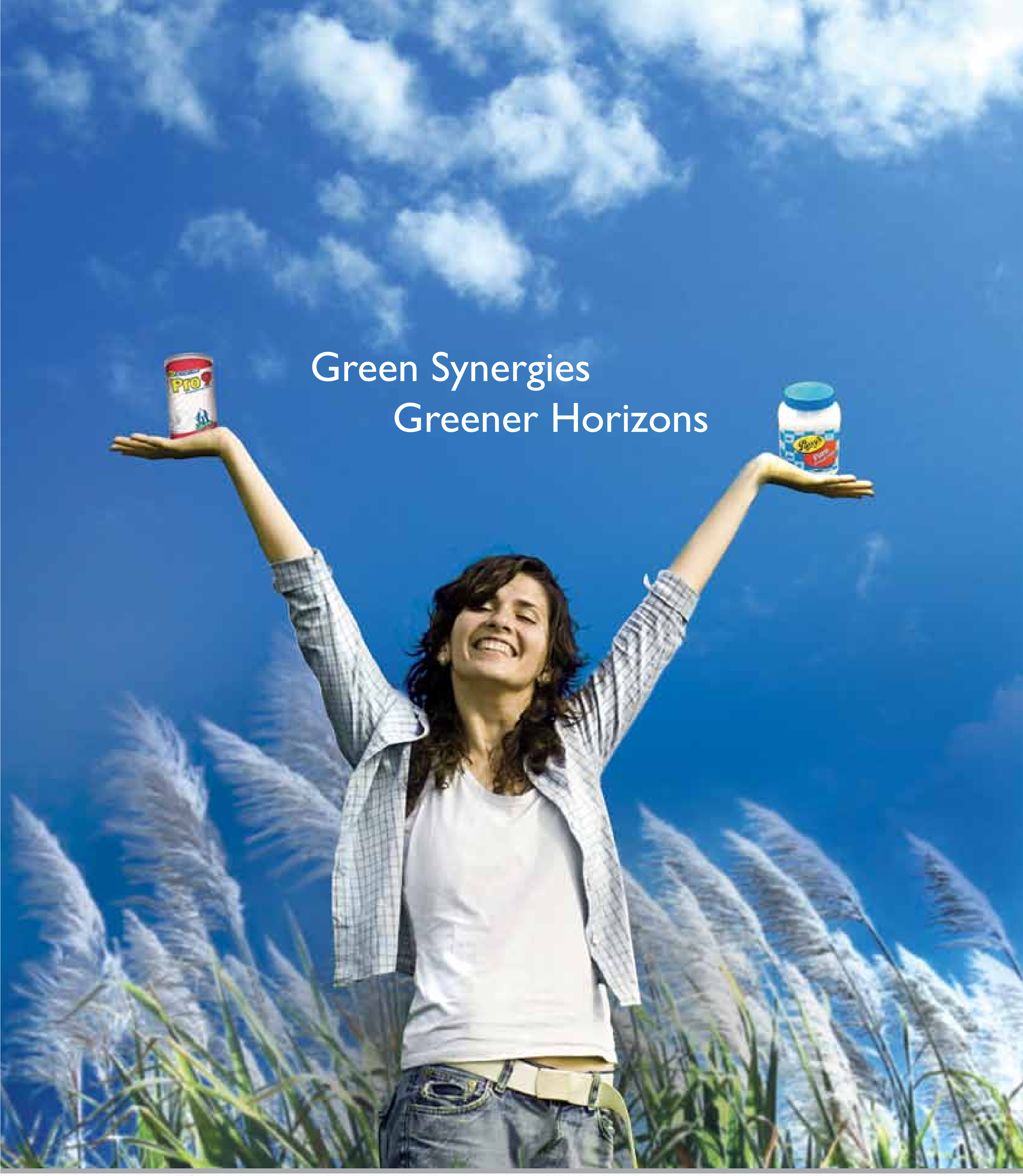


Green Synergies
Greener Horizons

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

Annual Report 2010 - 2011

Vision

Enrich life by creating
value from agriculture.

Green Synergies
Greener Horizons

At E.I.D.- Parry it was a milestone year: consolidation of major acquisitions, commissioning of the raw sugar processing plant at Kakinada, capacity expansions, introduction of new products in Bio and Nutraceuticals and a change in leadership.

The Sugar business rode the cyclical see-saw: a glut in the world market and lower sugar prices impacted profit margins. The division still came up with its haul of positives. The year saw the integration of the newly acquired plants and the capacity expansions registering volume growth.

Forward integration through cogeneration of power and distillery operations formed a vital part of de-risking strategies. The division exported around 3147 lakh units to the Grid as against 2572 lakh units in 2009-10, turning sugar into an energy crop.

The Bio Pesticides division emerged a winner, with its range of 'total crop protection' formulations. The division expanded market space, capitalising on the growing demand for nature based crop protection products, posting a good growth.

Leveraging its market leadership in organic spirulina, the Nutraceuticals division enlarged its market base with a range of differentiated, segment specific, health care products. The division forayed into the retail space with the Pro 9 and Pro 9D brand of protein supplements for the OTC market.

In its vision of becoming a global player, E.I.D.- Parry, is exploring green synergies in each of its businesses to grow and expand to greener horizons.

Did you know?

Parry is the only sugar manufacturer in India with a dedicated R&D wing and breeding programme. The company continues to produce new, high yielding cane varieties which are sucrose rich and pest resistant, thereby increasing yield and returns for the farmer. The company also promotes sustainable agricultural practices by helping farmers to start trichogramma centres across villages which breed bio control agents to contain sugarcane pests. This green, pest control initiative, not only contributes to rural prosperity but also ensures that the sugarcane supplied to Parry's sugar manufacturing plants are free from chemical pesticides.

Sugar

At Parry's Sugar division, it was a year of consolidation and integration of the major acquisitions. The acquisition of Sadashiva Sugars at Bagalkot, Karnataka and GMR Industries at Karnataka and Andhra Pradesh, enlarged the company's sugar operations and the extent of its cane belts, besides increasing its throughput capacity from 21,500 to 32,500 TCD. Catering to a one lakh plus farmer base, the company continued to pursue its farmer-centric module of business engineering by introducing large scale mechanisation and scientific farming methodologies.

Parry consolidated its market leadership by moving up the value chain, producing premium quality, customised grades of sugar for major pharma and food manufacturers. While Parrys Pure expanded shelf space with its concept of clean sugar in the retail market, the state-of-the art-plant for processing raw sugar for exports was commissioned at Kakinada.

Across locations, automation and scaling up of facilities formed part of the globalisation drive. Newgen milling technologies improved process efficiencies and increased yield recovery while energy optimisation became intrinsic to working methods and green initiatives.

Cogen integration formed part of de-risking and energy optimisation strategies. During the year, all sugar units became fully integrated with cogeneration facilities making them self sufficient in energy, while the excess power transferred to the grid contributed to rural electrification and revenue growth. Cogeneration of power from bagasse, through CDM (Clean Development Mechanism) technologies touched a record high across Parry's sugar plants, earning the company carbon credits and transforming sugarcane into an 'energy crop' of the future.

