanges

- Madras Stock Exchange Ltd.,
Exchange Building,
Post Box No.183,
11 Second Line Beach,
Chennai – 600 001. - (Voluntary
Delisting formalities in progress)
- National Stock Exchange of
India Ltd.,
Exchange Plaza, 5th Floor,
Plot No.C/1, G. Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.

- Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.

Global Depository Receipts :
(GDRs)

- The Luxembourg Stock Exchange,
11 Avenue De
La Porte- Neuve L-2227,
Luxembourg

Listing fees for 2009-10 paid for all
the above Stock Exchanges.

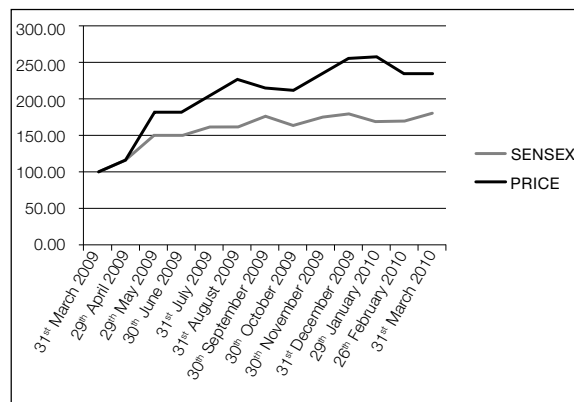
vi. Stock Code

Name of the Stock Exchange/Depository	Code/ISIN
Madras Stock Exchange Ltd. (MSE)	EID
National Stock Exchange of India Ltd. (NSE)	EID PARRY EQ
Bombay Stock Exchange Ltd. (BSE)	500125
The Luxembourg Stock Exchange (LSE)	EIDParry GDR ne
NSDL & CDSL	INE 126A01023

vii. Market Price Data - Monthly high, low and trading volume for equity shares

Month/Year	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)			(BSE & NSE)
	High	Low	Volume	High	Low	Volume	Total Volume
	Rs. P.	Rs. P.	(in nos.)	Rs. P.	Rs. P.	(in nos.)	(in nos.)
April 2009	186.90	140.65	599955	189.00	140.30	1371033	1970988
May 2009	278.00	181.55	762943	279.90	172.50	1544323	2307266
June 2009	289.00	233.00	1000355	295.00	220.25	1974944	2975299
July 2009	314.00	253.15	794864	314.65	250.10	1314351	2109215
August 2009	357.50	293.55	3025744	358.50	271.55	4327065	7352809
September 2009	346.90	310.00	848206	346.75	307.00	1591893	2440099
October 2009	339.00	289.00	648700	339.00	289.80	1333853	1982553
November 2009	342.00	298.10	400755	342.00	298.35	1143550	1544305
December 2009	371.90	325.00	710944	371.00	324.55	1427433	2138377
January 2010	419.00	354.00	1019389	419.00	352.00	2014912	3034301
February 2010	381.90	320.10	870149	382.00	320.10	958062	1828211
March 2010	381.95	320.60	543103	384.40	319.00	1806045	2349148

viii. Performance in comparison to broad based indices such as BSE SENSEX, CRISIL Index etc.,
E.I.D.-Parry (India) Ltd. Share price Vs the BSE SENSEX - Indexed



Base 100 = March 31, 2009

ix. Investor Contacts

(a) Registrar and Transfer Agents

Karvy Computershare Private Limited,
Unit: E.I.D. - Parry (India) Ltd.,
Plot No: 17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad – 500 081.
Tel: +91-040-23420815-823,
Fax: +91-040-23420814
E-Mail: mailmanager@karvy.com;
vkjayaraman@karvy.com

(b) Company

Ms. G. Jalaja,
Vice President & Company Secretary
Tel: +91-044-25306789, Fax: +91-044-25341609
E-Mail: investorservices@parry.murugappa.com

x. Share Transfer System

Share Transfer in Physical Form

- Share transfers are approved by Shares & Shareholders / Investors Grievance Committee.
- Managing Director is individually authorised to approve transfers up to 5000 shares.
- Certain executives along with a director have been jointly authorised to approve request for transfers up to 1000 shares per transferor/transferee.
- Certain Executives have also been authorised to approve transfers up to 500 shares per transferor/transferee.

Details of Complaints received and redressed

Nature of Complaints	Received during the year	Resolved during the year
Dividend Related	9	9

There were no complaints remaining pending both at the beginning and end of the financial year 2009-10.

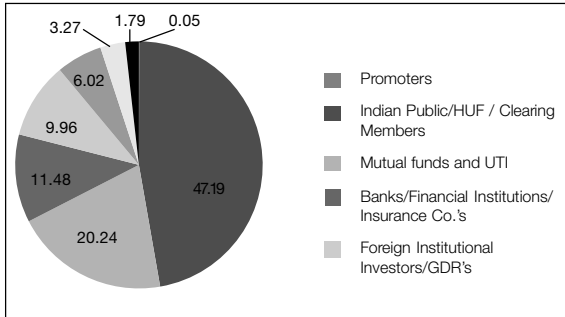
xi. Distribution of Shareholding as on March 31, 2010

No. of equity shares held	No. of shareholders	%	No. of shares	%
1 - 5000	24840	97.77	7798784	9.03
5001-10000	261	1.03	1903665	2.20
10001-20000	120	0.47	1689532	1.96
20001-30000	42	0.16	1019613	1.18
30001-40000	17	0.07	602295	0.70
40001-50000	14	0.06	632372	0.73
50001-100000	29	0.11	2160543	2.50
100001 above	84	0.33	70551666	81.70
Total	25407	100.00	86358470	100.00
	No. of shareholders	%	No. of shares	%
Shareholders in:				
Physical Mode	9228	36.32	4030108	4.67
Electronic Mode	16179	63.68	82328362	95.33
NSDL	13072	51.45	75891801	87.88
CDSL	3107	12.23	6436561	7.45

a. Categories of shareholders as on March 31, 2010

Category	No. of shareholders	No. of shares	% to Capital
Promoters	50	40748707	47.19
Indian Public/HUF/ Clearing Members	24279	17482989	20.24
Mutual Funds and UTI	28	9916983	11.48
Banks/Financial Institutions/ Insurance Co.'s	30	8604463	9.96
Foreign Institutional Investors/ GDR's	39	5201661	6.02
Private Corporate Bodies	593	2819855	3.27
NRIs/OCBs/Foreign Nationals	378	1542904	1.79
Trusts	10	40908	0.05
Total	25407	86358470	100.00

b. Graphical Representation of shareholding pattern (%) as on March 31, 2010



c. Details of Shares held by Non-executive directors as on March 31, 2010

Sl. No.	Name of the Director	No. of shares held
1.	Mr. A. Vellayan	265270
2.	Mr. Anand Narain Bhatia	Nil
3.	Mr. V. Manickam	Nil
4.	Mr. M.B.N. Rao	Nil
5.	Mr. V. Ravichandran	Nil
6.	Mr. R.A. Savor	Nil

xii. Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Equity shares of the Company representing 95.33% of the Company's share capital are dematerialised as on March 31, 2010.

The Company's shares are regularly traded on National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in electronic form.

xiii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

As on March 31, 2010, 130965 GDRs were outstanding. Each GDR represents one underlying equity share.

xiv. Plant Locations

Sugar

- Sugar Factory & Distillery
Nellikuppam- 607 105
Cuddalore District
Tamil Nadu
- Sugar Factory
Pettavaithalai - 639 112
Tiruchirapalli District
Tamil Nadu

- Sugar Factory
Pugalur - 639 113
Karur District
Tamil Nadu
- Sugar Factory
Kurumbur - 614 622
Aranthangi Taluk
Pudukottai District
Tamil Nadu

- Sugar Factory
Ariyur,
Kandamangalam Post
Puduchery - 605 001

- Distillery Factory
Udaikulam Village,
Koothandan Post
Sivagangai Taluk
Sivagangai District - 630 561
Tamil Nadu

Bio Products

- Bio-Pesticides Factory
Thyagavalli Village
Via Alapakkam Rly. Station,
Cuddalore Taluk - 608 803
Cuddalore District
Tamil Nadu

- Nutraceuticals Factory
Kadiapatti, Nemathanpatti Road
Panangudi Post – 622 505
Oonaiyur Village,
Pudukottai District
Tamil Nadu

- R & D Facility**
145, Budigere Road
Off. Old Madras Road
Bangalore - 560 049
Karnataka

xv. Address for Correspondence

E.I.D. – Parry (India) Ltd., Secretarial Division,
Dare House, Parrys Corner, Chennai – 600 001.
Tel: +91-44-25306789 Fax: +91-44-25341609
E-Mail: investorservices@parry.murugappa.com

Other information for Shareholders

DIVIDENDS

Shareholders who have not encashed their dividend warrants (for earlier periods) may approach our Registrars and Transfer Agent M/s. Karvy Computershare Private Ltd., Hyderabad for issue of cheques/demand drafts in lieu of dividend warrants quoting the Folio Number/Client ID. Please note that as per Section 205A of the Companies Act 1956, dividend which remains unpaid/unclaimed over a period of 7 years has to be transferred by the Company to the Investor Education & Protection Fund (IEPF) and no claim shall lie for such unclaimed dividends from IEPF by the members. Year wise details of the dividend paid out are given below:

Year	Dividend Type	Dividend percentage (%)	Amount of Dividend Per share (Rs.)	Due for transfer to the Investor Education and Protection Fund
2002-03	Final	60	6.00	25.08.2010
2003-04	Final	75	7.50	04.09.2011
2004-05	Final	125	2.50	28.08.2012
2005-06	Final	225	4.50	24.08.2013
2006-07	Interim	225	4.50	24.08.2013
2006-07	Final	70	1.40	31.08.2014
2007-08	Final	25	0.50	02.09.2015
2008-09	Special	200	4.00	15.11.2015
2008-09	Interim	500	10.00	28.04.2016
2008-09	Final	300	6.00	04.09.2016
2009-10	Interim	300	6.00	14.03.2017

NOMINATION FACILITY

Section 109A of the Companies Act, 1956 provides *inter alia*, the facility of nomination to share holders. This facility is mainly useful for all holders holding the shares in single name. In case where the securities are held in joint names, the nomination will be effective only in the event of the death of all the holders.

Investors are advised to avail of this facility, especially investors holding securities in single name, to avoid the process of transmission by law.

BENEFITS OF DEMATERIALISATION

4.67% of the shares are still in physical form. Those shareholders who are holding shares in physical form are advised to convert their holdings into demat form, since the Company's equity shares are under compulsory demat trading. The following are the benefits of Dematerialisation:

1. Immediate transfer of securities;
2. No stamp duty on transfer of securities;
3. Elimination of risks associated with physical certificates such as bad delivery, fake securities, etc.;
4. Reduction in paperwork involved in transfer of securities;
5. Reduction in transaction cost;
6. Nomination facility;

7. Change in address recorded with Depository Participant (DP) gets registered electronically with all companies in which investor holds securities eliminating the need to correspond with each of them separately;
8. Transmission of securities is done by DP eliminating correspondence with companies;
9. Convenient method of consolidation of folios/accounts;
10. Holding investments in equity, debt instruments and Government securities in a single account;
11. Automatic credit into demat account, of shares, arising out of split/consolidation/merger etc.

SHARE CERTIFICATES – SUBDIVISION OF SHARES

Shareholders who have still not obtained the new share certificates of Rs.2/- each consequent to the sub division of shares of Rs. 10/- each are requested to surrender the old share certificates of Rs. 10/- each to our Registrar and Transfer Agents so as to enable them to release the new share certificates.

GENERAL

Members are requested to quote their Folio No./DP & Client ID Nos, Email ids, telephone/Fax numbers for better investor servicing by the Company/Registrar and Transfer Agent.

List of Promoters of the Company belonging to the Murugappa Group pursuant to Regulation 3(1) (e) (i) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

SI No.	Name
1	Silkroad Sugar Private Ltd.
2	New Ambadi Estates Pvt. Ltd. and its subsidiaries
3	Ambadi Enterprises Ltd. and its subsidiaries
4	Tube Investments of India Ltd. and its subsidiaries
5	TII Shareholding Trust
6	Presmet Pvt. Ltd.
7	Carborundum Universal Ltd. and its subsidiaries
8	Laserwords Private Ltd. and its subsidiaries
9	Coromandel Engineering Company Limited
10	Murugappa Educational & Medical Foundation
11	AMM Arunachalam & Sons P Ltd.
12	AMM Vellayan Sons P Ltd.
13	MM Muthiah Sons P Ltd.
14	Murugappa & Sons
15	Yelnoorkhan Group Estates

16	Kadamane Estates Company
17	MM Muthiah Research Foundation
18	A R Lakshmi Achi Trust
19	AMM Foundation
20	M V Murugappan & Family
21	M V Subbiah & Family
22	S Vellayan & Family
23	A Vellayan & Family
24	A Venkatachalam & Family
25	M M Murugappan & Family
26	M M Venkatachalam & Family
27	M A Alagappan & Family
28	Arun Alagappan & Family
29	M A M Arunachalam & Family
30	Samvit Education Services Private Limited
31	Any Company / entity promoted by any of the above
Family for the above purpose includes the spouse, dependent children and parents.	

Ministry of Corporate Affairs, Government of India vide their Letter No.47/113/2010-CL-III dated 5.5.2010 have granted exemption under Section 212(8) of the Companies Act, 1956 from attaching the financial statements of the subsidiary Companies, to the Company's accounts for the financial year ended 31st March, 2010. The annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor at the head office and that of the subsidiary companies concerned.

AUDITORS' REPORT TO THE MEMBERS OF E.I.D.- PARRY (INDIA) LIMITED

1. We have audited the attached Balance Sheet of E.I.D.-PARRY(INDIA) LIMITED ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt
- with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.008072S)

Geetha Suryanarayanan
Partner
Membership No.29519

Chennai
April 24, 2010

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of Sugar, Rectified Spirit, Power and Bio-pesticides and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Name of the Statute	Nature of Dues	March 31 2010 Rs. Lakhs	Forum where the dispute is pending	Period to which the dues belong
Central Excise Act, 1944	Excise Duty	403	Assistant Commissioner/ Deputy Commissioner, Commissioner, CESTAT, High Court	Assessment Year 2002-03 to 2007-08.
Finance Act, 1994 (Service Tax)	Service Tax dues	48	Commissioner (Appeals)	Assessment Year 2002-03 to 2006-07
Various States Sales Tax Acts	Sales Tax - Local	116	Assistant Commissioner/ Deputy Commissioner/Tribunal	Assessment Year 1981-82 and 1999-00 to 2005-06
Central Sales Tax Act, 1956	Sales Tax - CST	70	Assistant Commissioner / Deputy Commissioner, Tribunal, High Court	Assessment Year 1999-00 to 2005-06
Tamil Nadu General Sales Tax, Act 1959	TNGST Act	122	Assistant Commissioner / Deputy Commissioner, Tribunal, High Court	2001-02 and 2002-03
Income Tax Act, 1961	Income Tax	1677	Income Tax Appellate Tribunal/ High court/CIT Appeals	2003-04 to 2006-07

- (x) The Company does not have any accumulated losses at the end of the year. The Company has not incurred cash losses during the current year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xii) According to the information and explanations given to us and based on our examination of documents and records, we are of the opinion that no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 500 debentures of Rs.10,00,000 each. The Company has created security in respect of the debentures issued
- (xx) The company has not raised any money by public issues during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.008072S)

Chennai
April 24, 2010

Geetha Suryanarayanan
Partner
Membership No.29519

Balance Sheet

As at 31st March,	Schedule			Rs. Lakhs	
		2010		2009	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS:					
(a) Share Capital	1	1727		1722	
(b) Reserves and Surplus	2	107907	109634	95210	96932
LOAN FUNDS:					
(a) Secured Loans	3	48663		38325	
(b) Unsecured Loans	4	8889	57552	15528	53853
Deferred Tax Liability (Net) (Refer Note 7 of Schedule 19)			13875		10888
TOTAL			181061		161673
APPLICATION OF FUNDS					
FIXED ASSETS:					
Gross Block	5	122905		114155	
Less: Depreciation		41265		34640	
(a) Net Block		81640		79515	
(b) Capital Work-in-Progress at cost		3578	85218	7009	86524
INVESTMENTS	6		68282		48561
CURRENT ASSETS, LOANS AND ADVANCES :					
(a) Inventories	7	19059		14922	
(b) Sundry Debtors	8	11710		13474	
(c) Cash and Bank Balances	9	7403		8591	
(d) Other Current Assets - Interest Accrued		196		68	
(e) Loans and Advances	10	20612		14942	
		58980		51997	
Less :					
CURRENT LIABILITIES AND PROVISIONS :					
(a) Current Liabilities	11	26309		18362	
(b) Provisions	12	5110		7051	
		31419		25413	
NET CURRENT ASSETS			27561		26584
MISCELLANEOUS EXPENDITURE	13		-		4
(to the extent not written off or adjusted)					
TOTAL			181061		161673
Significant Accounting Policies and Notes on accounts	19				

The schedules referred to above form an integral part of Balance Sheet.

In terms of our report of even date attached.

On behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

K. Raghunandan
Managing Director

A. Vellayan
Chairman

Geetha Suryanarayanan
Partner

G. Jalaja
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 24, 2010

Profit and Loss Account

For the year ended 31st March,	Schedule	2010	<i>Rs. Lakhs</i> 2009	
Income :				
Sales		118576	78384	
Less : Excise Duty		<u>3844</u>	114732	<u>2827</u> 75557
Exports Benefits		-		2967
Other Income	14	<u>14950</u>		<u>89248</u>
		<u>129682</u>		<u>167772</u>
Expenditure :				
Material Cost	15	64211		48105
Employee Cost	16	5950		5229
Other Costs	17	23985		17899
Depreciation		6947		5031
Less : Transfer from fixed assets revaluation reserve		<u>14</u>	6933	<u>14</u> 5017
Interest Cost	18	<u>3857</u>		<u>2682</u>
		<u>104936</u>		<u>78932</u>
PROFIT BEFORE TAX		24746		88840
Less : Provision for Tax				
Current		2600		13800
MAT Credit entitlement		(1369)		-
Deferred		2987		5776
Fringe Benefit Tax		<u>-</u>	4218	<u>68</u> 19644
PROFIT AFTER TAX		<u>20528</u>		<u>69196</u>
Balance Brought Forward		59180		15784
		<u>79708</u>		<u>84980</u>
Amount Available for Appropriation				
APPROPRIATIONS :				
Interim Dividend on Equity Shares - Rs. 6/- per share (2009 - Rs. 14)		5181		12181
Proposed Dividend on Equity Shares - Rs. 4/- per share (2009 - Rs. 6)		3454		5167
Dividend Distribution Tax		(24)		1532
Transfer to Debenture Redemption Reserve		417		-
Transfer to General Reserve		40000		6920
Balance Carried to Balance Sheet		<u>30680</u>		<u>59180</u>
		<u>79708</u>		<u>84980</u>
Earnings per Share -Basic Rs. (Face value Rs. 2)		23.81		77.80
Diluted Rs. (Face value Rs. 2)		23.62		77.80
(Refer Note No. 28 of schedule 19)				
Significant Accounting Policies and Notes on Accounts	19			

The Schedules referred to above form an integral part of Profit and Loss Account.

In terms of our report of even date attached.

On behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

K. Raghunandan
Managing Director

A. Vellayan
Chairman

Geetha Suryanarayanan
Partner

G. Jalaja
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 24, 2010

Cash Flow Statement

For the Year Ended 31st March,	2010	<i>Rs. Lakhs</i> 2009	
A. Cash flow from operating activities			
Net profit before tax	24746		88840
Adjustments for :			
Depreciation	6933		5017
Interest expense	3857		2682
Investment income	(10017)		(11573)
Profit on sale of fixed assets (net)	(152)		(46)
Profit on sale of investments	(798)		(74972)
Diminution on value of investment	68		-
Interest Income	(772)		(840)
Other non cash items	27	(854)	29
			(79703)
Operating profit before working capital Changes	23892		9137
Adjustments for : Increase/(Decrease) in			
Trade and other receivables	(3295)		(7646)
Inventories	(4137)		3181
Current liabilities	8596	1164	2668
			(1797)
Cash generated from operations	25056		7340
Direct taxes paid net of refund	(3435)		(68)
Net cash flow from operations	21621		7272
B. Cash flow from investing activities			
Purchase of fixed assets	(4451)		(28355)
Proceeds on sale of fixed assets	229		112
Purchase of investments	(13991)		(30016)
Investments in subsidiary companies	(5806)		(718)
Proceeds from Sale of investments	808		61622
Interest received	644		827
Investments in Fixed Deposit	867		2109
Investment income received	10017		11573
Net cash flow from investing activities	(11683)		17154
C. Cash flow from financing activities			
Buyback of Shares	-		(4425)
Proceeds from issue of shares	379		-
Proceeds from long term borrowings	13635		1881
Repayment of long term borrowings	(5025)		(2048)
Proceeds from other term borrowings (net)	(6640)		2020
Change in working capital finance	1728		(6161)
Interest paid	(3708)		(2708)
Dividends paid including dividend tax	(10628)		(13357)
Net cash used in financing activities	(10259)		(24798)
Net increase in cash and cash equivalents (A+B+C)	(321)		(372)
Cash and cash equivalents as at 1st April	1090		1462
Cash and cash equivalents as at 31st March	769		1090
Reconciliation:			
Cash and Cash equivalent at the end of the year as above	769		1090
Short term Fixed Deposit	6634		7501
Cash and Bank balances as per Balance Sheet	7403		8591

In terms of our report of even date attached.

On behalf of the Board

For Deloitte Haskins & Sells
Chartered AccountantsK. Raghunandan
Managing DirectorA. Vellayan
ChairmanGeetha Suryanarayanan
PartnerG. Jalaja
SecretaryP. Gopalakrishnan
Vice-President (Finance)Chennai
April 24, 2010

Schedules Forming Part of Accounts

01 SHARE CAPITAL		<i>Rs. Lakhs</i>	
As at 31st March,		2010	2009
AUTHORISED :			
Preference Shares:			
50,00,000 Redeemable Preference Shares of Rs.100 each		5000	5000
Equity Shares:			
25,75,00,000 Equity Shares of Rs.2 each		5150	5150
(2009 - 25,75,00,000 Equity Shares of Rs.2 each)		10150	10150
ISSUED AND SUBSCRIBED			
8,61,13,814 Equity Shares of Rs.2 each fully paid up (2009 - 8,92,48,515 Equity Shares of Rs.2 each)		1722	1785
Less: Buyback of 31,34,701 Equity Shares of Rs.2 each		-	(63)
Add: Allotment of 2,44,656 Equity Shares of Rs.2 each on exercise of Employees Stock option		5	-
8,63,58,470 Equity Shares of Rs.2 each fully paid up (2009 - 8,61,13,814 Equity Shares of Rs.2 each)		1727	1722

(Of the above, 3,44,74,295 Equity Shares of Rs.2 each have been allotted as fully paid up for consideration other than cash.)

02 RESERVES AND SURPLUS		<i>Rs. Lakhs</i>		
	As at April 1, 2009	Additions	Deductions	As at March 31, 2010
CAPITAL RESERVES				
Capital Reserve	1348	-	-	1348
Capital Redemption Reserve	3113	-	-	3113
Fixed Assets Revaluation Reserve (Note 1 below)	582	-	14	568
Securities Premium Account (Note 2 below)	3730	374	-	4104
Debenture Redemption Reserve (Note 3 below)	-	417	-	417
	8773	791	14	9550
REVENUE RESERVES				
General Reserve	27677	40000	-	67677
Hedging Reserve	(420)	420	-	-
	27257	40420	-	67677
PROFIT AND LOSS ACCOUNT BALANCE				
	59180			30680
	95210			107907

1. Deduction during the year represents Rs.14 Lakhs transferred to Profit and Loss account.
2. During the year, 244656 Equity Shares were issued to the employees on exercise of Employees Stock option for an aggregate premium of Rs.374 Lakhs (2009 : Nil)
3. Debenture Redemption Reserve account has been created for the Non-convertible Debentures of Rs. 5000 Lakhs issued during the year and Rs.417 Lakhs has been transferred from Profit and loss account.

Schedules Forming Part of Accounts

03 SECURED LOANS (Refer Note 2 of Schedule 19)		Rs. Lakhs	
As at 31st March,		2010	2009
(a) Privately placed Non-convertible debenture			
8.65% Non-Convertible Debenture (2009)		5000	–
(b) Term Loans from:			
i) Government of India -Sugar Development Fund	8441		4922
ii) Banks - Rupee Loan	27641	36082	27550
(c) Other Loans and Advances - Cash Credit from Bank		7581	5853
		48663*	38325*
* Repayable within one year		16992	5025

04 UNSECURED LOANS

As at 31st March,		2010	2009
(a) Short Term loan from - Banks - Rupee loan		4361	13000
(b) Other Loans and Advances-From Others		2500	2500
(c) Commercial Paper		2000 [@]	–
(d) Security Deposits		28	28
		8889*	15528*
* Repayable within one year		6361	13000
[@] Maximum amount outstanding during the year		2000	

05 FIXED ASSETS

	Gross Block				Depreciation				Net Block	
	Cost/Value As at 01.04.2009	Additions	Deletions	Cost/Value As at 31.03.2010	As at 01.04.2009	For the year	Deletions	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangible Assets										
Freehold Land	3737	133	59	3811	–	–	–	–	3811	3737
Leasehold Land (Note 1)	4	–	–	4	1	–	–	1	3	3
Buildings (Notes 2 and 3)	11581	1015	4	12592	2793	352	1	3144	9448	8788
Plant and Machinery	94127	7704	111	101720	28752	6135	100	34787	66933	65375
Furniture and Office Equipment	3621	148	187	3582	2373	300	154	2519	1063	1248
Vehicles	855	146	76	925	491	150	67	574	351	364
Intangible Assets										
Patent	230	41	–	271	230	10	–	240	31	–
	114155	9187	437	122905	34640	6947	322	41265	81640	79515
Previous Year	83577	31165	587	114155	30106	5031	497	34640		
Capital Work - in Progress									3578	7009
									85218	86524

Notes:

- Amortisation of Leasehold land for the year is Rs.0.08 Lakhs (2009 - 0.08 Lakhs).
- Includes cost of Rs.31 Lakhs (2009 - Rs. 31 Lakhs) for which title deeds are yet to be received from the Registrar.
- Includes Building taken on Lease : Cost : Rs. 884.41 Lakhs (2009 - Rs. 884.41 Lakhs) and Accumulated Depreciation : Rs. 199.81 Lakhs (2009 - Rs. 185.08 Lakhs).
- No Depreciation has been claimed on assets to the extent of cervat claimed.

Schedules Forming Part of Accounts

06 INVESTMENTS

	Nominal Value Rs.	Nos			Rs. Lakhs				
		April 1, 2009	Acquisitions	Sales	Mar 31, 2010	April 1, 2009	Acquisitions	Sales	Mar 31, 2010
Long Term (at Cost)									
(A) Quoted									
Equity Shares (Fully Paid up)									
Trade Subsidiary Company									
Coromandel International Limited (Previously known as Coromandel Fertilisers Limited)	2	87,947,790	336,500		88,284,290	9,229	804	-	10,033
Trade Others									
Trichy Distilleries and Chemicals Limited (Sold during the year)	10	220,000	-	220,000	-	9	-	9	-
Non Trade Others									
Kartik Investments Limited	10	23,600	-	-	23,600	4	-	-	4
Travancore Sugars and Chemicals Limited	10	100	-	-	100	-	-	-	-
State Bank of India	10	8,244	-	-	8,244	25	-	-	25
Cholamandalam DBS Finance Limited	10	393	-	-	393	-	-	-	-
Coromandel Engineering Company Limited	10	42,938	-	-	42,938	4	-	-	4
Carborundum Universal Limited	2	1,000	-	-	1,000	-	-	-	-
(A) Total Quoted						9,271	804	9	10,066
(B) Unquoted									
Equity Shares (Fully paid up)									
Trade Subsidiary Companies									
Parry America Inc.,	US \$100	776	-	-	776	24	-	-	24
Parrys Sugar Limited	10	1,500,000	-	-	1,500,000	150	-	-	150
Parrys Investments Limited	10	250,150	-	-	250,150	37	-	-	37
Parry Infrastructure Company Private Limited	10	5,000,000	-	-	5,000,000	500	-	-	500
Parry Phytoremedies Private Limited	100	86,600	20,000	-	106,600	173	40	-	213
Sadashiva Sugars Limited (acquired during the year)	10	-	45,803,418	-	45,803,418	-	4,962	-	4,962
Coromandel Bathware Limited (Refer Note below)	10	1,939,999	-	-	1,939,999	68	-	-	68
Trade Others									
Murugappa Management Services Limited	100	18,270	-	-	18,270	18	-	-	18
Silkroad Sugar Private Limited	10	23,344,659	3,922,719	-	27,267,378	8,504	1,430	-	9,934
Non Trade - Others									
Hawker Siddeley Group Limited (Shares of 25 pence each)		125	-	-	125	-	-	-	-
Indian Dairy Entrepreneur and Agricultural Co. Limited (Cost less amount written off Rs 0.90 Lakh)	1	10,000	-	-	10,000	-	-	-	-
Chennai Wellindon Corporate Foundation	10	266	-	-	266	-	-	-	-
Indian Potash Limited	10	637,200	-	-	637,200	32	-	-	32
Bio Tech Consortium (India) Limited	10	100,000	-	-	100,000	10	-	-	10
Murugappa Morgan Thermal Ceramics Limited	10	2	-	-	2	-	-	-	-
Parry Agrochem Exports Limited	10	9,500	-	-	9,500	-	-	-	-
Kullittalai Cane Farms Private Limited	100	20	-	-	20	-	-	-	-
Roca Bathroom Products Private Limited (Previously known as Parryware Roca Private Limited)	10	64,045	-	-	64,045	6	-	-	6
US Nutraceuticals LLC. *						4,519	-	-	4,519
* The investment represents 48% stake in US Nutraceuticals LLC									
Short Term:									
Mutual Funds	10	182,510,390	132552566		315,062,956	25,198	12,512	-	37,710

Schedules Forming Part of Accounts

06 INVESTMENTS

	Nominal Value Rs.	Nos				Rs. Lakhs			
		April 1, 2009	Acqui-sitions	Sales	Mar 31, 2010	April 1, 2009	Acqui-sitions	Sales	Mar 31, 2010
Long Term:									
Public Sector Bonds									
Rural Electrical Corporation 5 Year 5.5% Redeemable Bonds	10,000	500	500	-	1,000	50	50	-	100
Government Securities (Lodged as Security deposit)		-	-	-	-	1	-	-	1
(B) Total Unquoted						39,290	18,994	-	58,284
(C) Less: Diminution on value of Investments									(68)
(A+B+C) Total Investments						48,561	19,798	9	68,282
Market Value of Quoted Investments						79,846			269,374

Notes

- a) 15 Shares in Kulittalai Cane Farms Private Limited and 125 shares in Hawker Siddley Group Limited are in the process of being transferred in the name of the Company
b) The details of investments in Mutual Funds purchased and redeemed during the year are given below.
c) Investment in Subsidiary company, Coromandel Bathware Ltd, has been fully written off as the networth of the company has been fully eroded.

	Nos.	Nominal Value (Rs.)	Amount (Rs. Lakhs)
a. Opening Balance			
Birla Sun Life Savings Fund - Instl. - Daily Div	11246946	10.01	1125
DBS Chola Freedom Income STP Inst - Daily Dividend Ret - Plan	64171993	10.16	6517
DSP BlackRock Money Manager Fund - Institutional Plan - Daily Div	112346	1001.09	1125
DWS Ultra short term fund - Institutional Daily Div	4992727	10.02	500
Fidelity Ultra Short Term Debt Fund Institutional - Daily Div Option	999895	10.00	100
HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Daily Div	2991580	10.03	300
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Div Ret - Daily	5043082	10.08	508
ICICI Prudential Flexible Income Plan Premium - Daily Div	10622460	10.57	1123
IDFC Money Manager Fund - TP - Super Inst Plan C - Daily Div	15101860	10.00	1510
Kotak Flexi Debt Scheme Institutional - Daily Div	10435714	10.05	1049
LICMF Savings Plus Fund - Daily Dividend Plan	17035575	10.00	1704
Reliance Money Manager Fund - Institutional Option - Daily Div - Plan	257105	1001.14	2574
Reliance Short Term fund Dividend Plan	949169	10.67	101
Religare Ultra Short Term Fund - Institutional Daily Div	16053077	10.02	1608
SBI - Magnum Insta Cash Fund - Daily Dividend Option	2985021	16.75	500
SBI-SHF- Ultra Short Term Fund - Institutional PLAN - Daily Div	2999895	10.01	300
SBNPP Ultra ST Fund Super Inst.Div Rein Daily	16216507	10.04	1628
TATA Floater Fund - Daily Div	2887	10.04	1
UTI Treasury Advantage Fund Institutional Plan (Dividend Option)	292551	999.90	2925
Total	182510390		25198
b. Additions during the year			
Baroda Pioneer Liquid Fund - Institutional Daily Div Plan	11493804	10.01	1150
Baroda Pioneer Treasury Advantage Fund - Institutional Daily Div - Plan	11519707	10.01	1153
Birla Sun Life Cash Plus - Instl. - Daily Dividend	5554796	10.80	600
Birla Sun Life Cash Plus - Instl. Prem. - Daily Dividend	142740275	10.02	14302
Birla Sun Life Savings Fund - Instl. - Daily Dividend	112322912	10.01	11240
Birla Sun Life Short Term Opportunities Fund-Institutional Dividend	10038651	10.01	1005
Birla Sun Life Short Term Opportunities Fund-Instl-Weekly Dividend	16080117	10.00	1608
BSL Interval Income Fund - Instl - Quarterly - Series 1-Dividend	5000000	10.00	500
BSL Interval Income Fund - Instl - Quarterly - Series 2-Dividend	10000000	10.00	1000
Canara Robeco Liquid Super Inst Daily Div Reinvest Fund	12948085	10.04	1300