Exploring another 'green stream' of the business, Parry converted the distillery at the Nellikuppam plant to a multi product unit with Extra Neutral Alcohol and Fuel Alcohol production facilities, while a new distillery at Sivaganga became operational during the year.

Transforming sugarcane into an energy crop, Parry intends to create a space in futuristic, green energy technologies. Green synergies to capture, greener, unexplored, horizons.

Did you know?

Parry Nutraceuticals is the world leader in micro algae technology comprising organic spirulina and natural Beta Carotenoids-Dunaliella Salina and Haematacoccus pluvialis (Astaxanthin). Algae manufacturing is an intensive science and Parry's plant at Oonaiyur, with its raceways for organic spirulina and the marine algae manufacturing facility at Chittarkottai are unique and first of their kind in the world.

Parry is also the largest manufacturer of tomato lycopene in India and amongst the select few in the world to offer this product in different variants for the health care industry.

Nutraceuticals

The Nutraceuticals division capitalised on the burgeoning, global demand for natural health care and wellness products by expanding its product portfolio and market reach. Exported to 38 countries and certified for major International Food and Safety Standards, the company's nutraceutical products continued to grow in all its markets.

The company consolidated its market leadership in organic Spirulina, outperforming competition, while the sale of Lycopene products also recorded a robust growth. Across market segments, product differentiation addressing specific health conditions helped to garner a larger growth volume.

During the year, pilot plant trials were successfully completed at the marine algae facility at Chittarkottai for the manufacture of Beta Carotene from the micro algae Dunaliella Salina and at the Thyagavalli facility for the production of Galactomannan, a novel soluble fiber, opening up huge opportunities in the global, nutritional supplement space.

The company has drawn up strategies to leverage the Parry brand in the wellness space of the Indian Nutraceutical market, by launching a range of OTC products for the preventive and health management segments.

To move up the value chain, the business has setup a specialised team to develop scientifically validated formulations, to address specific health conditions and explore opportunities in the Indian Pharma industry. US Nutraceuticals LLC., a subsidiary of the company has developed a range of formulation for eye health, joint health, etc., and has successfully marketed it to leading health brands in North America.

With the natural health care industry poised for great growth globally, the Nutraceuticals division at Parry has its future plans clearly charted out - to tap its green synergies and expand to greener horizons.

Did you know?

Parry is the first company in the world to have successfully extracted Azadirachtin, (AZA) a key liminoid from neem seeds. The 'Neemazal' brand of products, using high purity AZA technical pioneered a new concept in bio pesticides and crop protection methods, with registrations in India and almost all major countries across the globe. The FAO -Food and Agriculture Organisation of the UN has included AZA in their list of approved products, the guidelines for which were set by Parry's Bio pesticides division itself for its pathbreaking discovery.

Bio Pesticides

Process optimisation, strategic channel expansion and new market penetration were the operating strategies of the Bio Pesticides division as it pursued its mission to develop cost effective and environmentally sustainable plant wellness products to support the growing, global organic and reduced agro chemical crop market.

Across the world, demand for organic foods using safe and environmentally friendly bio pesticides, for pest control, is gaining momentum. The division leveraged its global leadership in Azadirachtin based bio-pesticides through customer friendly product deliveries, IPR's and direct market access facilities, offering the best in class products in terms of quality and cost efficiencies.

Capitalising on the surge in demand for natural pesticides, the division expanded its market space with a range of new formulations and 'total crop protection' solutions. While the sales of 'Abda' and 'Abda Gold' posted a robust growth in the domestic market, sales of Azadirachtin doubled in the US Home and Garden segment and in the agricultural segment in Brazil. During the year, the 'Yieldsmor' brand of micro nutrients targeting the horticultural market was also successfully launched, achieving a breakthrough in the tea segment and in vegetable crops.

At the division's manufacturing plant at Thyagavalli, improved efficiencies increased throughput and enhanced productivity while an expanded dealer base ensured better product visibility and customer connect.

The growth strategies of the Bio Pesticides division is clear and focused - to expand into new market segments, strengthen presence in the plant wellness product portfolio, increase extraction efficiencies, intensify field promotions and register new variants.

The future direction is clearly mapped - to leverage green synergies and explore greener horizons.

What do these leading brands have in common?
Parry's Pure of course!

Customised to exacting micron specifications and high quality standards, Parry's Pure refined sugar is used in major industries ranging from pharmaceuticals, food and beverage, confectionery, biscuit and ice cream products, soft drinks, sweet shops, etc.

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

Financial Highlights - Ten Year at a glance

Rs. Lakhs except ratios

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
PROFITABILITY ITEMS										
Gross Income	152713	137636	64145	81913	103044	73869	72932	170599	133526	147096
Gross Profit (PBDIT)	15513	11487	9119	15893	17766	20109	1898	96539	35536	18353
Depreciation	4369	4502	3037	2817	2915	3287	4403	5017	6933	7370
Profit/(Loss) Before Interest & Tax	11144	6985	6082	13076	14851	16822	(2505)	91522	28603	10983
Interest	5278	3282	753	350	739	(211)	1345	2682	3857	4243
Profit/(Loss) Before Tax	5866	3703	5329	12726	14112	17033	(3850)	88840	24746	6740
Tax	2383	1020	1006	2300	2528	4291	(2192)	19644	4218	(1186)
Profit/(Loss) After Tax	3483	2683	4323	10426	11584	12742	(1658)	69196	20528	7926
BALANCE SHEET ITEMS										
Net Fixed Assets	50621	47978	29428	31460	33322	48256	61999	85942	84650	80986
Investments	7689	7663	11011	10126	11167	11736	18344	48561	68282	43414
Net Current Assets	25863	24803	19420	22680	33131	35616	33537	26584	27561	68143
Total Capital Employed	84173	80444	59859	64266	77620	95608	113880	161087	180493	192543
Shareholders Funds	37384	38573	32877	40850	47939	53005	50607	96346	109066	114474
Borrowings	39107	33469	22160	18340	24880	35236	58161	53853	57552	65380
Deferred Tax Liability	7682	8402	4822	5076	4801	7367	5112	10888	13875	12689
Total	84173	80444	59859	64266	77620	95608	113880	161087	180493	192543
RATIOS										
Book Value per share (Rs.)	209	216	184	234	54	60	57	113	127	66
EPS (Rs.)	19.48	15.03	24.22	58.41	12.98	14.28	(1.86)	77.80	23.81	4.58
Dividend on Equity %	70	60	75	125	225	295	25	1000	500	200

Notes:

1. The Farm Inputs Division was demerged into Coromandel International Limited with effect from April 1, 2003.
2. The nominal value of 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 with E.I.D.-Parry (India) Limited effective September 1, 2006.
5. The nominal value of equity shares of Rs. 2 each were subdivided into shares of Re. 1 each with effect from December 24, 2010.