Schedules Forming Part of Accounts

	Nos.	Nominal Value (Rs.)	Amount (Rs. Lakhs)
Canara Robeco Short Term Institutional Dividend Fund	1006255	10.13	102
Canara Robeco Treasury Advantage Super Instt Daily Div Reinv Fund	9691975	12.41	1202
DBS Chola Freedom Income STP Inst - Daily Dividend Reinvestment Plan	77793005	10.16	7900
DBS Chola Liquid Inst Daily Dividend Reinvestment Plan	185015295	10.11	18702
DBS Chola Select Income Fund - Flexi Debt Institutional - Dividend	87698430	10.04	8805
DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	39996	1000.20	400
DSP BlackRock Money Manager Fund - Institutional Plan - Daily Dividend	40524	1000.80	406
DWS Cash Opportunities Fund - Institutional Plan Daily Dividend	3117137	10.02	312
DWS Cash Opportunities Fund - Regular Plan Daily Dividend	4092296	10.03	410
DWS Insta Cash Plus Fund - Institutional Plan - Daily Dividend Option	10965392	10.05	1102
DWS Insta Cash Plus Fund Super Institutional - Daily Dividend Plan	7980363	10.03	800
DWS Money Plus Fund - Institutional Plan - Daily Dividend Option	2996107	10.08	302
DWS Short Maturity Fund - Institutional Weekly Dividend Plan	986569	10.42	103
DWS Ultra short term fund - Institutional Daily Dividend	3044823	10.01	305
Fidelity Cash Fund (Institutional) - Daily Dividend	7999863	10.00	800
Fidelity Ultra Short Term Debt Fund Institutional - Daily Dividend Option	3047546	10.00	305
HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Daily Div	53042720	10.03	5321
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Divi - Ret - Daily	29953991	10.08	3020
HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvest	93002079	12.26	11402
HDFC Short Term Plan - Dividend	990987	10.32	102
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	62991017	21.62	13619
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Div	73294721	17.12	12552
ICICI Prudential Liquid Super Institutional Plan - Div - Daily	4399701	100.02	4401
IDFC Cash Fund - Super Inst Plan C - Daily Dividend	43994133	10.00	4401
IDFC Liquid Fund - Plan A Daily Dividend	50000	1000.21	500
IDFC Money Manager Fund - Investment Plan - Inst Plan B-Daily Div.	10127203	10.02	1014
IDFC Money Manager Fund - TP - Super Inst Plan C - Daily Div	30217161	10.00	3022
ING Liquid Fund Super Institutional - Daily Dividend Option	7999323	10.00	800
ING Treasury Advantage Fund - Institutional Daily Dividend	2004927	10.00	201
JP Morgan India Treasury Fund- Super Inst. Daily Div Plan- Reinvest	79171765	10.01	7924
JP Morgan India Liquid Fund- Super Inst. Daily Dividend Plan- Reinvest	95933563	10.01	9601
Kotak Flexi Debt Scheme Institutional - Daily Dividend	229500401	10.05	23059
Kotak Floater Long Term - Daily Dividend	26931669	10.08	2715
Kotak Liquid (Institutional Premium) - Daily Dividend	292163336	12.23	35726
Kotak Quarterly Interval Plan Series 1 - Dividend	10099491	10.00	1010
Kotak Quarterly Interval Plan Series 3 - Dividend	6024959	10.00	603
Kotak Quarterly Interval Plan Series 6 - Dividend	5028027	10.00	503
Kotak Quarterly Interval Plan Series 7 - Dividend	5020540	10.00	502
Lic Liquid Fund- Dividend plan	234674911	10.98	25768
LICMF Floating Rate Fund - Short Term Plan - Daily Dividend Plan	53299280	10.00	5330
LICMF Income Plus Fund - Daily Dividend Plan	27137136	10.00	2714
LICMF Savings Plus Fund - Daily Dividend Plan	164246582	10.00	16423
Reliance Ilquid fund - Treasury Plan - Institutional Option -Daily Dividend	331901051	15.29	50752
Reliance Fixed Horizon Fund - XIII - SERIES 1 - Dividend Plan	5000000	10.29	500
Reliance Medium Term Fund - Daily Dividend Plan	24266780	17.10	4149
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	2014569	1001.16	20169
Reliance Monthly Interval Plan - SERIES II - Institutional Dividend Plan	4998151	10.00	500
Reliance Short Term fund Dividend Plan	2888751	10.82	313
Religare Active Income Fund Institutional - Monthly Dividend	5003262	10.00	500
Religare Liquid Fund - Institutional Daily Dividend	5996727	10.01	600
Religare Liquid Fund - Super Institutional Daily Dividend	188145917	10.01	18825
Religare Short Term Plan - Institutional Daily Dividend	3065489	10.05	308

Schedules Forming Part of Accounts

	Nos.	Nominal Value (Rs.)	Amount (Rs. Lakhs)
Religare Ultra Short Term Fund - Institutional Daily Dividend	104392108	10.02	10456
SBI - Magnum Insta Cash Fund - Daily Dividend Option	542	18.41	-
SBI Premier Liquid Fund - Institutional - Daily Dividend	14952570	10.03	1500
SBI Premier Liquid Fund - Super Institutional - Daily Dividend	17943597	10.03	1800
SBI-SHF- Ultra Short Term Fund - Institutional PLAN - Daily Dividend	33038789	10.01	3306
SBNPP Interval Fund Qly-Plan-E-Inst Div	3000235	10.00	300
SBNPP Money Fund Super Inst.Daily Div.Rein	37646532	10.10	3801
SBNPP Ultra ST Fund Super Inst.Div Rein Daily	27068184	10.04	2717
TATA Floater Fund - Daily Dividend	5	10.04	-
TATA Liquid Super High Investment Fund - Daily Dividend	62818	1114.52	700
TATA Short Term Bond Fund - Dividend	847981	12.05	102
TATA Treasury Manager SHIP Daily Dividend	39690	1010.32	401
Taurus Liquid Fund - Institutional Daily Dividend Reinvestment	10001	1000.00	100
Taurus Short Term Bond Fund - Institutional Daily Dividend Plan	9989	1001.48	100
UTI- Fixed Income Interval Fund - SERIES II - Quarterly Interval Plan V - Institutional Div-Plan	5028574	10.00	503
UTI Liquid Cash Plan Institutional - Daily Income Option	1422525	1019.45	14502
UTI Short Term Plan Institutional - Income Option	3976617	10.06	400
UTI Treasury Advantage Fund Institutional Plan (Dividend Option)	1016531	1000.19	10167
UTI-Floating Rate fund -Short Term Plan - Daily Dividend Plan	9987	1014.12	101
UTI-Floating Rate fund -Short Term Plan- Institutional - Daily Dividend Plan	371957	1000.77	3722
UTI-Fixed Income Interval Fund - Quarterly Interval Plan - II -	4000345	10.00	400
Total	3212633819		419741

c. Deletions during the year

Baroda Pioneer Liquid Fund - Institutional Daily Div Plan	11493804	10.01	1150
Birla Sun Life Cash Plus - Instl. - Daily Dividend	5554796	10.80	600
Birla Sun Life Cash Plus - Instl. Prem. - Daily Dividend	142740275	10.02	14302
Birla Sun Life Savings Fund - Instl. - Daily Dividend	117490030	10.01	11757
Birla Sun Life Short Term Opportunities Fund-Institutional Dividend	10038651	10.01	1005
Canara Robeco Liquid Super Inst Daily Div Reinvest Fund	12948085	10.04	1300
Canara Robeco Short Term Institutional Dividend Fund	1006255	10.13	102
Canara Robeco Treasury Advantage Super Instt Daily Div Reinv Fund	6465786	12.41	802
DBS Chola Freedom Income STP Inst - Daily Dividend Reinvestment Plan	141964998	10.16	14417
DBS Chola Liquid Inst Daily Dividend Reinvestment Plan	185015295	10.11	18702
DBS Chola Select Income Fund - Flexi Debt Institutional - Dividend	39808134	10.05	4000
DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	39996	1000.20	400
DSP BlackRock Money Manager Fund - Institutional Plan - Daily Dividend	152870	1001.01	1531
DWS Cash Opportunities Fund - Regular Plan Daily Dividend	2991892	10.03	300
DWS Insta Cash Plus Fund - Institutional Plan - Daily Dividend Option	10965392	10.05	1102
DWS Insta Cash Plus Fund Super Institutional - Daily Dividend Plan	7980363	10.03	800
DWS Money Plus Fund - Institutional Plan - Daily Dividend Option	2996107	10.08	302
DWS Short Maturity Fund - Institutional Weekly Dividend Plan	986569	10.42	103
DWS Ultra short term fund - Institutional Daily Dividend	8037550	10.02	805
Fidelity Cash Fund (Institutional) - Daily Dividend	7999863	10.00	800
Fidelity Ultra Short Term Debt Fund Institutional - Daily Dividend Option	4047441	10.00	405
HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Daily Dividend	56034299	10.03	5621
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Dividend Reinvestment - Daily	25066328	10.08	2527
HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvest	93002079	12.26	11402
HDFC Short Term Plan - Dividend	990987	10.32	102
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	71893636	17.98	12924
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Div	73294721	17.12	12552
ICICI Prudential Liquid Super Institutional Plan - Div - Daily	4399701	100.02	4401

Schedules Forming Part of Accounts

	Nos.	Nominal Value (Rs.)	Amount (Rs. Lakhs)
IDFC Cash Fund - Super Inst Plan C - Daily Dividend	43994133	10.00	4401
IDFC Liquid Fund - Plan A Daily Dividend	50000	1000.21	500
IDFC Money Manager Fund - TP - Super Inst Plan C - Daily Div	45319020	10.00	4532
ING Liquid Fund Super Institutional - Daily Dividend Option	7999323	10.00	800
ING Treasury Advantage Fund - Institutional Daily Dividend	2004927	10.00	201
JP Morgan India Treasury Fund- Super Inst. Daily Div Plan- Reinvest	72170500	10.01	7223
JP Morgan India Liquid Fund- Super Inst. Daily Dividend Plan- Reinvest	95933563	10.01	9601
Kotak Flexi Debt Scheme Institutional - Daily Dividend	203035581	10.05	20400
Kotak Floater Long Term - Daily Dividend	26931669	10.08	2715
Kotak Liquid (Institutional Premium) - Daily Dividend	292163336	12.23	35726
Kotak Quarterly Interval Plan Series 1 - Dividend	10099491	10.00	1010
Lic Liquid Fund- Dividend plan	234674911	10.98	25768
LICMF Floating Rate Fund - Short Term Plan - Daily Dividend Plan	36047736	10.00	3605
LICMF Income Plus Fund - Daily Dividend Plan	27137136	10.00	2714
LICMF Savings Plus Fund - Daily Dividend Plan	126096762	10.00	12610
Reliance Ilquid fund - Treasury Plan - Institutional Option -Daily Dividend	326013118	15.29	49852
Reliance Medium Term Fund - Daily Dividend Plan	19307740	17.10	3300
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	2101609	1001.14	21040
Reliance Short Term fund Dividend Plan	3837919	10.79	414
Religare Liquid Fund - Institutional Daily Dividend	5996727	10.01	600
Religare Liquid Fund - Super Institutional Daily Dividend	188145917	10.01	18825
Religare Short Term Plan - Institutional Daily Dividend	3065489	10.05	308
Religare Ultra Short Term Fund - Institutional Daily Dividend	115818165	10.02	11600
SBI - Magnum Insta Cash Fund - Daily Dividend Option	2985563	16.75	500
SBI Premier Liquid Fund - Institutional - Daily Dividend	14952570	10.03	1500
SBI Premier Liquid Fund - Super Institutional - Daily Dividend	17943597	10.03	1800
SBI-SHF- Ultra Short Term Fund - Institutional PLAN - Daily Dividend	26041006	10.01	2606
SBNPP Money Fund Super Inst.Daily Div.Rein	37646532	10.10	3801
SBNPP Ultra ST Fund Super Inst.Div Rein Daily	43284691	10.04	4345
TATA Floater Fund - Daily Dividend	2892	10.04	1
TATA Liquid Super High Investment Fund - Daily Dividend	62818	1114.52	700
TATA Short Term Bond Fund - Dividend	847981	12.05	102
TATA Treasury Manager SHIP Daily Dividend	39690	1010.32	401
Taurus Liquid Fund - Institutional Daily Dividend Reinvestment	10001	1000.00	100
UTI Liquid Cash Plan Institutional - Daily Income Option	1422525	1019.45	14502
UTI Treasury Advantage Fund Institutional Plan (Dividend Option)	1178875	1000.21	11791
UTI-Floating Rate fund -Short Term Plan - Daily Dividend Plan	9987	1014.12	101
UTI-Floating Rate fund -Short Term Plan- Institutional - Daily Dividend Plan	301846	1000.77	3020
Total	3080081253		407229
Net purchases	132552566		12512
d. Closing Balance			
Baroda Pioneer Treasury Advantage Fund - Institutional Daily Dividend Plan	11519707	10.01	1153
Birla Sun Life Savings Fund - Instl. - Daily Dividend	6079828	10.01	608
Birla Sun Life Short Term Opportunities Fund-Instl-Weekly Dividend	16080117	10.00	1608
BSL Interval Income Fund - Instl - Quarterly - Series 1-Dividend	5000000	10.00	500
BSL Interval Income Fund - Instl - Quarterly - Series 2-Dividend	10000000	10.00	1000
Canara Robeco Treasury Advantage Super Instt Daily Div Rein Fund	3226189	12.41	400
DBS Chola Select Income Fund - Flexi Debt Institutional - Dividend	47890296	10.03	4805
DWS Cash Opportunities Fund - Institutional Plan Daily Dividend	3117137	10.02	312
DWS Cash Opportunities Fund - Regular Plan Daily Dividend	1100404	10.03	110
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Dividend Reinvestment - Daily	9930744	10.08	1001
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	1719841	105.73	1818
IDFC Money Manager Fund - Investment Plan - Inst Plan B-Daily Div.	10127204	10.02	1014
JP Morgan India Treasury Fund- Super Inst. Daily Div Plan- Reinvest	7001265	10.01	701

Schedules Forming Part of Accounts

	Nos.	Nominal Value (Rs.)	Amount (Rs. Lakhs)
Kotak Flexi Debt Scheme Institutional - Daily Dividend	36900534	10.05	3708
Kotak Quarterly Interval Plan Series 3 - Dividend	6024959	10.00	603
Kotak Quarterly Interval Plan Series 6 - Dividend	5028027	10.00	503
Kotak Quarterly Interval Plan Series 7 - Dividend	5020540	10.00	502
LICMF Floating Rate Fund - Short Term Plan - Daily Dividend Plan	17251543	10.00	1725
LICMF Savings Plus Fund - Daily Dividend Plan	55185395	10.00	5517
Reliance Ilquid fund - Treasury Plan - Institutional Option -Daily Dividend	5887933	15.29	900
Reliance Fixed Horizon Fund - XIII - SERIES 1 - Dividend Plan	5000000	10.00	500
Reliance Medium Term Fund - Daily Dividend Plan	4959040	17.10	849
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	170065	1001.34	1703
Reliance Monthly Interval Plan - SERIES II - Institutional Dividend Plan	4998151	10.00	500
Religare Active Income Fund Institutional - Monthly Dividend	5003262	10.00	500
Religare Ultra Short Term Fund - Institutional Daily Dividend	4627020	10.02	464
SBI-SHF- Ultra Short Term Fund - Institutional PLAN - Daily Dividend	9997677	10.01	1000
SBNPP Interval Fund Qly-Plan-E-Inst Div	3000235	10.00	300
Taurus Short Term Bond Fund - Institutional Daily Dividend Plan	9989	1001.48	100
UTI- Fixed Income Interval Fund - SERIES II - Quarterly Interval Plan V - Institutional Dividend Plan	5028574	10.00	503
UTI Short Term Plan Institutional - Income Option	3976617	10.06	400
UTI Treasury Advantage Fund Institutional Plan (Dividend Option)	130207	999.34	1301
UTI-Floating Rate fund -Short Term Plan- Institutional - Daily Dividend Plan	70111	1000.77	702
UTI-Fixed Income Interval Fund - Quarterly Interval Plan - II	4000345	10.00	400
Grand Total	315062956		37710

Schedules Forming Part of Accounts

07 INVENTORIES		<i>Rs. Lakhs</i>	
As at 31st March,	2010	2009	
Raw materials	1774	869	
Work-in-progress	1096	742	
Finished goods	14591	12147	
	17461	13758	
Consumable stores and spares	1598	1164	
	19059	14922	

08 SUNDRY DEBTORS (Unsecured)		2010		2009	
As at 31st March,					
Debts outstanding for a period exceeding six months					
Considered Good	1897			4220	
Considered Doubtful	310			309	
	2207			4529	
Less: Provision for Doubtful Debts	310	1897	309	4220	
Other Debts:					
Considered Good			9813	9254	
			11710	13474	

09 CASH AND BANK BALANCES		2010		2009	
As at 31st March,					
Cash-in-hand and in-transit (including cheques on hand)			37	86	
Balance with Scheduled Banks:					
In Current Account			277	385	
In Dividend Account			446	614	
In Deposit Account			6634	7501	
Balance with other Banks:					
In Current Account (Note below)			9	5	
			7403	8591	

Note:

Balances with Other Banks	As at	Maximum	As at	Maximum
	March 31, 2010	Balance during 2010	March 31, 2009	Balance during 2009
Cuddalore District Central Co-operative Bank Limited	7	271	5	69
Vallalar Grama Bank	2	40	-	17
Trichy District Co-operative Bank	-	118	-	41

Schedules Forming Part of Accounts

10	LOANS AND ADVANCES	<i>Rs. Lakhs</i>	
As at 31st March,		2010	2009
Unsecured and considered Good unless otherwise stated :			
Loans / Advances to Subsidiary Companies		1232	336
Advance Tax less Provision for Tax Rs. 30399 Lakhs including provision for Fringe Benefit Tax Rs. 349 Lakhs (2009-Rs. 27799 Lakhs including Fringe Benefit Tax Rs. 349 Lakhs)		2472	1637
Balance with customs and Central Excise authorities		365	565
MAT Credit Entitlement (Ref. Note 7(ii) of Schedule 19)		1430	61
Advance recoverable in cash or in kind or for value to be received:			
- Unsecured and Considered Good		15113	12343
- Considered Doubtful		112	108
		<u>15225</u>	<u>12041</u>
Less: Provision for Doubtful Advances		112	108
		<u>15113</u>	<u>12343</u>
		<u>20612</u>	<u>14942</u>

11	CURRENT LIABILITIES		
As at 31st March,		2010	2009
Sundry Creditors:			
- Dues to Micro Small and Medium Enterprises (Refer Note 8 of Schedule 19)		-	-
- Others		17372	13265
Advances and Deposits from Customers/Others		5552	385
Due to Directors		36	31
Investor Education and Protection Fund @			
(a) Unpaid Dividend		318	614
(b) Unpaid Matured Deposits		-	-
(c) Interest accrued on (b) above		1	1
		<u>319</u>	<u>615</u>
Other Liabilities		2633	3818
Interest accrued but not due on loans		397	248
		<u>26309</u>	<u>18362</u>

@ None of the amounts disclosed are more than seven years old as on the balance sheet date.