Corporate Information

BOARD OF DIRECTORS	A. Vellayan, *Chairman* Ravindra S. Singhvi, *Managing Director* Anand Narain Bhatia V. Manickam M.B.N. Rao V. Ravichandran R.A. Savoor
COMPANY SECRETARY	Suresh Krishnan
CORPORATE MANAGEMENT TEAM	Ravindra S. Singhvi, *Managing Director* Sajiv K. Menon, *Business Head - Bio & Nutraceuticals* Dr. M.C. Gopinathan, *Senior Vice President (R&D)* P. Gopalakrishnan, *Vice President (Finance)* S.K. Sathyavrdhan, *Vice President (HR)*
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	Karvy Computershare Private Limited Unit : E.I.D.-Parry (India) Limited Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 Tel : +91-040-44655000 Fax : +91-040-23420814 E-mail : einward.ris@karvy.com
COMPANY	Suresh Krishnan General Manager & Company Secretary Tel : +91-044-25306789 Fax : +91-044-25341609 E-mail : investorservices@parry.murugappa.com

Directors' Report

Your Directors have pleasure in presenting their Report together with the audited accounts for the financial year ended 31st March, 2011.

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

FINANCIAL RESULTS

Rs. Lakhs

	2010-11	2009-10
Total Income	143550	129682
Profit Before Interest, Depreciation and Tax	18353	35536
Less : Interest	4243	3857
Depreciation	7370	6933
Profit Before Tax	6740	24746
Less: Provision for Tax :		
- Current (Net of MAT Credit)	-	2600
- Deferred	(1186)	2987
- MAT Credit entitlement	-	(1369)
Profit After Tax	7926	20528
Add : Surplus brought forward	30680	59180
Amount available for Appropriation	38606	79708
APPROPRIATIONS		
Transfer to General Reserve	800	40000
Transfer to Debenture Redemption Reserve	750	417
Dividend on Equity Capital :		
Interim paid	3466	5181
Proposed Final	-	3454
Dividend Distribution Tax (Net)	(574)	(24)
Surplus carried to Balance Sheet	34164	30680
TOTAL	38606	79708

PERFORMANCE

The Company recorded a revenue of Rs. 143550 Lakhs (including other income of Rs. 17981 Lakhs) for the year ended 31st March, 2011. Other income includes Rs. 2214 Lakhs (2009-10 – Rs. 798 Lakhs) of profit on sale of investments. The total gross sales of the company for the year 2010-11 grew by 9 % to Rs. 129115 Lakhs from Rs.118576 Lakhs in the year 2009-10.

Other income for the year was Rs. 17981 Lakhs as against Rs. 14950 Lakhs in 2009-10 which includes income from sale of balance 3% stake in Roca Bathroom Products Pvt. Ltd. (formerly Parryware Roca Pvt. Ltd) - Rs. 2214 Lakhs, dividend income of Rs. 11431 Lakhs against Rs. 10017 Lakhs in the year 2009-10. Interest income earned during the year was Rs. 1689 Lakhs as against Rs. 772 Lakhs in the year 2009-10. The Earnings Before Interest, Depreciation, Tax and Amortisation (EBIDTA) for the year was Rs. 16139 Lakhs (excluding Profit on Sale of Investments of Rs. 2214 Lakhs) representing 13% of total sales and showed a dip of 53.54% over previous year's EBIDTA of Rs. 34738 Lakhs (excluding Profit on Sale of Investments of Rs. 798 Lakhs). Losses of Sugar segment was the main contributor to above dip in EBIDTA.

However, better performance of Bio pesticides, Nutraceuticals, other value added products of Sugar such as Co-generation and Distillery and dividend income received have contributed towards positive side of EBIDTA during the year. Sugar division's sales increased from Rs. 108887 Lakhs in the year 2009-10 to Rs. 115901 Lakhs in the year 2010-11 mainly driven by increased Power export and Alcohol sales.

Bio Pesticides division's sales has increased by 63% to Rs. 5832 Lakhs as against sales during 2009-10. Nutraceuticals division's sales has increased by 17% to Rs. 4393 Lakhs as against sales during 2009-10.

SUGAR

The sugar industry is one of the largest agro based industries, supporting India's economic growth.

The Company has nine sugar plants spread across Southern India of which four are in Tamil Nadu, one in Puducherry, and through its subsidiaries, three in Karnataka and one in Andhra Pradesh.

The Company has increased the throughput sugarcane capacity to 32500 TCD and co-generation capacity to 146 MW across its sugar mills. The integrated Sugar Units have been designed to optimise process efficiencies, increase sugarcane recovery ratio, and increase energy efficiency through reduced steam and power consumption.

INVESTMENT IN PARRYS SUGAR INDUSTRIES LIMITED (PREVIOUSLY KNOWN AS M/s GMR INDUSTRIES LTD.)

As part of the growth strategy for the Sugar business, the company acquired 65% equity stake in the equity capital of M/s Parrys Sugar Industries Ltd. (PSIL) (previously known as M/s GMR Industries Ltd.) after complying with all formalities relating to open offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 to the shareholders of PSIL.

JOINT VENTURE WITH CARGILL ASIA PACIFIC HOLDINGS PTE LIMITED

During the financial year ended 31st March 2011, the Joint Venture entity viz. Silkroad Sugar Private Ltd., commenced commercial production. However, supply of gas is an area of concern and maximum efforts are put in for ensuring continuous supply 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 Bio-Pesticides Division registered revenue of Rs. 5839 Lakhs in the year 2010-11 as compared to Rs. 3626 Lakhs in the previous year accounting for 4% of the Company's Revenue. PBIT for the year was Rs. 1151 Lakhs against Rs. 561 Lakhs in 2009-10.

Nutraceuticals

The Nutraceuticals division's turnover was Rs. 4368 Lakhs for the year ended 31st March, 2011 representing 3% of the Company's Revenue. About 82% of this represents exports.

Nutraceuticals division is planning to leverage the Parry brand into the wellness sector in the Indian Nutraceutical market by launching a range of OTC products under the Parry brand addressing various health concerns. The products will cover preventive as well as health specific management segments. Changing lifestyles and increasing health concerns of an aging population, offer an emerging opportunity for the business. As part of this initiative, Nutraceuticals division has launched Protein drink products under the brand 'Pro9' and 'Pro9D' during the last quarter of the year 2010-11. While the former is for the general public, the later is a variant for diabetic segment.

DIVIDEND

During the year, the Company had already paid an interim dividend of Rs. 2 (200 %) per equity share of Re. 1 each in March, 2011. The Board has not recommended final dividend for the year ended 31st March, 2011.

CORPORATE DEVELOPMENTS

SUB DIVISION OF SHARES

In order to further improve liquidity of shares, widen the shareholder base and to make the shares affordable for smaller investors, the nominal value of equity shares were sub divided from Rs. 2 per share to Re. 1 per share with effect from 24th December, 2010 after obtaining the approval of shareholders through postal ballot.

INVESTMENT IN US NUTRACEUTICALS LLC

During the year under review, the Company acquired a further 3% stake in US Nutraceuticals LLC increasing the stake from 48% to 51% and consequently US Nutraceuticals LLC had become a subsidiary of the Company.

SALE OF SHARES IN ROCA BATHROOM PRODUCTS PRIVATE LIMITED

During the year, Roca Bathroom Investments S.L. (ROCA S.L.) exercised the call option notice for purchasing the balance 64045 equity shares held by the Company in Roca Bathroom Products Private Ltd., for a consideration of Rs. 22.20 Crore. The Company accepted their above said offer and transferred the balance 64045 equity shares of Rs. 10 each to ROCA S.L. in March, 2011. With this transfer, the entire stake in Roca Bathroom Products Private Ltd., had been divested.

DELISTING FROM LUXEMBOURG STOCK EXCHANGE – GLOBAL DEPOSITORY RECEIPTS (GDRs)

The total number of GDRs listed in Luxembourg Stock Exchange (LSE) was less than 0.15% of the share capital of the company. Further, there were negligible transactions since October 2005. In view of the compliance costs not commensurate with the total GDRs outstanding, the Board approved the delisting of GDRs from LSE. The GDRs from LSE have been delisted from April 11, 2011.

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

During the year ended 31st March, 2010, in accordance with the provisions of SEBI (Delisting of Equity Shares) Regulations, 2009, the Company had 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 and the application is pending.

EMPLOYEE STOCK OPTION SCHEME

Under the 'Employee Stock Option Scheme' ('the Scheme') of the Company and based on the approval of the shareholders at the Annual General Meeting held on 26th July, 2007, the Company had granted 366300 Options during the year ended 31st March, 2011.

The details of the Options granted up to 31st March, 2011, 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 Statutory 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

Coromandel achieved a turnover of Rs. 752795 Lakhs for the year ended 31st March, 2011 and the profit after tax was Rs. 69446 Lakhs. The Company's Board has recommended a final dividend of Rs. 3 per share (300%) for the year. With the interim dividend of Rs. 4 per share (400%) paid in February, 2011, the total dividend declared by Coromandel for the year ended 31st March, 2011 is Rs. 7 per share. (700%)

Parrys Sugar Industries Limited

Parrys Sugar Industries Ltd., (formerly GMR Industries Ltd.,) a listed subsidiary was acquired by EID Parry in August, 2010. The said company recorded a revenue of Rs. 29852 Lakhs for the 12 months period ended 31st March, 2011. After providing for depreciation, interest and expenses, the loss after tax was Rs. 6760 Lakhs.

Sadashiva Sugars Limited

The Company recorded a revenue of Rs. 7060 Lakhs for the year ended 31st March, 2011. The Profit before Depreciation, Interest and Tax amounted to Rs. 787 Lakhs. After providing for depreciation, interest and tax, the loss after tax was Rs. 2082 Lakhs.

Parry Infrastructure Company Private Limited

During the year under review the company earned an income of Rs. 1378 Lakhs. After providing for interest, finance cost and other expenditure amounting to Rs.1246 Lakhs, the Profit Before Tax was Rs. 132 Lakhs. After providing for tax provision of Rs. 44 Lakhs, the Profit after Tax was Rs. 88 Lakhs. With the brought forward amount of Rs. 1 lakh, Rs. 89 Lakhs is carried to Balance sheet.

Parry America Inc.

Parry America Inc. the 100% subsidiary based in US, reported an income of US$ 5524 thousands for the year ended 31st March, 2011. The Profit After Tax was US$ 245 thousands. With the carried forward profit of US$ 276 thousands for the previous year, the profit carried forward for the year was US$ 521 thousands.

Parry Phytoremedies Private Limited

The revenue for the year was Rs. 974 Lakhs. During the year ended 31st March, 2011 the company made a loss after tax of Rs. 90 Lakhs.

Parrys Sugar Limited

The Company during the year ended 31st March 2011, earned an income of Rs. 11 Lakhs. After providing for tax of Rs. 3 Lakhs, the Profit after Tax was Rs. 8 Lakhs. With the brought forward amount of Rs. 9 Lakhs, Rs. 17 Lakhs is carried to Balance Sheet.

Parrys Investments Limited

During the year ended 31st March, 2011 the company earned an income of Rs. 97 Lakhs and the Profit after Tax was Rs. 92 Lakhs.

US Nutraceuticals LLC

During the year ended 31st March, 2011, the overseas subsidiary earned an income of US$ 12075 thousands and the Loss after Tax was US$ 1703 thousands .

Coromandel Bathware Limited

In view of the Company suspending its operations with effect from 31st March, 2000, the Board of Directors of the Company applied to the Registrar of Companies, Tamil Nadu, Chennai for striking off the name of the Company under Section 560 of the Companies Act, 1956 under the Easy Exit Scheme, 2011 announced by the Ministry of Corporate Affairs, Government of India.

The Ministry of Corporate Affairs, Government of India vide their letter dated 29th January, 2011 had informed that the name of the company had been struck off the Register and dissolved.

SUBSIDIARY ACCOUNTS

In terms of the approval granted by the Central Government u/s 212 (8) of the Companies Act, 1956, vide their letter dated 24th January, 2011 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, 2011.

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. K. Raghunandan stepped down from the Board both as the Managing Director and also as a Director with effect from 28th January, 2011 consequent to his movement to the Murugappa Group as Head of IT & Technology. The Board places on record its appreciation for the services rendered and the valuable contributions made by Mr. K. Raghunandan, during his tenure as Managing Director.

Mr. Ravindra S. Singhvi, who joined the Company as the Chief Executive Officer in December, 2010 was inducted in the Board as an Additional Director of the Company with effect from 29th January, 2011 and also appointed as the Managing Director for a period of 5 years with effect from 29th January, 2011.

The Company has received a notice from a member proposing the appointment of Mr. Ravindra S. Singhvi as a Director of the Company. As required under Clause 49 of the Listing Agreement relating to Corporate Governance, a brief resume, expertise and details of other directorships of Mr. Ravindra S. Singhvi are provided in the Notice of the Annual General Meeting.

Mr. R.A. Savoor and Mr. Anand Narain Bhatia, Directors retire by rotation in terms of Articles 102 and 103 of the Articles of Association of the Company and being eligible, offer themselves 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. R.A. Savoor and Mr. Anand Narain Bhatia are provided in the Notice of the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

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

CEO/CFO CERTIFICATION

Mr. Ravindra S. Singhvi, 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. 9.14 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

Other than the deposits that were transferred to the Investor Education and Protection Fund, there were no other deposits due for repayment on or before 31st March, 2011. 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, 2011 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 have to 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;
- proper systems are in place to ensure compliance of all laws applicable to the Company;
- the financial statements have been prepared on a going concern basis.

AUDITORS

M/s. Deloitte, Haskins & Sells, Chartered Accountants, Chennai, the Company's Statutory 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 2010-11.