12	PROVISIONS		
As at 31st March,		2010	2009
Proposed Dividend		3454	5167
Dividend Tax		574	878
Provision for compensated absences		632	556
Others (Refer Note 9 of Schedule 19)		450	450
		<u>5110</u>	<u>7051</u>

13	MISCELLANEOUS EXPENDITURE		
As at 31st March,		2010	2009
Voluntary Separation Scheme:			
As per last Balance Sheet		4	11
Less: Written off during the year		4	7
		<u>-</u>	<u>4</u>

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14 OTHER INCOME

For the year ended 31st March,	2010		2009	
	<i>Rs. Lakhs</i>			
Profit on sale of Fixed Assets	152		46	
Profit on sale of Investments	798		74972	
Liabilities/ Provisions no longer required written back	171		50	
Dividend Income				
Subsidiary Companies	8815		8333	
Trade Investments	20		229	
Other Investments	1182	10017	3011	11573
Interest on Deposits etc.,	772		840	
<i>(Tax deducted at source : Rs. 79 Lakhs 2009 - Rs. 132 Lakhs)</i>				
Sundry Income	3040		1767	
	14950		89248	

15 MATERIAL COST

For the year ended 31st March,	2010		2009	
Raw materials consumed	60016		43241	
Purchase of finished goods	6993		982	
(Increase)/Decrease in stocks				
Opening Stock:				
Work-in-progress	742		712	
Finished goods	12147		16059	
	12889		16771	
Closing Stock:				
Work-in-progress	1096		742	
Finished goods	14591		12147	
	15687	(2798)	12889	3882
	64211		48105	

16 EMPLOYEE COST : (Refer Note 11 & Note 17.1 of Schedule 19)

For the year ended 31st March,	2010		2009	
Salaries, Wages and Bonus	4725		4143	
Contribution to Provident and Other Funds	455		437	
Workmen and Staff Welfare Expenses	770		649	
	5950		5229	

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17 OTHER COSTS		<i>Rs. in Lakhs</i>	
For the year ended 31st March		2010	2009
Consumption of Stores		1494	1461
Power and Fuel		6123	1951
Rent		277	233
Repairs and Maintenance - Buildings	131		107
- Plant and Machinery	2141	2272	2334
Insurance		246	240
Rates and Taxes		335	531
Packing, Despatching and Freight		4649	3412
Commission to Selling Agents		111	79
Rebates and Discounts		167	5
Auditors' Fees and Expenses		36	27
Directors' Fees and Commission		46	39
Sales Promotion and Publicity		335	592
Fixed Assets scrapped		38	24
Professional Charges		1820	1245
Provision for Doubtful Debts and Advances		11	172
Bad Debts/Advances written off		26	5
Provision for Diminution in value of Investments		68	-
General Manufacturing, Selling and Administration Expenses		5931	5549
		23985	17899

18 INTEREST			
For the year ended 31st March		2010	2009
Interest on			
- Debentures		252	-
- Other Fixed Loans		2563	2313
- Others		1042	369
Total*		3857	2682

* Net of capitalisation Rs. 236 Lakhs (2009 - Rs. 1516 Lakhs)

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements have been prepared under the historical cost convention on accrual basis and in accordance with the accounting principles generally accepted in India and comply with mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956, except for certain fixed assets which are revalued.

1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.3 Fixed Assets

Fixed Assets (other than those which have been revalued) are stated at historical cost less accumulated depreciation. Cost includes related taxes, duties, freight, insurance and other incidental expenses related to the acquisition and installation of assets and borrowing cost incurred upto the date when the assets are ready for its intended use, but excludes duties and taxes that are recoverable subsequently from taxing authorities. The revalued fixed assets are restated at their estimated current replacement values as on 30th June 1987 as determined by the valuers.

Intangible Assets are stated at cost of acquisition less accumulated amortisation.

Leasehold land and leasehold improvements are amortised over the primary period of lease.

Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of assets that necessarily take a substantial period of time to get ready for its intended use are capitalised as part of the cost of qualifying asset when it is possible that they will result in future economic

benefits and the cost can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

1.4 Depreciation

i) Depreciation on fixed assets (other than revalued land and buildings and leased assets) is calculated on Straight line method on following basis:

Assets acquired upto June 30, 1987 on the basis of specified period under section 205(2) (b) of the Companies Act, 1956.

In respect of assets acquired after June 30, 1987, except assets relating to Nutraceutical Division, depreciation is charged based on estimated useful life of the assets at rates which are higher than the rates specified in Schedule XIV of the Companies Act. The depreciation rates followed are specified below :-

Buildings	1.67% to 3.65%
Plant and Machinery	4.75% to 25.89%
Vehicles	23.75%
Computers	31.67%
Furniture & Office Equipments	4.75 % to 23.75 %

In respect of Assets relating to Nutraceuticals Division, Assets are depreciated at rates specified in Schedule XIV of the Companies Act, 1956.

- ii) In respect of additions and deletions during the year, depreciation charge is provided on *pro-rata* basis.
- iii) Leased assets are fully depreciated over the primary lease period.
- iv) Assets costing individually Rs 5000 or less are fully depreciated in the year of addition.
- v) The difference between the depreciation for the year on revalued buildings and depreciation calculated on the original cost is recouped from the fixed assets revaluation reserve.
- vi) Cost of patent is amortised over a period of 3 years.

1.5 Investments

Long term investments are stated at cost. Provision for diminution in value is made if the decline is other than temporary in nature. Current Investments are

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

stated at lower of cost and fair value determined on the basis of each category of investments.

1.6 Inventories

- i) Inventories are valued at the lower of cost and net realisable value.
- ii) Cost includes all direct costs and applicable production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Cost also includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from taxing authorities. (Excise Duty is included in the value of finished goods inventory).
- iii) Raw materials, bought out items, consumables and stores and spares are valued at lower of weighted average cost and net realisable value.
- iv) By products are valued at net realisable value.
- v) Work-in-progress and Finished Goods are valued at lower of cost and net realisable value. Excise Duty is included in the value of finished goods inventory.

1.7 Revenue Recognition

- i) Revenue from sale is recognised when risks and rewards of ownership are transferred to the buyer under the terms of the contract.
- ii) Sales include Excise duty recovered and are stated net of trade discounts and sales returns.
- iii) Income from services rendered is booked based on agreements/arrangements with the concerned parties.
- iv) Export Incentive under Duty Entitlement Pass Book Scheme are treated as income in the year of export at the estimated realisable value.
- v) Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.
- vi) Dividend income is accounted for in the year in which the right to receive the payment is established.

1.8 Foreign Currency Transactions

Foreign Currency Transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities

denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Exchange differences arising on actual payments/realisations and year-end restatements are dealt with in the Profit & Loss Account.

The company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of the foreign exchange contract or similar instrument is amortised as expense or income over the life of the contract. Exchange difference on such contracts is recognised in the Profit & Loss Account in the year in which the exchange rates change.

Any profit or loss arising on cancellation of a forward exchange contract is recognised as income or expense for the year.

1.9 Derivative Instruments and Hedge Accounting

The company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating certain firm commitments and forecasted transactions. The Company designates these as cash flow hedges.

The use of forward contracts is governed by the company's policies on the use of such financial derivatives consistent with the company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

Forward contract derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in "Hedge Reserve Account" under Shareholders' Funds and the ineffective portion is recognised immediately in the profit and loss account.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Profit and Loss Account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

accounting. If any of these events occur or if a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging Reserve Account" under Shareholders' fund is transferred to the Profit and Loss account for the year.

1.10 Employee Benefits

a. Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits, including accumulated compensated absences, at the balance sheet date, are recognised as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

b. Long Term Employee Benefits :

The obligation for long term employee benefits such as long term compensated absence is provided for based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method.

i) Defined Contribution Plans: -

The company's superannuation scheme, state governed provident fund scheme and employee state insurance scheme are defined contribution plans. Fixed contributions to the Superannuation Fund, which is administered by trustees and managed by LIC are charged to the Profit and Loss Account. The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year incurred.

The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

ii) Defined Benefit Plans: -

Employees pension scheme and provident fund scheme managed by Trust are the company's defined benefit

plans. The company also makes annual contribution to a Gratuity fund administered by LIC.

The present value of obligation under such defined benefit plans is determined based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to determine the final obligation.

Actuarial gains/losses are absorbed in the financial statements.

iii) Deferred Compensation cost: -

In respect of stock options, Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognised as deferred employee compensation cost and is charged to the Profit and Loss Account on graded vesting basis over the vesting period of the options.

1.11 Miscellaneous Expenditure

Voluntary Separation Scheme expenditure is amortised over the expected period of future benefits but not over a period of more than five years.

1.12 Taxes on Income

Current tax is determined based on the liability computed in accordance with the relevant tax rates and tax laws.

Deferred tax is recognised for timing differences arising between the taxable income and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

forward of losses under tax laws, are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such Deferred tax assets. Other Deferred tax assets are recognised if there is a reasonable certainty that there will be sufficient future taxable income available to realise such Deferred tax assets.

1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

1.14 Segment reporting

- a. The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.
- b. Segment revenue and segment results include transfers between business segments. Such transfers are accounted for at the agreed transaction value and such transfers are eliminated in the consolidation of the segments.
- c. Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses which relate to the company as a whole and are not allocable to segments are included under unallocated corporate expenses.
- d. Segments assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

1.15 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication

of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use.

2. SECURED LOANS

- i) Loan from Sugar Development Fund (Government of India) for modernisation/ expansion / cogeneration amounting to Rs. 8,374 Lakhs is secured by way of a Bank Guarantee from State Bank of India.
- ii) Working Capital facilities from State Bank of India and guarantee given by it in respect of the Sugar Development Fund Loan amounting to Rs. 67 Lakhs from Government of India are secured by hypothecation of sugar and other stocks, stores, book debts and liquid assets and further secured by a second charge over the immovable properties of the company (other than Pugalur unit) and a third charge on the movable and immovable properties of the Pugalur sugar unit.
- iii) The Rupee term loan from HDFC Bank Limited amounting to Rs. 400 Lakhs is secured by a *pari passu* first charge by way of hypothecation of all the movable plant and machinery and other movable assets both present and future situated at Pugalur and Pudukottai and further secured by a *pari passu* first charge on the immovable properties both present and future situated at Pugalur and Pudukottai
- iv) The corporate / term loan from State Bank of India amounting to Rs. 10,000 Lakhs is secured by a *pari passu* first charge by way of hypothecation of all the movable plant and machinery and other movable assets both present and future situated at Nellikuppam, Pugalur and Pudukottai and further secured by a *pari passu* first charge on the immovable properties situated at Nellikuppam, Pugalur and Pudukottai.
- v) The Rupee term loans from State Bank of India amounting to Rs. 3,600 Lakhs are secured by a *pari passu* first charge by way

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

- of hypothecation of all the movable plant and machinery and other movable assets both present and future situated at Nellikuppam, Pugalur, Pettavaittalai, Pudukottai, Thyagavalli and Ariyur and further secured/to be secured by a *pari passu* first charge on the immovable properties situated at these places and a second charge on current assets.
- vi) The Rupee term loan from State Bank of India amounting to Rs. 4,950 Lakhs is secured by a second charge on the residual value of the Company's fixed assets by way of hypothecation of all the movable plant and machinery and other movable assets both present and future situated at Nellikuppam, Pettavaittalai, Pudukottai, Thyagavalli and Ariyur and further secured/to be secured by a second charge on the immovable properties situated at these places and by a third charge on Pugalur fixed assets.
- vii) The Rupee term loan from Canara Bank amounting to Rs. 3,750 Lakhs is secured by a *pari passu* first charge by way of hypothecation of all the movable plant and machinery and other movable assets both present and future situated at Nellikuppam, Pugalur, Pettavaittalai, Pudukottai, Thyagavalli and Ariyur and further secured/to be secured by a *pari passu* first charge on the immovable properties situated at these places.
- viii) The Rupee term loans from State Bank of India amounting to Rs. 4,941 Lakhs are secured by a *pari passu* first charge by way of hypothecation of all the movable plant and machinery and other movable assets both present and future situated at Nellikuppam, Pugalur, Pettavaittalai, Pudukottai, Thyagavalli and Ariyur and further secured/to be secured by a *pari passu* first charge on the immovable properties situated at these places and a second charge on current assets.
- ix) 500 - 8.65% Secured Redeemable Non-convertible Debentures aggregating to Rs.5,000 Lakhs are secured by a *pari passu* first charge by way of a registered mortgage deed on the Company's immovable properties/fixed assets both present and future situated at Pugalur and further secured by a *pari passu* first charge on the immovable properties situated at Nellikuppam, Pugalur, Pudukottai, and Thyagavalli. Debentures are redeemable in full at par in 2013.

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

	2009-10 Rs.Lakhs	2008-09 Rs.Lakhs
3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	735	5420
4. Other monies for which the Company is contingently liable		
(a) Letters of Credit and Bank Guarantees established for Purchases of Raw Materials, Spares and Capital Goods	28674	3561
(b) Income Tax demands contested for which no Provision has been made	3326	2209
(c) Claims against the Company for Sales Tax, Excise Duty and others including Industrial Disputes not acknowledged as Debt and not provided for.	1378	1194
(d) Certain Industrial Disputes are pending before Tribunal / High Courts. The liability of the Company in respect of these disputes depends upon the final outcome of such cases, the quantum of which is not currently ascertainable.		
(e) The Statutory Minimum Price of sugar cane for the sugar year 2002-03 notified on December 12, 2002 at Rs 645/MT was increased to Rs 695/MT on January 9, 2003. Since the increase was arbitrary the same was legally challenged by the South Indian Sugar Mills Association (of which the Company is a member) and the matter is pending before the Hon'ble Supreme Court of India. Based on legal advice, pending disposal of cases, no provision has been considered in the Accounts.	826	1115
(f) The company had an opening export obligation of 22,641 MT arising out of raw sugar imported against Advance licences in earlier years. In respect of raw sugar imported during the year, no additional export obligation has arisen. Balance export obligations is 22,641 MT as on March 31, 2010.		

5. Disputed statutory dues:

The following dues have not been deposited on account of a dispute

SI No	Name of the Statute	Nature of Dues	2010 Rs. Lakhs	2009 Rs. Lakhs pending	Forum where the dispute is
1.	Central Excise Act, 1944	Excise Duty	403	320	Assistant Commissioner/ Deputy Commissioner, Commissioner, CESTAT, High Court
2.	Finance Act, 1994 (Service Tax)	Service Tax dues	48	27	Commissioner (Appeals)
3.	Various States Sales Tax Acts	Sales Tax - Local	116	114	Assistant Commissioner/ Deputy Commissioner/Tribunal
4.	Central Sales Tax Act, 1956	Sales Tax - CST	70	72	Assistant Commissioner /Deputy Commissioner, Tribunal, High Court
5.	Tamil Nadu General Sales Tax Act, 1959	TNGST Act	122	233	Assistant Commissioner /Deputy Commissioner, Tribunal, High Court
6.	Income Tax Act, 1961	Income Tax	1677	1176	Income Tax Appellate Tribunal/ High Court/CIT Appeals

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

	2010 Rs.Lakhs	2009 Rs.Lakhs
6. Capital advances included in Loans and Advances	1594	2899
7. i) Deferred Tax Components of Deferred tax on account of timing difference	2010 Deferred Tax Liability/(Asset) Rs. Lakhs	2009 Deferred Tax Liability/(Asset) Rs. Lakhs
Difference between the written down value of assets as per books of account and Income Tax Act.	14281	12104
Unabsorbed Depreciation and Business Loss	NIL	(808)
Provision for doubtful debts, provision for compensated absences and others	(406)	(408)
Net Deferred Tax liability	<u>13875</u>	<u>10888</u>
ii) Minimum Alternate Tax (MAT) Credit Entitlement In view of the Taxable profits for the financial year 2009-10, computed in accordance with provisions of Income Tax Act, 1961, being lower than the Book profits, provision for Minimum Alternate Tax has been made. MAT Credit entitlement recognised during the year 2006-07 has been reversed on utilisation of the credit. Consequently, an amount of Rs. 1,369 Lakhs being MAT credit entitlement has been recognised in the books.		
8. There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, which are outstanding for more than 45 days as at March 31, 2010 which is on the basis of such parties having been identified by the management and relied upon by the auditors.		
9. Provision others includes amount in respect of contractual obligations relating to certain business divested by the company.		
	2010 Rs. Lakhs	2009 Rs. Lakhs
Opening balance	450	-
Add: Provision created	-	450
Less: Utilised during the year	-	-
Closing Balance	450	450
	2010 Rs. Lakhs	2009 Rs. Lakhs
10. (i) Net exchange(Gain)/Loss difference dealt with in the Profit and Loss account on foreign currency monetary items	519	1056
(ii) Charge to the Profit and Loss Account in respect of premium on forward exchange contracts and other instruments that are in substance a forward exchange contract	1	NIL

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

11. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognised in the Balance Sheet and Profit and Loss Account.

Particulars	Gratuity (Funded)	
	2010 Rs.Lakhs	2009 Rs.Lakhs
Present Value of obligations at the beginning of the year	764	693
Current service cost	62	62
Interest Cost	61	52
Actuarial loss/(gain)	36	29
Benefits paid	(67)	(72)
Present Value of obligations at the end of the year	856	764
Changes in the fair value of planned assets		
Fair value of plan assets at the beginning of year	833	755
Expected return on plan assets	77	61
Contributions	86	80
Benefits Paid	(67)	(72)
Actuarial gain on plan assets	-	9
Fair Value of plan assets at the end of the year	929	833
Amounts recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	856	764
Fair value of plan assets at the end of the year	929	833
Funded status of the plans – (asset)/ Liability recognised in the balance sheet	(73)	(69)
Cost for the year		
Current service cost	62	62
Interest Cost	61	52
Expected return on plan assets	(77)	(61)
Net actuarial (gain)/loss recognised in the year	36	21
Net Cost	82	74
Assumptions		
Discount rate	8.00%	8.00%
Expected rate of planned assets	8.00%	8.00%
Expected rate of salary increase	5.00%	5.00%

In the absence of the relevant information from the actuary, the above details do not include the composition of plan assets.

Note on Provident Fund: -

With respect to the Provident Fund Trust administered by the company, the company shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

12. Total Excise Duty on Sales for the year has been disclosed as reduction from the turnover. Excise duty related to the difference between the closing stock and opening stock has been included in Schedule 17 "Other Costs". General Manufacturing, Selling and Administration Expenses included under Other Cost in Schedule 17, includes Cane Development Expenditure of Rs. 2702 Lakhs (PY : 728 Lakhs).