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 29, 2011

A. VELLAYAN
Chairman

Annexure to the Directors' Report

Statement as at 31st March, 2011 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	1858200
			29.10.2007	232400
			24.01.2008	460600
			24.04.2008	152200
			28.07.2008	130000
			24.09.2008	387000
			29.10.2008	113600
			20.03.2009	47800
			28.01.2011	366300
				3748100

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 Consequent to sub-division of equity shares from Rs. 2 to Re. 1 per share, each Option represents 1 Equity Share of Re. 1/- each.	:	31.08.2007 Rs. 64.80	29.10.2007 Rs. 75.70	24.01.2008 Rs. 94.15
			24.04.2008 Rs. 103.60	28.07.2008 Rs. 92.98	24.09.2008 Rs. 106.30
			29.10.2008 Rs. 74.95	20.03.2009 Rs. 69.13	28.01.2011 Rs. 225.15

c)	Total number of Options vested	:	1343292
d)	Total number of Options exercised	:	970572
e)	Total number of Shares arising as a result of exercise of Options	:	970572
f)	Total number of Options lapsed/cancelled	:	1044408
g)	Variation of terms of Options	:	Nil
h)	Money realised by exercise of options	:	Rs. 370 Lakhs
i)	Total number of Options in force	:	1733120
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	85200
2. Dr. M.C. Gopinathan Senior Vice President - R & D	101000
3. Mr. Ravindra S. Singhvi Managing Director	197100
4. Mr. S.K. Sathyavrdhan Vice President (HR)	95200
5. Mr. Suresh Krishnan Company Secretary	5900

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. D.Kumaraswamy 183200 2. Mr. T.Kannan 19600 3. Mr. G.Madhavan 65000 4. Mr. Manoj Kumar Jaiswal 113600 5. Mr. P.Nagarajan 65000 6. Mr. K.E.Ranganathan 387000 7. Mr. K.Raghunandan 258200 8. Mr. Ravindra Raju D.S. 53100 9. Mr. R.Raghuram 19600 10. Mr. A.Sridhar 29400
	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
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. 4.56
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 2010-11 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. 162 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. 7926	
Add: Intrinsic Value Compensation Cost	Rs. Nil	
Less: Fair Value Compensation Cost (Black Scholes model)	Rs. 162	
Adjusted Net Income	Rs. 7764	
Earnings per Share	Basic (Rs.)	Diluted (Rs.)
As reported	Rs. 4.58	Rs. 4.56
As adjusted	Rs. 4.49	Rs. 4.47

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. 91.95 Weighted average fair value Per Option : Rs. 33.47

Annexure to the Directors' Report (Contd.)

n)	A description of the method and significant assumptions used during the year to estimate the fair values of Options	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:

(i)	Risk-free interest rate		: 8 %
(ii)	Expected life	tranches I to III	: 3 years
		tranches IV to VIII	: 4 years
		tranche IX	: 4 years
(iii)	Expected volatility	tranches I to III	: 0.5264
		tranches IV to VIII	: 0.5055
		tranche IX	: 0.5088
(iv)	Expected dividends		: 300%
(v)	The price of the underlying Share in market at the time of Option grant		

No. of Tranche	Date of grant	Market price
Each option represents 1 equity share of Re. 1/- each		
I	31-08-2007	Rs. 64.80
II	29-10-2007	Rs. 75.70
III	24-01-2008	Rs. 94.15
IV	24-04-2008	Rs. 103.60
V	28-07-2008	Rs. 92.98
VI	24-09-2008	Rs. 106.30
VII	29-10-2008	Rs. 74.95
VIII	20-03-2009	Rs. 69.13
IX	28-01-2011	Rs. 225.15

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

- At Pugalur sugar unit, steam saving measures like automation of pans, fixing of hot water flow meters to regulate water consumption etc. have been done to achieve better energy efficiency.
- At Pudukottai sugar unit, Flash heat recovery system for pan condensate and 3rd effect evaporator and 3rd body vapour bleeding to 1st stage secondary Juice heaters has been implemented for achieving a better steam conservation.
- At Puducherry sugar unit, Clear Juice is utilised for B & C sugar melting instead of hot water and live steam as a energy conservation measure.
- At Sivaganga Distillery unit, Steam pressure for SCAPH (Steam Coil Air Pre Heater) has been reduced from 42 KG/cm2 to 3.5 KG/cm2 as a steam saving measure.

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- At Sivaganga unit, modifications have been done to the existing bag filter and additional bag filter installed for improved dust collection in the spent wash fired boiler.
- At Pudukottai sugar unit, Syrup Clarifier has been installed for improved sugar quality.

III. During the year an amount of Rs. 375 Lakhs has been incurred on account of revenue expenditure towards Research and Development activities in the various divisions.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2010-11 (Rs. Lakhs)
(a) Earnings	23988
(b) Outgo	161

V. ENERGY CONSUMPTION

		2010-11	2009-10
A	Power & Fuel Consumption :		
1.	Electricity :		
	(a) Purchased		
	Units (KWH)	9192111	6801756
	Total Amount (Rs. Lakhs)	575.14	444.81
	Rate per Unit (Rs.)	6.26	6.54
	(b) Own Generation		
	(i) Through Emergency Diesel Generator		
	Units (KWH)	2320563	2807798
	Units per ltr of Diesel Oil	2.50	2.99
	Cost per unit (Rs.)	12.66	11.82
	(ii) Generated Through Steam Turbine		
	Out of Own Bagasse (KWH)	344565536	252062399
	Out of Outside fuel (KWH)	115202438	136355956
2.	Furnace Oil :		
	Qty. (K. Litres)	534	755
	Value (Rs. Lakhs)	130	160
	Average Rate / K. Ltr. (Rs.)	24367	21137
3.	Others/Internal Generation		
	HSD:		
	Qty (KL)	849	1345
	Total Cost (Rs. In Lakhs)	335	472
	Rate per KL/ (Rs.)	39499	35118.14
B	Consumption per unit of Production		(KWH) Electricity
		2010-11	**2009-10**
	1. Sugar Per MT	412	393

On Behalf of the Board

Chennai
April 29, 2011

A. 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, 2011

	Name/(Age)	Designation of the Employee/Duties	Remuneration (Rs.)	Qualification/ Experience (Years)	Date of Commencement of Employment	Previous Employment
(a)	Employed throughout the year ended 31st March, 2011 and were in receipt of remuneration aggregating not less than Rs. 60,00,000/-					
1.	K.E. Ranganathan (48)	Executive under deputation	1,01,08,427	B.Com, ACA., ACS (27)	10.10.1994	TVS Electronics Limited
2.	K. Raghunandan (53)	Executive under deputation	1,11,28,761	MS Chem. Engg (30)	11.07.1988	IEL Ltd.
(b)	Employed for part of the year ended 31st March, 2011 and was in receipt of remuneration aggregating not less than Rs. 5,00,000/- per month					
1.	D. Kumaraswamy (57)	Executive under deputation	41,18,767	B.Com, ACA., ACS (34)	07.03.1986	Mechnafab Pvt. Ltd.
2.	Ravindra S. Singhvi (53)	Managing Director	40,26,602	B.Com, FCA, FCS, LLB (30)	03.12.2010	Indo Rama Synthetics (India) Ltd.
3.	Sebastian K. Thomas (62)	Chief Executive	91,36,498	M.Sc (Botany) (37)	01.09.1992	Biogenics, California, USA

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 29, 2011

A. VELLAYAN
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2010-11

Review of EID Parry's business

E.I.D.-Parry, part of USD 3 Billion Murugappa Group, is one of the largest business conglomerates in Southern India. The Sugar division (Sugar, Co-generation and Distillery businesses), being the predominant business of the Company, accounted for 95% of the total revenue at Rs. 1197 crores. The Company is also enhancing its market reach and product portfolio through its strong presence in the promising areas of Bio Pesticides and Nutraceuticals. Today, E.I.D.-Parry is one of the Top 5 sugar producers in India and is on the path to sweetening more lives around the world.

Sugar Facilities

E.I.D.-Parry continued to grow its sugar business by acquiring Parrys Sugar Industries Ltd. (Previously known as GMR Industries Ltd.), and the company now has 9 sugar plants spread across South India, of which, four are in Tamil Nadu, one in Puducherry, three in Karnataka (subsidiary) and one in Andhra Pradesh (subsidiary). Overall, the Company has increased the combined daily sugarcane crushing capacity to 32500 TCD, Co-generation capacity to 146 MW and distillery to 230 KLPD across its sugar mills and distillery units.

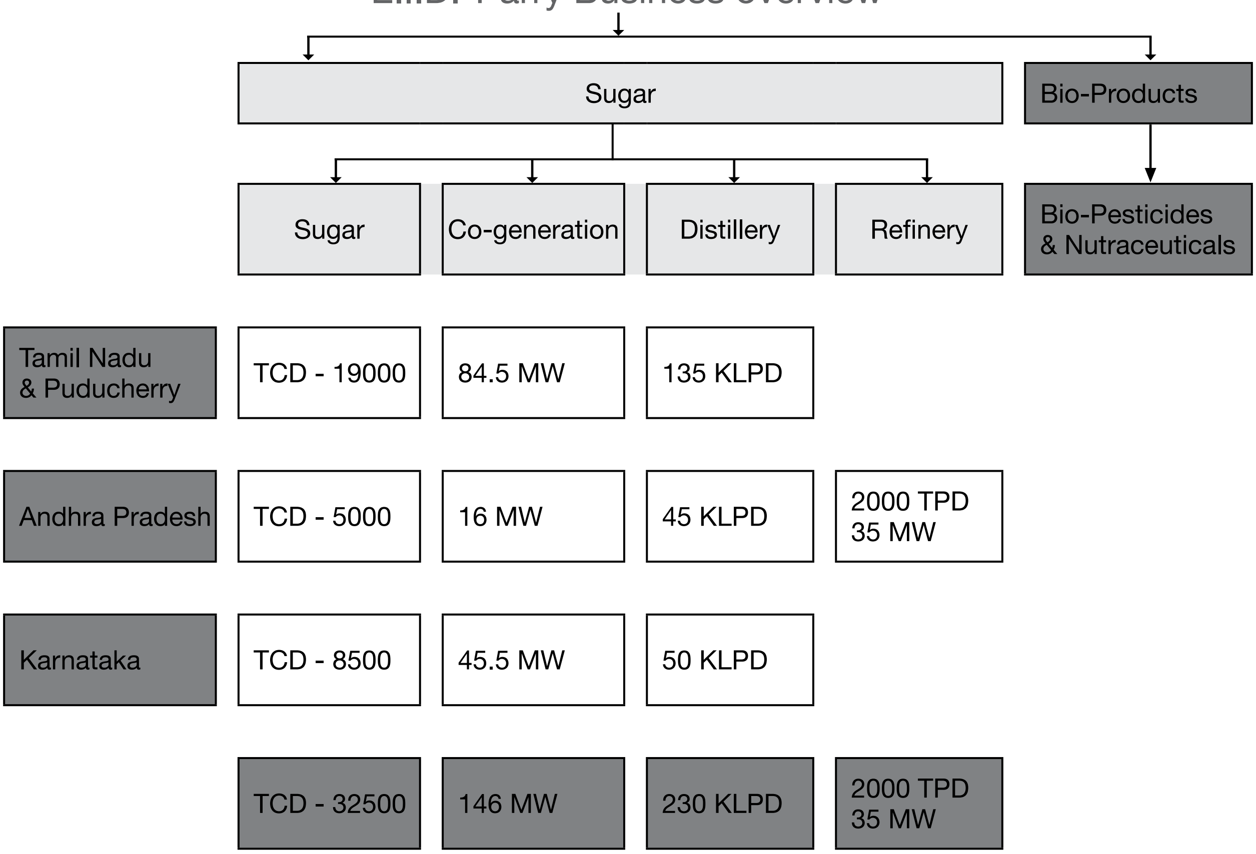
E.I.D.-Parry's integrated Sugar Units have been designed to optimise process and energy efficiencies through reduced steam and power consumption. In addition, the company has adopted measures to improve energy efficiency in three of its factories to optimise the consumption of resources. In its endeavour to ensure safety of people and processes, the company has carried out Safety Audits across all its plants.

Parrys Sugar Industries Ltd. (PSIL), which was acquired by the company during the year, has three sugar facilities – two in Karnataka and one in Andhra Pradesh, with total sugarcane crushing capacity of 11000 TCD, 46 MW of Co-generation capacity and 95 KLPD of distillery facilities with the following advantages:

- High Recovery Zone of North Karnataka.
- Closer to major Indian sugar markets.
- Opportunity for higher capacity utilisation of Co-generation facility.

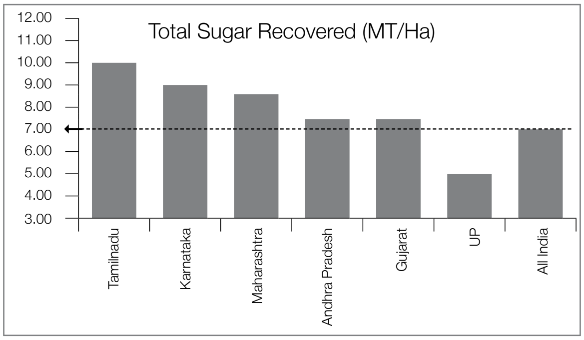
The refinery and co-generation units of Silkroad Sugar Private Limited, a joint venture with Cargill, went on stream during the year, with a capacity of 2000 TPD for refinery and 35 MW power generation.

E.I.D.-Parry Business overview



All sugar facilities of E.I.D.-Parry are located in South India, offering the company a geographical advantage of being the highest sugar recovery zone in India.

- Sugar recovery per unit land area is the highest in Southern India.