	2010 Rs.Lakhs	2009 Rs.Lakhs
13. Rates & Taxes included in Raw material consumption	1601	2087
14. Revenue expenses on Research and Development included under various heads of accounts	628	347
15. Repairs and maintenance includes Stores and spare parts consumed	1416	1452
16. Auditors' remuneration and Expenses:		
(i) Audit Fees	15	12
(ii) Tax Audit	3	2
(iii) Fees for other services	12	11
(iv) Reimbursement of out of pocket expenses	2	2

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

	2010 Rs.Lakhs	2009 Rs.Lakhs
17. Director's Remuneration:		
17.1 Whole time Directors remuneration		
Salaries and Allowances	75	89
Contribution to Provident and Other Funds	5	6
Other Benefits	1	7
Commission	19	17
	100	119
<p>Note : Managerial remuneration above does not include gratuity and leave encashment benefit, since the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.</p>		
17.2 Non Whole time Directors remuneration		
Commission to Non Whole Time Directors	17	14
Directors' sitting Fees	10	8
	27	22
17.3 Computation of Directors Commission		
Profit as per Profit & Loss Account:	24746	88840
Add:		
Directors' sitting Fees	10	8
Whole Time Directors' Remuneration Including Commission / Non Whole Time Directors' Commission	117	133
Provision for Doubtful Debts/ Advances	11	172
Voluntary Separation Scheme	4	7
	24888	89160
Less:		
Provision for Deferred Repairs/Doubtful Debts/Advances/ Contingencies Written back (Net)	Nil	Nil
Profit on sale of Fixed Assets as per books (Net)	152	46
Profit on Sale of Investments (Net)	798	74972
Excess of expenditure over income in so far as such excess has not been deducted	Nil	3677
Profit as per Section 349	23938	10465
Commission to Whole Time Directors restricted to	19	17
Commission at 1% on the profit as per section 349	239	105
Commission at 1% for Non-Whole Time Directors restricted to	17	14

18. LICENSED/INSTALLED CAPACITIES AND PRODUCTION DETAILS FOR THE YEAR ENDED MARCH 31, 2010 (AS CERTIFIED BY THE MANAGEMENT)

CLASSES OF GOODS **	UNIT	LICENSED CAPACITY		INSTALLED CAPACITY		ACTUAL PRODUCTION	
		2010	2009	2010	2009	2010	2009
SUGAR	CANE MT/DAY	NA	NA	19000	19000	289283	322546
SPIRIT	KLTS/DAY	NA	NA	135	100	16600	9998
POWER	KWH	NA	NA	84500	84500	379784851	375861800
NEEM TECHNICALS	KGS/YEAR	NA	NA	7500	7500	7453	3479
ALGAE	KGS/YEAR	NA	NA	211556	119536	211556	119536

** Details furnished only in terms of Finished products.

NA - Not applicable. These products are not covered by the list of Industries in respect of which industrial licensing is compulsory.

Schedules Forming Part of Accounts

19. NOTES ON ACCOUNTS (Contd.)

19. PARTICULARS IN RESPECT OF FINISHED GOODS STOCK

CLASSES OF GOODS	2010		2009	
	Qty. MT	Value Rs. Lakhs	Qty. MT	Value Rs. Lakhs
OPENING STOCK				
Sugar	58835	8945	103949	14570
Others		3202		1489
		12147		16059
CLOSING STOCK				
Sugar	48257	9219	58835	8945
Others		5372		3202
		14591		12147

Closing stock excludes excess/shortages including damaged stocks

20. PARTICULARS IN RESPECT OF FINISHED GOODS – PURCHASES AND SALES

CLASSES OF GOODS	2010		2009	
	Qty. MT	Value Rs. Lakhs	Qty. MT	Value Rs. Lakhs
PURCHASES				
Sugar	9351	2719	-	-
Raw Sugar	14413	2641	-	-
Others		1633		982
		6993		982
SALES				
Sugar	328643	93634	366925	58618
Others		24942		19766
		118576		78384

21. ANALYSIS OF RAW MATERIALS CONSUMED

DESCRIPTION	2010		2009	
	QTY MT	Value Rs. Lakhs	QTY MT	Value Rs. Lakhs
Sugarcane	2545898	38899	3372941	41985
Raw Sugar	67705	13532	Nil	Nil
Others		7585		1256
		60016		43241

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

22. Value of imported Raw materials and stores and spare parts consumed and the value of all indigenous raw materials and stores and spare parts similarly consumed and percentage of each to total consumption:

	2010		2009	
	Rs. Lakhs	%	Rs. Lakhs	%
Imported	13643	22	2	Nil
Indigenous	49283	78	46152	100
	62926	100	46154	100
Raw Materials	60016		43241	
Stores and Spare parts	2910		2913	
	62926		46154	

23. Value of Imports on C.I.F basis

	2010	2009
	Rs. Lakhs	Rs. Lakhs
Raw Materials	15514	-
Components, Stores and Spare parts	-	1
Traded Goods	8193	388
Capital Goods	490	128
	24197	517

24. Expenditure in Foreign Currency

Travel	37	43
Interest	-	336
Professional Fee	171	65
Others	186	2088
	394	2532

25. Earnings in Foreign Exchange

FOB Value of exports	4675	24824
Other Income - Despatch Money	12	107
	4687	24931

26. Remittances in foreign currencies of dividends to non resident shareholders of the Company

	2010	2009
	Equity Shares	Equity Shares
No. of shareholders	41	42
No. of shares held	905305	7196515
Net amount remitted (Rs. lakhs)	109	236

27. Employee Stock Option Plan – ESOP 2007

- Pursuant to the decision of the shareholders, at their meeting held on July 26, 2007, the Company has established an 'Employee Stock Option Scheme 2007' ('ESOP 2007' or 'the Scheme') to be administered by the Compensation and Nomination Committee of the Board of Directors.
- Under the Scheme, options not exceeding 44,62,425 have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

under the Scheme would vest not less than one year and not more than five years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of three years from the date of vesting.

- c) The exercise price of the option is equal to the latest available closing market price of the shares on the stock exchange where there is highest trading volume as on the date prior to the date of the Compensation and Nomination Committee resolution approving the grant.
- d) Pursuant to the above mentioned scheme, On the recommendation of the Compensation and Nomination Committee the Company has, upto 31st March 2009, granted 16,90,900 options vesting over a period of four years commencing from the respective dates of grant. The exercise price being equal to the closing market price prevailing on the date prior to the date of grant, there is no deferred compensation cost to be amortised in this regard. The company has not granted any options during the year 2009-10.
- e) The details of the grants under the aforesaid schemes are summarized below : -

Sl No.	Description	Date of grant	Number of Options	Date of vesting
1.	Details of options granted	31.08.2007	929100	31.08.2008
		29.10.2007	116200	29.10.2008
		24.01.2008	230300	24.01.2009
		24.04.2008	76100	24.04.2009
		28.07.2008	65000	28.07.2009
		24.09.2008	193500	24.09.2009
		29.10.2008	56800	29.10.2009
		20.03.2009	23900	20.03.2010
		Total	1690900	
2.	Options granted and outstanding at the beginning of the year	Options vested and exercisable :		196468
		Options unvested :		1376740
		Total :		1573208
3.	Options granted during the year	NIL		
4.	Options exercised during the year	244656		
5.	Options lapsed/cancelled during the year	314614		
6.	Options outstanding at the end of the year	Options vested and exercisable :		161438
		Options unvested :		852500
		Total :		1013938

The fair value of options based on the valuation of the independent valuer as of the respective dates of grant are given below.

Dates of Grant	Number of Options granted	Fair value as per Black Scholes Options pricing model
31.08.2007	929100	58.92
29.10.2007	116200	52.63
24.01.2008	230300	43.95
24.04.2008	76100	49.17
28.07.2008	65000	53.25
24.09.2008	193500	48.21
29.10.2008	56800	61.45
20.03.2009	23900	64.52
	1690900	

Had the company adopted the fair value method in respect of options granted, the total amount that would have been amortised over the vesting period is Rs. 925 Lakhs and the impact on the financial statements would be.

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

Year ended
March 31, 2010

Increase in employee compensation cost (Rs. Lakhs)	237
Decrease in Profit After Tax (Rs. Lakhs)	237
Decrease in basic & diluted earning per share (Rs.)	0.27

The fair value has been calculated using the Black Scholes Options Model and the significant assumptions made in this regard are as follows:

Risk free interest rate	7.50%
Expected average Life of the option	5 years
Expected volatility	0.4837
Expected dividend yield	100%

28. Earnings per Share:

	Year ended March 31, 2010	Year ended March 31, 2009
a. Profit after Taxation (Rs. Lakhs)	20528	69196
b. Number of equity shares of Rs. 2 each outstanding at the beginning of the year	86113814	89248515
c. Less: Number of Shares bought back during the year	-	3134701
d. Add: Number of Shares issued pursuant to exercise of Employees Stock option	244656	-
e. Number of equity shares of Rs. 2 each outstanding at the end of the year	86358470	86113814
f. Weighted Average number of Equity Shares	86231136	88946001
g. Diluted shares on account of issue of ESOP option granted	543083	-
h. Number of potential equity shares of Rs. 2 each outstanding at the end of the year	86901553	88946001
Earnings per Share		
- Basic (Rs.) [(a) / (f)]	23.81	77.80
- Diluted (Rs.)[(a) / (h)]	23.62	77.80

29. Segment Reporting as at March 31, 2010

Composition of Business Segments:

Sugar	Co-generation	Bio Products	Others
Sugar	Power	Neem and Organic Manure	Corporate
Chemicals		Nutraceuticals	

Secondary Segments

North America	Europe	Rest of the world	India

Inter segment Transfer Pricing:

Inter Segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall optimisation objective for the enterprise.

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

	Primary Segments										Rs. Lakhs	
	Sugar		Cogeneration		Bio Products		Others		Elimination		Overall	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue (Sales/Income) : (Gross of Excise Duty)												
External Customers	103134	67843	10305	8114	7373	6549	1127	708	-	-	121939	83214
Inter-segmental Sales			1275	1705	-	-	-	-	(1275)	(1705)		
Total	103134	67843	11580	9819	7373	6549	1127	708	(1275)	(1705)	121939	83214
Results :												
Operating Profit/(Loss)	16372	887	1272	3829	766	730	(1394)	(1309)			17016	4137
Profit on sale of Investments											798	74972
Interest Income											772	840
Dividend Income											10017	11573
Interest Expenses											(3857)	(2682)
Profit Before Tax											24746	88840
Income Tax												
- Current											(2600)	(13800)
- Deferred											(2987)	(5776)
- Fringe Benefit Tax											-	(68)
- MAT Credit Entitlement											1369	-
Net Profit											20528	69196
Other Information :												
Segment Assets	81359	79496	32754	32301	10548	10197	8232	6242			132893	128236
Unallocated											79587	58850
Corporate Assets											212480	187086
Total Assets												
Segment Liabilities	20443	11737	2361	3258	856	720	7757	3653			31417	19368
Unallocated											71429	70786
Corporate Liabilities											102846	90154
Total Liabilities												
Capital Expenditure	3711	20899	1169	6658	301	1103	576	390	-	-	5757	29050
Depreciation	3922	2681	2326	1701	344	306	341	329			6933	5017
Non-cash expenditure (excluding Depreciation)	35	37	-	-	6	2	104	12			145	51

Secondary Segments

	North America		Europe		Rest of the World		India		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Segment Revenue	1820	2048	2041	1666	903	21234	117175	58266	121939	83214
Carrying Amounts of :										
Segment Assets	1265	2524	711	212	292	127	210212	184223	212480	187086
Segment Liabilities							102846	90154	102846	90154
Capital Expenditure							5757	29050	5757	29050

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

30. Related Party Disclosures for the year ended March 31, 2010

List of related Parties :

30.1 Subsidiary Companies / Entities

1.	Coromandel International Limited (formerly known as Coromandel Fertilisers Ltd)
2.	Parry Chemicals Limited
3.	Parry America Inc.,
4.	Parrys Investments Limited
5.	Coromandel Bathware Limited
6.	Parrys Sugar Limited
7.	Parry Infrastructure Company Private Limited
8.	Parry Phytoremedies Private Limited
9.	CFL Mauritius Limited
10.	Coromandel brasil Limitada - Partnership
11.	Sadashiva Sugars Limited

Associates /Joint Venture Companies

1.	Silkroad Sugar Private Limited
2.	US Nutraceuticals LLC
3.	Parry Agrochem Exports Limited

30.2 Key Management Personnel (KMP)

Mr. K. Raghunandan, Managing Director

Note: Related party relationships are as identified by management and relied upon by the auditors

30.3 Transactions with related parties

Rs. Lakhs

	2010		2009	
	Subsidiary Companies	Associates/ KMP Joint-ventures	Subsidiary Companies	Associates/ KMP Joint-ventures
Sale of Goods				
a. Parry America Inc.	953	-	1172	-
b. Parry Phytoremedies Private Limited	294	-	404	-
c. U.S. Nutraceuticals LLC		23	-	93
d. Sadashiva Sugars Limited	4	-	-	-
e. Coromandel International Limited	1	-	-	-
Rendering of services				
a. Coromandel International Limited	57	-	66	-
b. Silkroad Sugar Private Limited	-	24	-	-
Dividend Income				
a. Coromandel International Limited	8815	-	8333	-
Deputation Charges Received				
a. Coromandel International Limited	61	-	59	-
b. Silkroad Sugar Private Limited	-	76	-	51
Purchase/Receipt of Goods				
a. Coromandel International Limited	118	-	96	-
b. Parry Phytoremedies Private Limited	602	-	332	-
c. U.S. Nutraceuticals LLC	-	23	-	1
d. Sadashiva Sugars Limited	400	-		

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

30.3 Transactions with related parties (Continued)

Rs. Lakhs

	2010		2009	
	Subsidiary Companies	Associates/ Joint- ventures	Subsidiary Companies	Associates/ Joint- ventures
Receipt of services				
a. U.S. Nutraceuticals LLC	-	8	-	-
Interest Income on ICD Loans				
a. Sadashiva Sugars Limited	1	-	-	-
b. Parry Infrastructure Company Private Limited	20	-	-	-
c. Parrys Investments Limited	3	-	-	-
Subscription to Equity Shares				
a. Silkroad Sugar Private Limited	-	1429	-	3550
b. Parry Infrastructure Company Private Limited	-	-	499	-
c. Investment in U.S. Nutraceuticals LLC	-	-	-	4519
d. Sadashiva Sugars Limited	4962	-	-	-
e. Parry Phytoremedies Private Limited	40	-	-	-
Loans and Advances to Subsidiaries				
a. Parry Phytoremedies Private Limited	-	-	97	-
b. Parry Infrastructure Company Private Limited	878	-	-	-
c. Sadashiva Sugars Limited - Repaid	1200	-	-	-
d. Parrys Investments Limited - Repaid	290	-	-	-
Closing Balance - Debit				
a. Coromandel International Limited	75	-	103	-
b. Parry America Inc.	955	-	1402	-
c. Parry Phytoremedies Private Limited	1058	-	679	-
d. U.S. Nutraceuticals LLC	-	26	-	134
e. Silkroad Sugar Private Limited	-	25	-	-
f. Parry Infrastructure Company Private Limited	898	-	-	-
g. Parry Agrochem Exports Limited	-	2	-	-
Closing Balance - Credit				
a. Silkroad Sugar Private Limited	-	-	-	1
b. Sadashiva Sugars Limited	257	-	-	-

For remuneration to KMP refer Note 17.1 above.

Schedules Forming Part of Accounts

19 NOTES ON ACCOUNTS (Contd.)

31. Details of Interest of the Company in Joint Venture:

Name of the Joint Venture entity	Silkroad Sugar Private Limited 2010	Silkroad Sugar Private Limited 2009
Country of Incorporation	India	India
Principal Activities	Manufacturing of Sugar	Manufacturing of Sugar
Ownership interest	50 %	50%
Cost of Investment (Rs. in Lakhs)	9934	8504
	Silkroad Sugar Private Limited 2010 Rs. in Lakhs	Silkroad Sugar Private Limited 2009 Rs. in Lakhs
Assets	32938	17194
Liabilities	23449	8807
Income	835	-
Expenditure	1162	118
Capital Commitments	811	2679
Contingent Liabilities	189	2320

32. Previous year's figures have been regrouped/reclassified to conform to Current year's accounts.

On behalf of the Board

K. Raghunandan
Managing Director

A. Vellayan
Chairman

Chennai
April 24, 2010

G. Jalaja
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Balance Sheet Abstract

Balance Sheet Abstract and Company's General Business Profile as per Part IV to Schedule VI to the Companies Act, 1956

Particulars		
I	Registration Details	
	Registration No.	6989
	State Code	18
	Balance Sheet Date	March 31, 2010
II	Capital raised during the year (Amount in Rupees thousand)	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III	Position of Mobilisation and Deployment of Funds : (Amount in Rupees thousand)	
	Total Liabilities	21247874
	Total Assets	21247874
	Sources of Funds:	
	Paid – Up Capital	172717
	Reserves and surplus	10790687
	Secured Loans	4866321
	Unsecured Loans	888912
	Deferred Tax liability	1387563
	Application of Funds:	
	Net Fixed Assets	8521821
	Investments	6828198
	Net Current Assets	2756181
	Miscellaneous Expenditure	-
IV	Performance of the Company : (Amount in Rupees thousand)	
	Turnover (including other income)	12968227
	Total Expenditure	10493587
	Profit before tax	2474640
	Profit after tax	2052820
	Earnings Per Share (Rs.)	23.81
	Dividend Rate (%)	500
V	Generic Names of principal products of the Company	
	Item Code No. (ITC Code)	170111.00
	Product Description	Sugar
	Item Code No. (ITC Code)	380810
	Product Description	Insecticides
	Item Code No. (ITC Code)	12122009
	Product Description	Algae

**Consolidated
Financial Statements**

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF E.I.D.- PARRY (INDIA) LIMITED

1. We have audited the attached Consolidated Balance Sheet of **E.I.D.-PARRY (INDIA) LIMITED** ("the Company"), its subsidiaries and its Jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entity accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary companies viz., Coromandel International Limited and its subsidiaries and its jointly controlled entity, Parry America Inc., Parry Phyto remedies Private Limited, Coromandel Bathware Limited, Parry Infrastructure Company Private Limited, Parys Investments Limited, Parys Sugar Limited, Sadashiva Sugars Limited, whose financial statements reflect total assets of Rs. 491,645 Lakhs as at 31st March, 2010, total revenues of Rs.645,058 Lakhs and net cash inflows amounting to Rs. 53,544 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors. In respect of an associate whose financial statements reflect the group's share of losses of Rs. 357 Lakhs which have not been audited, we have relied upon the unaudited Financial statements as prepared by the management.
4. In the case of subsidiary, Coromandel International Limited the other auditors have reported in their audit report that:
 - a) *Subsidy income for the year includes an amount of Rs. 264,712.00 lacs recognised based on management understanding of the prevailing concession scheme in respect of certain elements which have been notified and based on their estimates in respect of the period where the final notification has not been issued. Necessary adjustments to such accrual and consequential impact, if any, on net profits and net assets, will be accounted for by the management on final announcement/determination of the subsidy receivable. (Refer Note XVII on Schedule 17).*
 - b) *In preparation of the consolidated financial statements, the Company has used unaudited financial statements of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT), a joint venture company, for the period up to December 31, 2009, (since the audited financial statements of TIFERT as at and for the year ended December 31, 2009 and the unaudited financials as at and for the three months ended March 31, 2010 were not available). The unaudited financial statements of TIFERT for the period up to December 31, 2009 constitute total assets of Rs. 25,868.68 lacs, net assets of Rs. 11908.16 lacs, total liabilities of Rs.13,960.51 lacs, revenues of Rs.325.54 lacs and profit after tax of Rs. 48.68 lacs and net cash inflows of Rs. 8,702.45 lacs of the consolidated financial statements of the Group as at and for the year ended March 31, 2010. (Refer Note III (d) on Schedule 17).*
 - c) *Note III(b) on schedule 17, regarding discontinuance of recognition of further losses in reporting of an investment in an associate, Prathyusha Chemicals and Fertilisers Limited, under the equity method, based on the last available audited financial statements for the*

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF E.I.D.- PARRY (INDIA) LIMITED (Contd.)

year ended March 31, 2009, audited by another auditor.