Source: ISMA (5 Years average)

- Greater access to ports ensures lesser freight cost on import / export for mills in South India compared to those in the Northern part of the country.
- Good soil conditions and abundant water with sugarcane yield being highest across India.
- Long crushing season.

Cane and Manufacturing

Cane R & D :

E.I.D.-Parry pioneered sugarcane research and probably runs the only private R&D centre for sugarcane and tissue culture to develop new and improved cane varieties. It has also been aggressively promoting eco-friendly pest management systems. The R&D division is focused on developing sugarcane varieties having high yields, better sucrose content and greater pest resistance.

The company has enhanced the usage of Biological pesticides in cane fields over years. However, the biggest innovation spearheaded by E.I.D.-Parry has been the difference it has made to the sugarcane farmers associated with it offering them value added IT enabled services, such as Remote Sensing, Geographic Information System and Global Positioning System for mapping and monitoring sugarcane growing area.

In addition, the company's Integrated Cane Management System helps and guides the farmers on surface and sub-surface drip irrigation, cane trash mulching, soil mapping and soil nutrient analysis, detailed farm boundary mapping, mechanical harvesting, etc.

Services to Farmers:

The company provides agronomic support through its cane extension teams with a focus on training farmers on scientific applications and farming methodologies. Towards this end, the company has put in place plans to:

a. Train farmers to use modern and improved agronomic practices.
b. Use mechanical harvesters to reduce dependence on farm labour.
c. Promote rejuvenation programs, providing farmers with seed materials from Sugar Breeding Institute, Coimbatore.
d. Increase the planting of high yielding varieties of sugarcane.
e. Increase the area under sugarcane cultivation by providing incentives and loans.
f. Provide Toll Free Access System.
g. Expand pest and disease control activities.
h. Continue soil fertility improvement activities (including Cane Trash Mulching).
i. Plant cane varieties suited to the soil conditions.
j. Increase the area under drip irrigation.

The company has also undertaken the following activities to further improve sucrose recovery:

- Optimum utilisation during peak recovery periods by balancing the cane supply and operating days, capacity expansion, modernisation, efficiency improvement.
- Increasing the coverage of high sugarcane varieties.
- Ensuring application of fertiliser for improving quality of cane through soil analysis, input supplies on right time by *Parry Mayyams*, extension activities and farmer training programs.

Namadhu Parry Mayyam:

The Company has been working continuously to increase the effectiveness of its unique concept of Namadhu Parry Mayyam (NPM), a service hub for farmers introduced in 2008-09. Here, a local entrepreneur, usually a sugarcane farmer, is trained to become a Namadhu Parry Mayyam operator. The company provides agri inputs as well as extends interest free loans to these operators for buying high end farm equipment, which in turn is hired out to small farmers who are unable to afford such sophisticated equipment.

This helps mechanised farm services accelerate sugarcane harvesting and save costs on manual labour which is becoming increasingly expensive. The Mayyams also assume a multi-dimensional role of an 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. When services are provided to the farmers by Mayyams, the company makes the payment to the Mayyam and this amount is recovered from the farmer from the sugarcane payments. This is beneficial to the farmer as he need not make payment at the time of receipt of service.

In the current year, E.I.D.-Parry went one step ahead by focusing on standardisation of processes at all Mayyams and increasing the scope of activities at each of these outlets. During the year, the company opened 16 new Namadhu Parry Mayyam outlets, taking the total number of NPMs to 70.

Manufacturing:

All the company's sugar plants in Tamil Nadu are integrated with co-generation facility while Nellikuppam plant is also fully integrated with distillery. Distillery in Sivaganga is converting molasses from Pugalur, Pettavaithalai and Pudukkottai plants. During 2010-11, while the newly expanded Nellikuppam distillery started commercial production, the distillery at Sivaganga and the Co-generation facility at Pettavaithalai, stabilised operations.

E.I.D.-Parry is continuously working on improving operational efficiencies and production techniques, benchmarking with the best in the industry, globally. The company is planning to establish a dedicated facility for the production of graded sugar, to increase its penetration in high value industrial and pharmaceutical customer segments.

Leveraging Co-products

E.I.D.-Parry converts bagasse into electricity in its Co-generation units and processes molasses into various types of alcohol, thus completing the value chain. The Company is utilising opportunities to sell power to third parties to increase capacity utilisation.

In addition, the company has a stand-alone distillery at Sivaganga in Tamil Nadu. The Company has converted Pressmud into a value addition product from the Nellikuppam plant in the current year and is in the process of extending it to the other units by establishing necessary infrastructure and facilities.

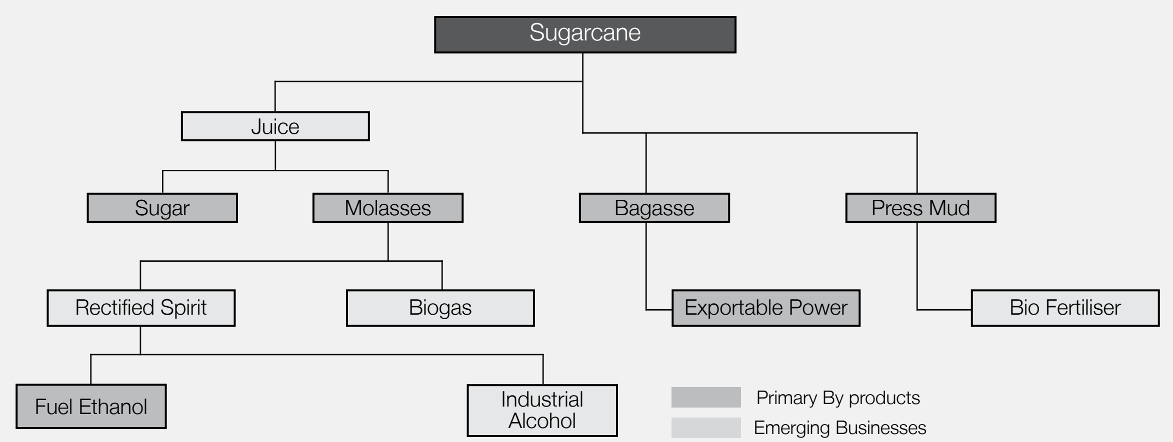
Marketing

E.I.D.-Parry has a distinct distribution network that has helped it to derisk itself from the dependence on a few traders. Due to the adoption of this network, the company is able to provide customer-specific products directly, which is not possible in the traditional distribution networks.