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures and associates, and to the best of our information and according to the explanations given to us, subject to our comments in paragraph 4 (a) and (b) above, the impact of which is presently not ascertainable, in our opinion, the Consolidated Financial Statements give a true and

fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
- (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.008072S)

Geetha Suryanarayanan
Partner
Membership No.29519

Chennai
April 24, 2010

**CONSOLIDATED BALANCE SHEET OF E.I.D.-PARRY (INDIA) LIMITED AND
ITS SUBSIDIARIES, ASSOCIATES & JOINT VENTURES**

As at 31st March,	Schedule	2010		Rs. Lakhs 2009	
I. SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS:					
(a) Share Capital	1	1727		1722	
(b) Reserves and Surplus	2	175913		154180	
(c) Capital Reserve on Consolidation		5039	182679	5039	160941
Minority Interest			71861		53431
LOAN FUNDS:					
(a) Secured Loans	3	134066		81055	
(b) Unsecured Loans	4	166544	300610	157829	238884
Deferred Tax Liability (Net) (Note 10 of Schedule 19)			22422		18835
TOTAL			577572		472091
II. APPLICATION OF FUNDS					
FIXED ASSETS:					
(a) Gross Block	5	270676		235339	
(b) Less: Depreciation		91407		78797	
Net Block		179269		156542	
(c) Share in Joint Ventures		19892		12290	
(d) Capital Work-in-Progress at cost		18215	217376	9789	178621
Goodwill on Consolidation			402		
INVESTMENTS	6		58828		53735
CURRENT ASSETS, LOANS AND ADVANCES :					
(a) Inventories	7	126327		151849	
(b) Sundry Debtors	8	25023		22854	
(c) Cash and Bank Balances	9	105020		51507	
(d) Interest Accrued on deposits		197		68	
(e) Other Current Assets	10	85996		88029	
(f) Loans and Advances	11	83389		119978	
		425952		434285	
Less :					
CURRENT LIABILITIES AND PROVISIONS :					
(a) Current Liabilities	12	118330		183459	
(b) Provisions	13	6751		11291	
		125081		194750	
NET CURRENT ASSETS			300871		239535
MISCELLANEOUS EXPENDITURE : (to the extent not written off or adjusted)					
(a) Voluntary Separation Scheme		-		4	
(b) Preliminary Expenses		95	95	196	200
TOTAL			577572		472091
NOTES ON ACCOUNTS	19				

The Schedules referred to above form an integral part of Balance Sheet.

In terms of Report of even date attached.

On behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

K. Raghunandan
Managing Director

A. Vellayan
Chairman

Geetha Suryanarayanan
Partner

G. Jalaja
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 24, 2010

CONSOLIDATED PROFIT & LOSS ACCOUNT OF E.I.D. -PARRY (INDIA) LIMITED AND ITS SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

For the year ended 31st March,	Schedule	2010	2009
		Rs. Lakhs	
Income :			
Sales		406140	298397
Less : Excise Duty		(7476)	(7494)
		398664	290903
Government Subsidies		356420	724936
Income from Business Assistance Agreement		-	15859
Add: Sales - Share in Joint Venture		667	-
Other Income	14	19814	101595
		<u>775565</u>	<u>1133293</u>
Expenditure :			
Material cost	15	550316	840613
Employee Cost	16	23133	18802
Other Costs	17	91046	84310
Depreciation		13345	10659
Less : Transfer from Fixed Assets revaluation reserve		(14)	(14)
Interest	18	12714	11472
		<u>690540</u>	<u>965842</u>
PROFIT BEFORE TAX		85025	167451
Less : Provision for Tax			
Current Tax		26132	45327
Deferred Tax		3546	5525
Fringe Benefit Tax - Current year		-	250
Fringe Benefit Tax - Prior year		(4)	-
MAT Credit Entitlement		(1369)	-
		28305	51102
PROFIT AFTER TAX		56720	116349
Share of Associates / Joint Venture of subsidiary - Profit/(Loss)		(351)	(284)
Adjustment on consolidation		(28)	-
Minority Interest		(16981)	(20657)
		39360	95408
Balance brought forward		91829	20906
Transfer from Debenture Redemption Reserve		-	1315
Amount Available for Appropriation		<u>131189</u>	<u>117629</u>
APPROPRIATIONS:			
Interim Dividend paid on Equity share		5181	12181
Proposed Dividend on Equity Share		3454	5167
Dividend Distribution Tax		(24)	1532
Transferred to Debenture Redemption Reserve		417	-
Transferred to General Reserve		40000	6920
Balance Carried to Balance Sheet		82161	91829
		<u>131189</u>	<u>117629</u>
Earnings per Share- Basic in Rs. (Face Value Rs.2)		45.64	107.27
Diluted in Rs. (Face Value Rs.2)		45.29	107.27
NOTES ON ACCOUNTS	19		

The Schedules referred to above form an integral part of Profit and Loss account.

In terms of our Report of even date attached.

On behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

K. Raghunandan
Managing Director

A. Vellayan
Chairman

Geetha Suryanarayanan
Partner

G. Jalaja
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 24, 2010

CONSOLIDATED CASH FLOW STATEMENT OF E.I.D.- PARRY (INDIA) LIMITED AND ITS SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

For the Year Ended 31st March,	2010	2009
		Rs. Lakhs
A. Cash flow from operating activities		
Net profit before tax	85025	167451
Adjustments for :		
Depreciation	13331	10645
Interest expense	12714	11472
Interest income	(7685)	(8318)
Investment income	(1860)	(13152)
(Profit) /loss on sale of fixed assets	371	305
(Profit) / loss on sale of investments (net)	(803)	(72602)
Preoperative Expenses	-	16
Other non cash items	(2535)	14362
	13533	(57272)
Operating profit before working capital changes	98558	110179
Adjustments for : (Increase)/Decrease in		
Trade and other receivables	39802	(122668)
Inventories	27464	(47036)
Current liabilities	(66663)	94247
	603	(75457)
Cash generated from operations	99161	34722
Interest Received	7028	6582
Direct taxes paid net of refund	(27899)	(32460)
Net cash flow from operations	78290	8844
B. Cash flow from investing activities		
Purchase of fixed assets	(34330)	(51210)
Proceeds on sale of fixed assets	250	155
Purchase of investments	(469348)	(51282)
Investments in subsidiary companies	(5806)	(4986)
Sale of investments	459615	66792
Interest received	502	858
Investment income	10675	21595
Net cash used in investing activities	(38442)	(18078)
C. Cash flow from financing activities		
Proceeds from issue of share capital	731	8317
Buyback of equity shares	-	(4425)
Proceeds from long term borrowings	34594	16104
Repayment of long term borrowings	(15537)	(17851)
Proceeds from other term borrowings (net)	5327	2020
Change in working capital finance	27726	74360
Interest paid	(12714)	(11728)
Dividends paid	(26819)	(28644)
Net cash flow from financing activities	13308	38153

CONSOLIDATED CASH FLOW STATEMENT OF E.I.D.- PARRY (INDIA) LIMITED AND ITS SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

For the Year Ended 31st March,	2010	Rs. Lakhs 2009
Net Increase in cash and cash equivalents (A + B + C)	53156	28919
Cash and cash equivalents as at 1st April	51507	22588
Add: On consolidation of a Subsidiary*	357	-
Cash and cash equivalents as at 31st March	105020	51507

Note:

*Cash and cash equivalents on consolidation includes

- Rs. 357 Lakhs of subsidiary - Sadashiva Sugars Limited acquired during the year.

This is the Cash Flow Statement referred to in our Report of even date.

On behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

K. Raghunandan
Managing Director

A. Vellayan
Chairman

Geetha Suryanarayanan
Partner

G. Jalaja
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 24, 2010

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS

01 SHARE CAPITAL	Rs. Lakhs	
As at 31st March,	2010	2009
AUTHORISED :		
Preference Shares:		
50,00,000 Redeemable Preference Shares of Rs.100 each	5000	5000
Equity Shares:		
25,75,00,000 Equity Shares of Rs.2 each	5150	5150
(2009 - 25,75,00,000 Equity shares of Rs 2 each)	<u>10150</u>	<u>10150</u>
ISSUED AND SUBSCRIBED		
8,61,13,814 Equity Shares of Rs.2 each fully paid up	1722	1785
(2009 - 8,92,48,515 Equity shares of Rs.2 each)		
Less: Buyback of 3134701 Equity Shares of Rs. 2 each	-	(63)
Add : Allotment of 244656 equity shares on exercise of Employees Stock option	5	-
8,63,58,470 Equity Shares of Rs. 2 each fully paid up	<u>1727</u>	<u>1722</u>
(2009 - 8,61,13,814 Equity shares of Rs 2 each)		
(Of the above 344,74,295 Equity Shares of Rs 2 each have been allotted as fully paid up for consideration other than cash.)		

02 RESERVES AND SURPLUS

	As at April 1, 2009	Additions	Deductions	As at March 31, 2010
CAPITAL RESERVES				
Capital Subsidy	11	-	-	11
Capital Reserve	14980	-	-	14980
Capital Redemption Reserve	3599	-	-	3599
Fixed Assets Revaluation Reserve (Note 1)	582	-	14	568
Securities Premium Account	18406	719	-	19125
Debenture Redemption Reserve	-	417	-	417
Share in Joint Venture - Securities Premium	-	7208	-	7208
Subtotal	<u>37578</u>	<u>8344</u>	<u>14</u>	<u>45908</u>
REVENUE RESERVES				
Statutory Reserve	2	1	-	3
Pre-acquisition reserve	6889	-	-	6889
General Reserve	67842	40000	-	107842
Profit and Loss Account balance	91829	39360	49028	82161
Hedging Reserve Account	(420)	420	-	-
Currency Translation Reserve	2062	-	-	2062
Adjustments on Consolidation as per AS-21/23/27 (Note 2)	(51602)	-	17350	(68952)
Subtotal	<u>116602</u>	<u>79781</u>	<u>66378</u>	<u>130005</u>
Total	<u>154180</u>	<u>88125</u>	<u>66392</u>	<u>175913</u>

Note : -

- Deduction during the year represents Rs. 14 lakhs transferred to Profit & Loss A/c.
- Detailed Break up of Adjustments:

Transfer to Capital Reserve on Consolidation	(5039)	(5039)
Transfer to Minority Interest	(44532)	(61480)
Adjusted as Pre-acquisition Reserve	(7215)	(7617)
Share of Pre/Post-acquisition Reserves	5184	5184
	<u>(51602)</u>	<u>(68952)</u>

Schedules forming part of Consolidated Accounts

03 SECURED LOANS

Rs. Lakhs

As at 31st March,	2010	2009
(a) Debentures	5000	-
(b) Term Loans from:		
i) Government of India -Sugar Development Fund	8441	4922
ii) Banks	57070	44800
	65511	49722
(c) Other Loans and Advances - Cash Credit from Bank	51367	23392
Add : Share in Joint Venture	12188	7941
	134066	81055

04 UNSECURED LOANS

As at 31st March,	2010	2009
(a) Commercial paper	2000	-
(b) Short Term loan from Banks	139773	145992
(c) Other than Banks - Others	14811	11837
Add : Share in Joint Venture	9960	-
	166544	157829

05 FIXED ASSETS

Rs. Lakhs

	Gross Block at Cost or Revaluation					Depreciation					Net Block	
	As at 01.04.2009	Additions on Acquisitions	Additions	Deletions/ Adjustments	As at 31.03.2010	As at 01.04.2009	Additions on Acquisitions	For the Year	With- drawn/ Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Leasehold Land	1788	-	-	-	1788	181	-	19	-	200	1588	1607
Freehold Land	29823	367	259	59	30390	-	-	3	-	3	30387	29823
Buildings	19980	-	5025	10	24995	4537	-	629	6	5160	19835	15443
Railway Siding	661	-	43	5	699	278	-	31	5	304	395	383
Plant and Machinery	173124	-	29334	961	201497	68836	-	11158	427	79567	121930	104288
Furniture and Office Equipments	7705	43	1114	236	8626	3788	17	1109	192	4722	3904	3917
Vehicles	2017	65	517	204	2395	936	26	386	148	1200	1195	1081
Patent	241	-	45	-	286	241	-	10	-	251	35	-
	235339	475	36337	1475	270676	78797	43	13345	778	91407	179269	156542
PREVIOUS YEAR	196767	-	41210	2638	235339	70291	-	10659	2153	78797		
Capital Work-in-Progress											18215	9789
Add: Share in Joint Venture											19892	12290
											217376	178621

Note : -

- Amortisation Leasehold land for the year is Rs. 0.08 Lakhs (2009 - 0.08 Lakhs).
- Includes cost of Rs. 31 Lakhs (2009 - Rs. 31 Lakhs) for which title deeds are yet to be received from the Registrar.
- Includes Building taken on Lease : Cost : Rs. 884.41 Lakhs (2009 - Rs. 884.41 Lakhs) and Accumulated Depreciation : Rs. 199.81 Lakhs (2009 - Rs. 185.08 Lakhs).
- No Depreciation has been claimed on assets to the extent of cenvat claimed.

Schedules forming part of Consolidated Accounts

06 INVESTMENTS

Rs. Lakhs

As at 31st March,	2010	2009
A) Quoted (Fully Paid)		
Trade - Equity Shares :		
Others	-	9
Non-Trade - Equity Shares :		
Others	33	33
	<u>33</u>	<u>42</u>
B) Unquoted (Fully Paid)		
Trade - Equity Shares :		
Associates	2	
Others	13298	-
Non-Trade - Equity Shares:		
Associates	4519	4519
Less: Profit/(Loss) from Associates	(641)	(284)
Others	51	22145
	<u>17229</u>	<u>26380</u>
C) Government Securities	3662	15
D) Public sector Bonds	100	50
Short Term : -		
E) Mutual Funds - Non quoted	37811	25770
(A+B+C+D+E)	58835	52257
Add: Share in Joint Venture	-	1478
Less: Provision for Diminution in value of investments	(7)	-
Total	<u>58828</u>	<u>53735</u>
Market Value of Quoted Investments	204	47

07 INVENTORIES

As at 31st March,	2010	2009
Raw materials	57701	82518
Work-in-progress	2911	2325
Finished goods	50457	61208
	<u>111069</u>	<u>146051</u>
Consumable Stores and Spares	5087	4103
Add: Share in Joint Venture	10171	1695
	<u>126327</u>	<u>151849</u>

08 SUNDRY DEBTORS

As at 31st March,	2010	2009
Debts outstanding for a period exceeding six months		
Secured - Considered Good	137	144
Unsecured - Considered Good	2567	4750
Unsecured - Considered Doubtful	797	808
	<u>3501</u>	<u>5702</u>
Less: Provision for Doubtful Debts	797	808
Other Debts:		
Secured - Considered Good	1470	1017
Unsecured - Considered Good	20849	16943
	<u>25023</u>	<u>22854</u>

Schedules forming part of Consolidated Accounts

09 CASH AND BANK BALANCES

As at 31st March,	2010	2009	Rs. Lakhs
Cash-in-hand and in-transit (including cheques on hand)	61		103
Balance with Scheduled Banks:			
In Current Account	9773		42863
In Dividend Account	446		614
In Margin Money Account	35		55
In Short-term Deposit	93710		7624
Balance with other Banks:			
In Current Account	35		92
Add: Share in Joint Venture	960		156
	105020		51507

10 OTHER CURRENT ASSETS

As at 31st March,	2010	2009	
7.00% Fertiliser Companies' Government of India Special Bonds 2022	15251		15251
6.20% Fertiliser Companies' Government of India Special Bonds 2022	38931		38931
6.65% Fertiliser Companies' Government of India Special Bonds 2023	45591		45591
	99773		99773
Less : Mark to Market Write down	13777		11744
	85996		88029

11 LOANS AND ADVANCES

As at 31st March,	2010	2009	
Unsecured and considered good unless otherwise stated :			
MAT Credit entitlement Account	1430		61
Advance Tax less provision for taxation	1032		
Advance recoverable in cash or in kind or for value to be received			
- Unsecured and Considered Good	79013		118341
- Considered Doubtful	775		114
	79788		118455
Less: Provision for Doubtful Advances	775	79013	114
Add: Share in Joint Venture	1914		1576
	83389		119978

12 CURRENT LIABILITIES

As at 31st March,	2010	2009	
Acceptance	4457		29661
Sundry Creditors	93803		141188
Advances and Deposits	9155		5483
Due to Directors	36		31
Investor Education and Protection Fund @			
(a) Unpaid Dividend	890		985
(b) Unpaid Matured Deposits	-		-
(c) Unpaid Matured Debentures	-		-
(d) Interest accrued on (a) to (c) above	1	891	1
Other Liabilities	7539		4125
Interest accrued but not due on loans	1152		1123
Add: Share in Joint Venture	1297		862
	118330		183459

@ None of the amounts disclosed are more than seven years old as on the date of Balance Sheet.

Schedules forming part of Consolidated Accounts

13 PROVISIONS

As at 31st March,	2010	Rs. Lakhs 2009
Provision for Tax (Net)	-	777
Employee Benefits	2269	2017
Proposed Dividend on Equity Shares	3454	5167
Corporate Dividend Tax	574	878
Others	450	2447
Add: Share in Joint Venture	4	5
	6751	11291

14 OTHER INCOME

For the year ended 31st March,	2010	2009
Profit on sale of Investments	798	74972
Profit on sale of Fixed Assets	154	46
Liabilities/ Provisions no longer required written back	3100	50
Investment Income	1873	13152
Sundry Income	5872	5046
Interest on Loans and Advances and others	7849	8329
Add: Share in Joint Venture	168	-
	19814	101595

15 MATERIAL COST

For the year ended 31st March,	2010	2009
Raw materials consumed	464430	767833
Purchase of Finished Goods	74990	99566
(Increase) / Decrease in Stocks		
Opening Stock:		
Work-in-progress	2325	1646
Finished Goods*	61342	35101
	63667	36747
Closing Stock:		
Work-in-progress	2911	2325
Finished Goods	50457	61208
	53368	10299
		63533
		(26786)
Add: Share in Joint Venture	597	-
	550316	840613

* includes Rs. 134 Lakhs pertaining to subsidiary acquired during the year

16 EMPLOYEE COST

For the year ended 31st March,	2010	2009
Salaries, Wages and Bonus	19206	14748
Contribution to Provident and Other Funds	1530	1864
Workmen and Staff Welfare Expenses	2312	2154
Add: Share in Joint Venture	85	36
	23133	18802

Schedules forming part of Consolidated Accounts

17 OTHER COSTS

For the year ended 31st March,	2010	2009
Consumption of Stores	12485	10708
Power and Fuel	12807	8256
Rent	1702	1072
Repairs and Maintenance - Buildings	288	322
- Plant and Machinery	5790	5945
Insurance	494	526
Rates and Taxes	1031	1358
Packing, Despatching and Freight	35365	22654
Commission to Selling Agents	365	286
Rebates and Discounts	167	5
Auditors' Fees and Expenses	38	28
Directors' Fees and Commission	54	56
Sales Promotion and Publicity	335	592
Fixed Assets scrapped	38	24
Mark to Market Loss on Bonds	2033	11509
Loss on sale of fixed assets	525	351
Loss on sale of investments		2369
Provision for Doubtful Debts and Advances	715	271
Bad Debts/Advances written off	87	87
General Manufacturing, Selling and Administration Expenses	16600	17808
Add: Share in Joint Venture	127	83
	91046	84310

18 INTEREST

For the year ended 31st March,	2010	2009
Interest on		
- Debentures	777	1767
- Other Fixed Loans	2563	2313
- Others	9022	7392
Add: Share in Joint Venture	352	-
Total	12714	11472

Schedules forming part of Consolidated Accounts

19 NOTES ON ACCOUNTS

1. (a) Principles of consolidation

The consolidated financial statements relate to E.I.D.-Parry (India) Limited ('the Company') and its Subsidiary Companies, Associates and Joint Venture Companies. The consolidated financial statements have been prepared on the following basis.

The financial statements of the Company and its Subsidiaries have been prepared based on a line-by-line consolidation by adding together the book values of like items of assets, liabilities, income and expenses as per the respective financial statements duly certified by the auditors of the respective companies. Intra group balances and intra group transactions and the unrealised profits on stocks arising out of intra-group transactions have been eliminated.

Equity method of Accounting has been followed for Investments in Associates in accordance with AS 23- Accounting for Investments in Associates, wherein Goodwill/ Capital Reserve arising at the time of acquisition and share of profit or losses after the date of acquisition has been adjusted in investment value in the previous years. Investors share in assets, liabilities, income and expenses as appearing in the audited financial statements of the Joint Venture company, Silkroad Sugar Private Ltd has been included, as per AS 27 Financial Reporting of interest in Joint Venture.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in the case of certain subsidiaries the impact of which is not quantifiable.

The excess/lower of cost to the Company and its subsidiaries of their investments in their subsidiaries/ fellow subsidiaries is recognised in the financial statements as goodwill/capital reserve.

Statement of Significant Accounting Policies

1(b) (i) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the accounting principles generally accepted in India and comply with mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956, except for certain fixed assets which are revalued.

(ii) Fixed Assets

Fixed Assets (other than those which have been revalued) are stated at historical cost. Cost

includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to date in which assets are ready for its installed use, but excludes duties and taxes that are recoverable subsequently from taxing authorities. In respect of E.I.D.-Parry (India) Ltd, the revalued fixed assets are restated at their estimated current replacement values as on 30th June 1987 as determined by the valuers.

Intangible Assets are stated at cost of acquisition less accumulated amortisation.

Expenditure during construction period/ Pre-operative Expenses

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income attributable to the project is deducted from the total of the expenditure.

Borrowing Costs

Borrowing Costs are capitalised as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(iii) Depreciation

Depreciation on fixed assets (other than revalued land and buildings and leased assets) is calculated on Straight line method.

Depreciation on Buildings, Plant & Machinery, Vehicles, Computers and Furniture and Office Equipments are depreciated based on estimated useful life of the assets at rates which are higher than the rates specified in Schedule XIV of the Companies Act.

Leased assets are fully depreciated over the primary lease period. In respect of additions and deletions during the year, depreciation charge is provided on *pro-rata basis*. Assets costing individually Rs 5000 or less are fully depreciated in the year of addition.

The difference between the depreciation for the year on revalued buildings and depreciation calculated on the original cost is recouped from the fixed assets revaluation reserve.

Schedules forming part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

Cost of patent is amortised over a period of 3 years.

(iv) Investments

Long term investments are stated at cost. Provision for diminution in value is made if the decline is other than temporary in nature. Current Investments are stated at lower of cost and fair value determined on the basis of each category of investments.

(v) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes all direct costs and applicable production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location. Cost also includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from taxing authorities.

Raw materials, consumables and stores and spares are valued at or below cost. Raw materials and work in progress are valued on weighted average basis. By products are valued at net realisable value. Finished Goods are valued at lower of cost and net realisable value.

In respect of E.I.D- Parry (India) Limited, holding company, the cost (Net of Cenvat Credits where applicable) in case of Raw materials is determined on a moving weighted average basis, whereas in case of subsidiary companies Coromandel International Limited and Parry Phytoremedies Private Ltd, the cost is determined on the basis of "first-in first-out" basis.

Since it is not practically possible to use uniform accounting policy, the valuation of the inventory of such subsidiaries have been considered for the purpose of consolidation. The raw material inventory held by these subsidiary companies as on 31st March 2010 aggregates to Rs. 54535 Lakhs. (Previous year - Rs. 81607 Lakhs)

(vi) Revenue Recognition

- i) Revenue from sale is recognised when risks and rewards of ownership are transferred to the buyer under the terms of the contract.
- ii) Sales include Excise duty recovered and are stated net of trade discounts and sales returns.
- iii) Export Incentive under Duty Entitlement Pass Book Scheme are treated as income in the year of export at the estimated realisable value.

iv) Dividend income is accounted for in year in which the right to receive payment is established.

v) Subsidy is recognised on the basis of the concession scheme announced by the Government of India from time to time. Subsidy is accounted for on the basis of sale made by the company.

vi) Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

vii) Income from services rendered is booked based on agreements/arrangements with the concerned parties.

(vii) Foreign Currency Transactions

Foreign Currency Transactions are recorded at rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Exchange differences arising on actual payments/realisations and year-end restatements are dealt with in the Profit & Loss Account.

In respect of forward contracts entered into to hedge risks associated with foreign currency fluctuation, the premium or discount at the inception of the contract is amortised as income or expense over the period of the contract. Currency options/other swap contracts outstanding as at the Balance Sheet date are marked to market and the resultant gain/loss is recognised in the Profit and Loss Account. Any profit or loss arising on cancellation of a foreign exchange contract is recognised as income or expense in the Profit and Loss Account of the year.

The premium or discount arising at the inception of the foreign exchange contract or similar instrument is amortised as expense or income over the life of the contract. Exchange difference on such contracts is recognised in the Profit & Loss Account in the year in which the exchange rates change.

Any profit or loss arising on cancellation of a forward exchange contract is recognised as income or expense for the year.

(viii) Derivative Instruments and Hedge Accounting

The company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating certain firm commitments and

Schedules forming part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

forecasted transactions. The Company designates these as cash flow hedges.

The use of forward contracts is governed by the company's policies on the use of such financial derivatives consistent with the company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

Forward contract derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in "Hedge Reserve Account" under Shareholders' Funds and the ineffective portion is recognised immediately in the profit and loss account.

(ix) Employee Benefits**a. Short Term Employee Benefits :**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits, including accumulated compensated absences, at the balance sheet date, are recognized as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

b. Long Term Employee Benefits :

The obligation for long term employee benefits such as long term compensated absence is provided for based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method.

(i) Defined Contribution Plans: -

The company's superannuation scheme, state governed provident fund scheme and employee state insurance scheme are defined contribution plans. Fixed contributions to the Superannuation Fund, which is administered by trustees and managed by LIC are charged to the Profit and Loss Account. The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognises such contributions as an expense in the year incurred.

The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

The employees and the Company make monthly fixed contributions to a Provident Fund Trust, equal to a specified percentage of the covered employee's salary. The interest rate payable by the Trust to the beneficiaries is being notified by the Government every year. The company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

(ii) Defined Benefit Plans: -

The liability for Gratuity to employees as at Balance Sheet date is determined on the basis of actuarial valuation based on Projected Unit Credit method and is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India. The contribution there of paid / payable is charged in the books of accounts.

(iii) Deferred Compensation cost: -

In respect of stock options, Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognised as deferred employee compensation cost and is charged to the Profit and Loss Account on graded vesting basis over the vesting period of the options.

(x) Miscellaneous Expenditure

Voluntary Separation Scheme expenditure is amortised over the expected period of future benefits but not over a period of more than five years.

Preliminary Expenses expenses are to be amortised in the year of commencement of commercial production.

(xi) Taxation

Current Tax is determined based on the liability computed in accordance with the relevant tax rates and tax laws.

Deferred tax is recognised for timing differences arising between the taxable income

Schedules forming part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses under tax laws, are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such Deferred Tax assets. Other Deferred tax assets are recognised if there is a reasonable certainty that there will be sufficient future taxable income available to realise such Deferred tax assets.

(xii) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(xiii) Segment reporting

- a. The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.
- b. Segment revenue and segment results include transfers between business segments. Such transfers are accounted for at the agreed transaction value and such transfers are eliminated in the consolidation of the segments.
- c. Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses which relate to the

company as a whole and are not allocable to segments are included under unallocated corporate expenses.

- d. Segments assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

(xiv) Impairment of Assets

At each balance sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the company estimates the recoverable amount of the group of assets as a whole, to determine the value of impairment.

(xv) Sundry Debtors and Loans & Advances

Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively. Subsidy receivable is disclosed under "Loans and Advances".

(xvi) Fertiliser Companies' Government of India Special Bonds

Fertiliser Companies' Government of India Special Bonds issued by Government of India in lieu of subsidy dues are intended to be kept for short term and are valued at lower of Cost and Market value and are shown as 'Other Current Assets'.

(xvii) Leases

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rentals paid under such agreements are charged to the Profit and Loss Account.

Schedules forming part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

2. (i) The Subsidiary Companies considered in the consolidated financial statements are :

Name of the company	Country of incorporation	% of voting power held on 31 st March 2010		% of voting power held on 31 st March 2009	
		Direct	Indirect	Direct	Indirect
Parry Chemicals Limited (PCHL)	India		62.94		62.87
Parry America Inc., (PAI)	USA	100.00		100.00	
Coromandel Bathware Limited (CBL)	India	99.99		99.99	
Coromandel International Limited (CIL)	India	62.94		62.87	
Parry Infrastructure company Pvt. Ltd., (PICPL)	India	100.00		100.00	
Parrys Investments Limited (PIL)	India	100.00		100.00	
Parrys Sugar Limited (PSL)	India	100.00		100.00	
Parry Phytoremedies Pvt. Ltd., (PPPL)	India	62.78		51.00	
CFL Mauritius Limited (CFLML)	Mauritius		62.94		62.87
Coromandel Brasil Limitada (COBL)	Brazil		62.94		62.87
Sadashiva Sugars Limited (SSL)	India	76.00			

- (ii) Since the Group share of losses in Prathyusha Chemicals and Fertilisers Ltd., has exceeded the carrying amount of the investment in Coromandel International Ltd., recognition of further losses has been discontinued and the investment is reported at 'nil' value in the consolidated financial statement of Coromandel International Ltd.,

- (iii) The investment in Coromandel Bathware Limited has been fully written off in the books as the networth of the company got eroded.

- (iv) Details of Interest in Joint Venture Company

Name of the company	Country of incorporation	% of voting power held on 31 st March 2010	% of voting power held on 31 st March 2009
Silkroad Sugar Pvt. Ltd., (SSPL)	India	50%	50%

- (v) Details of Investments in associate held by the company directly or indirectly through its Subsidiaries:

Name of the Associate	Country of Incorporation	Ownership Interest (%)	Original Cost of Investments Rs Lakhs
Prathyusha Chemicals & Fertilisers Limited (PCFL)	India	26	143
US Nutraceuticals LLC	USA	48	4519
Parry Agrochem Exports Limited*	India	50	2

* Became associate during the current year.

- (vi) Other Significant Accounting Policies

These are set out in the notes to accounts under Significant Accounting Policies' of the financial statements of the Company and its subsidiaries PCHL, PAI, CBL, CIL, PICPL, PIL, PSL, PPPL, CFLML, COBL and SSL and SSPL Joint Venture company.

Schedules forming part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

	31.03.2010 Rs. Lakhs	31.03.2009 Rs. Lakhs
3. a		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	26614	11468
b.		
Commitment towards Investments	-	4622
c.		
Other monies for which the Group is contingently liable:		
i.		
Letters of Credit and Bank Guarantee established for purchases of Raw Materials, Spares and Capital Goods and financing a subsidiary.	29889	29907
ii.		
Income tax demands contested for which no provision has been made.	3326	2209
iii.		
Claims against the company for Sales Tax, Excise Duty and others including Industrial Disputes not acknowledged as Debt and not provided for.	2348	2479
iv.		
Certain Industrial disputes are pending before Tribunal/High Courts. No provision has been made in the accounts as the liability of the Company in respect of these disputes depends upon the final outcome of such case and the quantum of which is not currently ascertainable.	-	-
v.		
The Statutory Minimum Price of sugar cane for the sugar year 2002-03 notified on 12th December 2002, at Rs. 645/MT was increased to Rs. 695/MT on 9th January 2003. Since the increase was arbitrary the same was legally challenged by the South Indian Sugar Mills association (of which the Company is a member) and the matter is pending before the Hon'ble Supreme Court of India. Based on legal advice, pending disposal of these cases, amount not provided for in the accounts.	826	1115
vi.		
Land: Liability for additional compensation payable in respect of land purchased from M/s. Nagarjuna Fertilisers and Chemicals Limited has not been provided for by CIL, pending court orders and determination of the amount payable.	-	-
vii.		
Certain Industrial Disputes are pending before Tribunal / High Courts. The liability of the Company in respect of these disputes depends upon the final outcome of such cases and the quantum of which is not currently ascertainable.	-	-
d.		
The company had an opening export obligation of 22,641 MT arising out of raw sugar imported against Advance licences in earlier years. In respect of raw sugar imported during the year, no additional export obligation has arisen. Balance export obligations is 22,641 MT as on March 31, 2010.	-	-
4. (i)		
The net difference in foreign exchange (i.e., difference between the spot rate on the dates of the transactions and the actual rate at which the transactions are settled / appropriate rates applicable at the year end) credited to the respective heads of account in the Profit and Loss Account is Rs. 9,635 lakhs (2009: Rs. 37,980 lakhs debit).		
(ii)		
The Government of India grants price concession on sale of fertilisers and income from such concession is shown under "Government Subsidies" in the profit and loss account. The subsidy income of the subsidiary company, CIL for the year includes Rs. 264,712 lakhs (including deferred subsidy income relating to earlier periods of Rs.23,617 lakhs (corresponding tax charged to profit and loss account - Rs. 8,027 lakhs) being income accrued/recognised based on the management's understanding of the prevalent subsidy scheme for the period for which notification has been issued and based on management estimates for the remaining period. Necessary adjustments to such estimates will be made on announcement of final notification/determination.		
(iii)		
Exchange difference in respect of forward exchange contracts to be recognised in the Profit and Loss Account in the subsequent accounting periods is Rs. 154 lakhs Debit (2009: Rs. 285 lakhs Debit).		

Schedules forming part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

(iv) Employee benefits

The following table sets forth the status of the Gratuity Plan and the Superannuation and other Pension Plans of the Company and the amounts recognised in the Balance Sheet and Profit and Loss Account:

Particulars	(Rs. Lakhs)			
	Gratuity Plan		Superannuation and other Pension Plans	
	2009-2010	2008-2009	2009-2010	2008-2009
Projected benefit obligation at the beginning of the period	1477.05	1342.70	146.24	151.01
Current service cost	134.33	102.10	3.26	4.50
Interest cost	107.37	94.61	10.86	11.33
Actuarial loss / (gain)	157.02	91.64	(44.99)	(20.60)
Benefit paid	(168.35)	(154.00)	-	-
Projected benefit obligation at the end of the period	1707.42	1477.05	115.37	146.24
Amounts recognised in the balance sheet				
Projected benefit obligation at the end of the period	1707.42	1477.05	115.37	146.24
Fair value of plan assets at end of the period	1675.85	1547.64	-	-
Funded status of the plans - (asset) / liability	31.57	(70.59)	115.37	146.24
Liability recognised in the balance sheet	-	-	-	-
Cost for the period				
Current service cost	134.33	102.10	3.26	4.50
Interest cost	107.37	95.61	10.86	11.33
Expected return on plan assets	(128.15)	(109.56)	-	-
Net actuarial (gain) /loss recognised in the period	145.27	76.92	(44.99)	(20.60)
Past service cost	(1.59)	-	-	-
Net Cost recognised in Profit and Loss Account	257.23	165.07	(30.87)	(4.77)
Assumptions				
Discount rate	7 - 8%	7 - 8%	7.00%	7.00%
Estimated rate of return on plan assets	7 - 8%	7 - 8%	7.00%	7.00%
Expected rate of salary increases	3.50 - 5%	3.50 - 5%	3.50%	3.50%

In the absence of the relevant information from the actuary, the above details do not include the composition of plan assets.

5. MINORITY INTEREST

	31.3.2010 Rs Lakhs	31.3.2009 Rs Lakhs
Minority Interest as at the date of Investment in the Subsidiaries	6698	5249
Minority Interest in post acquisition Reserve	48182	27525
Minority Interest in net Income / (Losses)	16981	20657
Total	71861	53431

6. In respect of overseas subsidiary company, Income and Expenses are translated at the average exchange rate for the year. Current assets and liabilities are translated at period end exchange rate. The fixed assets are translated at the rate that prevailed on the date of transactions. Net foreign exchange difference on translation is recognised in the Profit and Loss account.

7. Composition of Business Segments:

Primary Segments				
Farm Inputs	Sugar	Co-generation	Bio Products	Others
Fertilisers	Sugar	Power	Neem	Corporate
Pesticides	Chemicals		Organic Manure	Investments
			Nutraceuticals	Infrastructure development
				Others
Secondary Segments				
North America	India	Rest of the World	Europe	

Inter Segment Transfer Pricing: Inter Segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall optimisation objective for the enterprise.

Schedules forming part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

Segment Revenues, Results and Other Information :

Particulars	Primary Segments										Rs. Lakhs		Overall	
	Farm Inputs		Sugar		Cogen		Bio		Others		Elimination		2010	2009
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009		
Revenue (Sales/Income):														
(Gross of Excise Duty)														
External Customers	642943	961302	104271	67843	10552	8114	7522	8374	7233	(1299)			772521	1044334
Inter-segmental Sales	118	96	400		1275	1705	1849	1908	-		(3642)	(3709)		
Total	643061	961398	104671	67843	11827	9819	9371	10282	7233	(1299)	(3642)	(3709)	772521	1044334
Results :														
Operating Profit/(Loss)	70956	87054	15768	887	1050	3829	753	622	(1333)	(9803)			87194	82589
Profit on sale of Investments													798	74972
Dividend Income													1873	13152
Interest Income													7849	8329
Share of Operating Profit/(Loss) in Joint Venture													25	(119)
Interest Expenses													(12714)	(11472)
Profit before Tax													85025	167451
Income Tax - Current													(26132)	(45327)
- MAT Credit Entitlement													1369	
- Deferred													(3546)	(5525)
- Fringe Benefit Tax													4	(250)
Net Profit before Minority Interest													56720	116349
Less : Minority Interest's share													(16981)	(20657)
Add : Share of Profit/(Loss) in an Associate and a subsidiary of a Joint Venture													(351)	(284)
Adjustment on Consolidation													(28)	
Net Profit relating to the Group													39360	95408
Other Information :														
Segment Assets	463700	417865	89911	79346	40651	32301	10234	12599	8231	9404			612727	551515
Share in Joint Venture													32938	10023
Unallocated Corporate Assets													56988	105303
Total Assets													702653	666841
Segment Liabilities	93686	176256	21041	11587	2624	3258	769	2853	7757	(71)			125877	193883
Share in Joint Venture													23449	867
Unallocated Corporate Liabilities													298787	257719
Minority Interest													71861	53431
Total Liabilities													519974	505900
Capital Expenditure	22604	11652	17358	20899	8894	6658	316	1103	3667	390			52839	40702
Depreciation	5942	5621	4234	2681	2460	1701	354	313	341	329			13331	10645
Non-cash expenditure													243	232

	Secondary Segments									
	India		North America		Europe		Rest of the World		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Segment Revenue	766360	1018001	3217	3433	2041	1666	903	21234	772521	1044334
Carrying Amounts of :										
Segment Assets	699684	662407	1966	4222	711	212	292		702653	666841
Segment Liabilities	519431	504299	543	1601					519974	505900
Capital Expenditure	52838	40701	1	1					52839	40702

Schedules forming part of Consolidated Accounts

19 | NOTES ON ACCOUNTS (Contd.)

8. RELATED PARTY TRANSACTIONS

Related party relationships are as identified by the Management and relied upon by the Auditors.

a) Associate/Joint Venture companies/entities

1. Prathyusha Chemicals & Fertilisers Limited
2. Silkroad Sugar Private Limited
3. US Nutraceuticals LLC
4. Parry Agrochem Exports Limited

b) Key Management Personnel (KMP)

1. Mr. K. Raghunandan, Managing Director
2. Mr. V. Ravichandran, Managing Director in Coromandel International Limited

c) Transactions with related parties : -

Rs. Lakhs

	2009-10		2008-09	
	Associates/ Joint- ventures	KMP	Associates/ Joint- ventures	KMP
Sale of Goods				
Associate - US Nutraceuticals LLC	23		93	
Purchase of goods				
Associate - US Nutraceuticals LLC	-		1	
Rendering of services				
Joint Venture Company – SSPL	24		-	
Deputation Charges Received				
Joint Venture Company - SSPL	76		51	
Receipt of Services				
Associate - US Nutraceuticals LLC	8			
Subscription to Equity Shares				
Joint Venture Company - SSPL	1429		3550	
Associate - US Nutraceuticals LLC			4519	
Managerial Remuneration*				
Closing Balance – Debit				
Joint Venture Company – SSPL	25			
Associate - US Nutraceuticals LLC	26		134	

* Details of remuneration to Directors is disclosed in the respective accounts of the Company and its subsidiary – CIL.

Schedules forming part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

9. EARNINGS PER SHARE

	Year ended March 31, 2010	Year ended March 31, 2009
a. Profit after taxation (Rs. Lakhs)	39360	95408
b. Number of equity shares of Rs. 2 each outstanding at the beginning of the year	86113814	89248515
c. Number of equity shares bought back during the year	-	3134701
d. Number of equity shares issued pursuant to exercise of Employee Stock option	244656	-
e. Number of equity shares of Rs. 2 each outstanding at the end of the year	86354870	86113814
f. Weighted Average number of Equity Shares	86231136	88946001
g. Diluted shares on account of issue of ESOP option granted	543083	-
h. Number of potential equity shares of Rs. 2 each outstanding at the end of the year	86901553	88946001
Earnings per Share		
Basic – [(a) / (f)] (Rs.)	45.64	107.27
Diluted – [(a) / (h)] (Rs.)	45.29	107.27

10. DEFERRED TAX

Break up of Net deferred tax liability is as under

	31.03.2010 Deferred Tax Liability/(Assets) Rs. Lakhs	31.03.2009 Deferred Tax Liability/(Assets) Rs. Lakhs
Difference between tax and book written down value of fixed assets	23907	21704
Others	(1485)	(2869)
Net Deferred Tax Liability	22422	18835

11. The financial reporting of interest in Joint venture for the current year is based on audited financial statements.
12. The financial reporting of interest in an associate for the current year is based on unaudited financial statements.
13. Previous year's figures have been regrouped wherever necessary to conform to the presentation of current year's accounts.

On behalf of the Board

K. Raghunandan
Managing Director

A. Vellayan
Chairman

G. Jalaja
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 24, 2010

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Rs. Lakhs

Name of Company	Coromandel International Limited		Parry Chemicals Limited		Coromandel Bathware Limited		Parry Infrastructure Co. Pvt. Ltd.		Parrys Investments Limited		Parry America Inc		Parrys Sugar Ltd.		Parry Phytoremedies Pvt. Ltd.		CFL Mauritius Limited		Sadashiva Sugars Ltd.@	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	upto 31st Dec 2009	upto 31st Dec 2008	2009-10		
Particulars	2805	2798	50	50	194	194	500	500	25	25	38	38	150	150	170	170	8144	8733	6027	
Share Capital	140693	109916	116	114	(194)	(193)	1	(4)	18	17	72	72	37	28	(239)	(151)	6219	(553)	(1461)	
Reserves & Surplus	295561	355439	318	326	-	-	4097	3160	43	42	1498	1601	187	178	952	767	4006	5250	17452	
Total Liabilities\$	439059	466153	484	490	-	1	4598	3656	1	2	1657	1711	13	15	883	786	18369	13430	22018	
Total Assets #	652685	966781	57	51	-	-	189	176	1	2	1397	1385	13	15	603	440	74	1124	1124	
Total Income (incl. other income)	70844	80818	7	8	(1)	-	6	(3)	2	2	87	50	12	12	(134)	(186)	(46)	(182)	(1470)	
Profit/(Loss) Before Tax	24024	31180	5	3	-	-	-	-	1	1	38	8	3	3	(45)	(60)	(12)	(182)	(1470)	
Provision for Tax	46820	49638	2	5	(1)	-	6	(3)	-	1	49	42	9	9	(89)	(126)	(34)	(182)	(1470)	
Profit/(Loss) after Tax	6543	6547																		
Proposed Dividend (incl. Dividend Tax)	21105	16331																		
Investments (Included in Total Assets)																				2

\$ (Secured Loan +Unsecured Loan+Deferred Tax Liability+Current Liabilities - Deferred Tax Assets)

(Net Fixed Assets + Current Assets + Investments)

@ became subsidiary during the year 2009-10

Notes

Notes



Parry's
BIO





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www.eidparry.com



Thirty Fifth Annual General Meeting

Notice to the Shareholders

NOTICE is hereby given that the THIRTY FIFTH ANNUAL GENERAL MEETING of the Shareholders of E.I.D.-Parry (India) Limited, Chennai, will be held on Wednesday, the 28th July, 2010 at 4 p.m. at Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108 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, 2010 and the Balance Sheet as at that date and the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares for the year 2009-10 and to declare a Final Dividend for the year 2009-10 on Equity Shares.
3. To appoint a Director in the place of Mr. A. Vellayan, who retires by rotation in terms of Articles 102 and 103 of the Company's Articles of Association and being eligible offers himself for re-appointment.
4. 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, bearing registration number 008072S with the Institute of Chartered Accountants of India, 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.14,50,000/- in addition to reimbursement of actual travelling and out-of-pocket expenses incurred by them".

SPECIAL BUSINESS

5. To consider and if deemed fit, to appoint Mr. M.B.N. Rao 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 the intention to move the following Resolution as an **Ordinary Resolution**:

"RESOLVED that Mr. M.B.N. Rao be and he is hereby appointed a Director of the Company."

6. To consider and if deemed fit, to appoint Mr. V. Ravichandran 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 the intention to move the following Resolution as an **Ordinary Resolution**:

"RESOLVED that Mr. V. Ravichandran 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 IDBI Trusteeship Services Ltd. Mumbai, in its capacity as Debenture Trustees to secure 500-8.65% Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each aggregating Rs.5000 lakhs issued on private placement basis, together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company under the Trustee Agreement, Indenture of Mortgage, Letters of Sanction/Memorandum of Terms and Conditions entered into /to be entered into by the Company in respect of the said Debentures.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with IDBI Trusteeship Services Ltd. Mumbai, the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution".

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 9th July, 2010 to Wednesday, the 28th July, 2010, both days inclusive.

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

Chennai
April 24, 2010

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 of holding the meeting.

2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Items 5 to 7 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. A Vellayan

Mr. A. Vellayan (57) the Non Executive Chairman is a Promoter Director. He holds a diploma in Industrial Administration from Aston University, Birmingham, U.K. and Masters in Business Studies from the University of Warwick Business School, U.K. He joined the Board in the year 1999. He has 29 years of industrial experience. He has been the Chairman of the Company since 2006.

Details of Shares held by Mr.A.Vellayan in E.I.D. Parry :

No. of shares - 265270 equity shares of Rs.2 each

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

Directorship	Committee Membership	Chairman/Member
Chairman Roca Bathroom Products Private Limited Silkroad Sugar Private Limited Parry Infrastructure Company Private Limited Nimita Solutions Private Limited (Under Voluntary Winding up) Foskor Private Limited, Johannesburg, South Africa Coromandel International Limited (Formerly Coromandel Fertilisers Ltd.) The Fertiliser Association of India (Co-Chairman)	Shareholders/ Investors Grievance Committee	Member
Director Cholamandalam MS General Insurance Co. Ltd. Kanoria Chemicals & Industries Limited Indian Potash Limited CFL Mauritius Limited Parry America Inc. USA Indian Overseas Bank		
	Audit Committee Shareholders/ Investors Grievance Committee	Member Chairman

ii) Mr. M.B.N. Rao

Mr.M.B.N.Rao (61) is an Independent Director. He is the former Chairman and Managing Director of Canara Bank. He was also Chairman and Managing Director of Indian Bank during the period from 2003 to 2005. He is a Graduate in Agriculture and an Associate of the Chartered Institute of Bankers and a Fellow of the Indian Institute of Banking & Finance. He was a Banker with over 38 years of hands on experience, with over 9 years of overseas experience and as the Board level appointee for about 8 years and at Chairman level for about 5 years. He joined the EID Parry Board in the year 2009. He is a member of the Audit Committee.

Details of Shares held by Mr. M.B.N.Rao 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
Director BEML Limited Mahindra & Mahindra Financial Services Limited Madras Cements Limited Taj GVK Hotels & Resorts Limited Electrosteel Castings Limited Sadashiva Sugars Limited Franklin Templeton Asset Management (India) Pvt. Limited MMTC-PAMP India Pvt. Limited	Audit Committee Audit Committee Audit Committee Audit Committee Audit Committee	Member Member Member Member

iii) Mr. V. Ravichandran

Mr. V.Ravichandran (53) is an Engineering Graduate and holds Post Graduate Diploma in Management from IIM, Ahmedabad. He is also a Cost Accountant and a Company Secretary. He has 30 years of experience including 25 years in the Murugappa Group.

He is the Managing Director of Coromandel International Limited, a subsidiary of E.I.D.-Parry (India) Limited. He joined the EID Parry Board in the year 2009. He is a member of the Audit Committee, Compensation and Nomination Committee and Shares & Shareholders/Investors Grievance Committee.

Details of Shares held by Mr. V. Ravichandran 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 Parry Chemicals Limited		
Managing Director Coromandel International Limited	Shareholders/ Investors Grievance Committee	Member
Director Silkroad Sugar Private Limited Parry Agrochem Exports Limited CFL Mauritius Limited Foskor (Pty.) Limited		

4. 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 8th July, 2010 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) as on 8th July, 2010.
5. 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 8th July, 2010.
6. The Reserve Bank of India (RBI), has introduced a new electronic fund transfer platform called the National Electronic Clearing System (NECS) for disbursement of dividends. Earlier, Electronic Clearing Service (ECS) was used for payment of dividends directly to the bank accounts of shareholders. The advantages of NECS over ECS include faster credit of remittances to beneficiary's account, coverage of more bank branches and ease of operations for remitting agencies. NECS essentially operates on the new and unique bank account number (having not less than 10 digits) allotted by banks post implementation of the Core Banking Solutions (CBS).
This new (NECS compliant) account number is required to be intimated to your Depository Participant (incase your shares are in demat mode) or the Company's Registrar & Share Transfer Agents (M/s Karvy Computershare Pvt. Ltd., incase your shares are in physical mode) for effecting the dividend payment through the NECS mode. For those shareholders, who have already registered their bank account numbers for receiving dividend through ECS but their bank/branch has not implemented CBS, dividend payment would continue through the ECS facility.
7. 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 2002-03 to 2009-10 and the respective 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 5 to 7 mentioned in the accompanying Notice dated 24th April, 2010.

ITEM NO. 5

Mr. M.B.N. Rao, who was appointed as an Additional Director with effect from 1st August, 2009 will hold office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

The profile of Mr. M.B.N. Rao appears under note 3 (ii) of the Notes above.

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 the intention of the member to propose at the ensuing Annual General Meeting, the appointment of Mr. M.B.N. Rao 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.5 of the Notice is submitted to the Meeting.

Interest of Directors

Mr. M.B.N. Rao is interested or concerned in the Resolution.

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

ITEM NO. 6

Mr. V. Ravichandran, Managing Director of Coromandel International Limited, who was appointed as an Additional Director with effect from 30th October, 2009 will hold office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

The profile of Mr. V. Ravichandran appears under note 3 (iii) of the Notes above.

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 the intention of the member to propose

at the ensuing Annual General Meeting, the appointment of Mr. V. Ravichandran 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. V. Ravichandran is interested or concerned in the Resolution.

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

ITEM NO. 7

The Company had issued on private placement basis, 500-8.65% Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each aggregating Rs.5000 lakhs. IDBI Trusteeship Services Ltd. Mumbai are acting as Debenture Trustees for the holders of these debentures. The Company had executed the mortgage deed on 31st December, 2009.

These debentures are secured by a First charge on all or any of the Company's immovable and movable properties, both present and future, on pari passu basis with term lenders 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 in favour of the Debenture Trustees.

Accordingly, 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.

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

Chennai
April 24, 2010

G. JALAJA
Secretary