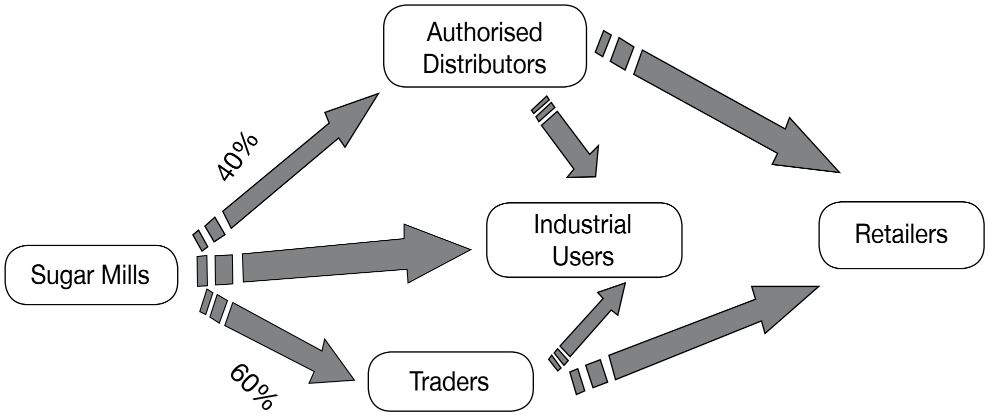
The company has also started focusing more on retail branding to create value premium for the product. In the retail segment, the company has a wide distribution network and has been focusing to spread distribution to Tier 2 cities in South India.

The company's products have several certifications : ISO 9001-2008, Kosher, Halal, Indian Pharmacopoeia, Japanese Pharmacopoeia, US Pharmacopoeia, British Pharmacopoeia and European Pharmacopoeia. These certifications help the company to expand the range of institutional customers.

By-products of Sugar



(Source KPMG report)



INTERNATIONAL SUGAR SCENARIO

The second revision of the world sugar balance in the 2010/11 (October/September) crop cycle by ISO puts world production at a record 168.045 Million MT, raw sugar value, up 4.66% from the last season.

Although ISO still expect a record high world sugar production, it has been revised downwards by 0.910 Million MT from their previous assessment in November, 2010. In contrast to output, world consumption has been revised marginally upwards and now is put at 167.849 Million MT. Consumption is expected to grow at 2.01% slower than the 10 year average of 2.6%, due to historically high prices in both the world and domestic markets.

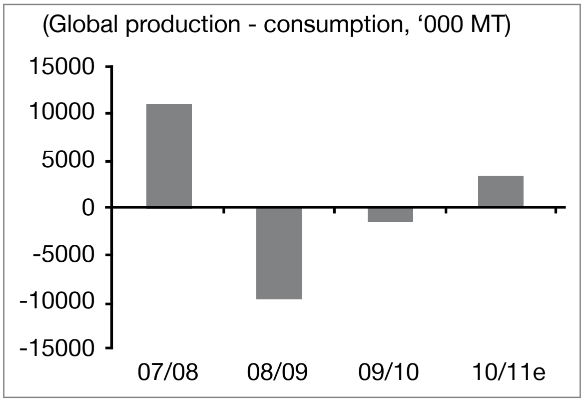
After two seasons of large deficits, the stocks/ consumption ratio had reduced to the lowest level for more than 20 years since 1989/90. The ratio is expected to decrease further to 35.04% in 2010/11 from 35.73% in the previous season of a large deficit.

Despite the downward revision of world production, export availability still covers projected import demand. The absence of a physical trade deficit may act to cap prices for the rest of 2010/11 season. The world export availability is put at 50.496 Million MT, exceeding import demand estimated at 50.309 Million MT.

World Sugar Balance

	2010/11	2009/10	Change	
	(million, tonnes, raw value)		in Million MT	in %
Production	168.045	160.569	7.476	4.66
Consumption	167.849	164.549	3.300	2.01
Surplus / Deficit	0.196	-3.980		
Import demand	50.309	53.393	-3.084	-5.78
Export availability	50.496	53.023	-2.527	-4.77
End Stocks	58.808	58.799	0.009	0.02
Stocks/Consumption ratio in%	35.04	35.73		

Source: ISO Quarterly Market Outlook, February 2011

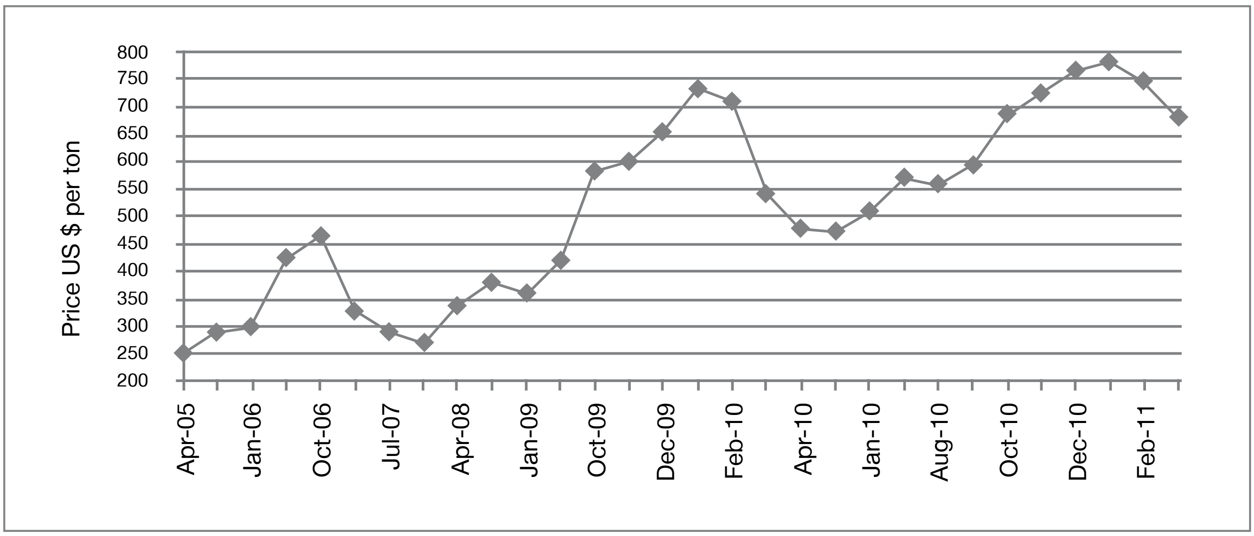


Source: USDA, Morgan Stanley Commodity Research estimates

The sugar output of Brazil, the world's largest producer, in the 2010/11 season was revised slightly upward to 38.7 Million MT from 15 Million MT forecast in September 2010 after exceptionally dry weather in 2010 raised sugar concentration in cane. Brazilian sugar exports in 2010/11 were estimated at 28 Million MT, up 14.6% from the previous season. European Union (EU) would approve extra sugar imports and the sale of out-of-quota sugar on the EU market to address an expected supply shortage and to curb rising prices.

The European Commission said it would open an autonomous import quota for sugar from any non-EU country, but there were no details on the total volume of the quota or any tariffs that may apply. A massive cyclone threat to the crop in Australia adds further pressure to global prices for the sweetener. Australia typically commands around 7 to 8.5% of the global raw sugar trade with most of its production shipped into growing Asian markets such as Indonesia. Australia harvested 27.4 Million MT of cane in 2010/11, well below expectations of at least a 33 Million MT crop, as rain disrupted harvesting.

International White Sugar Prices (US$/MT)



[Source : ERS, USDA]

FUEL ETHANOL

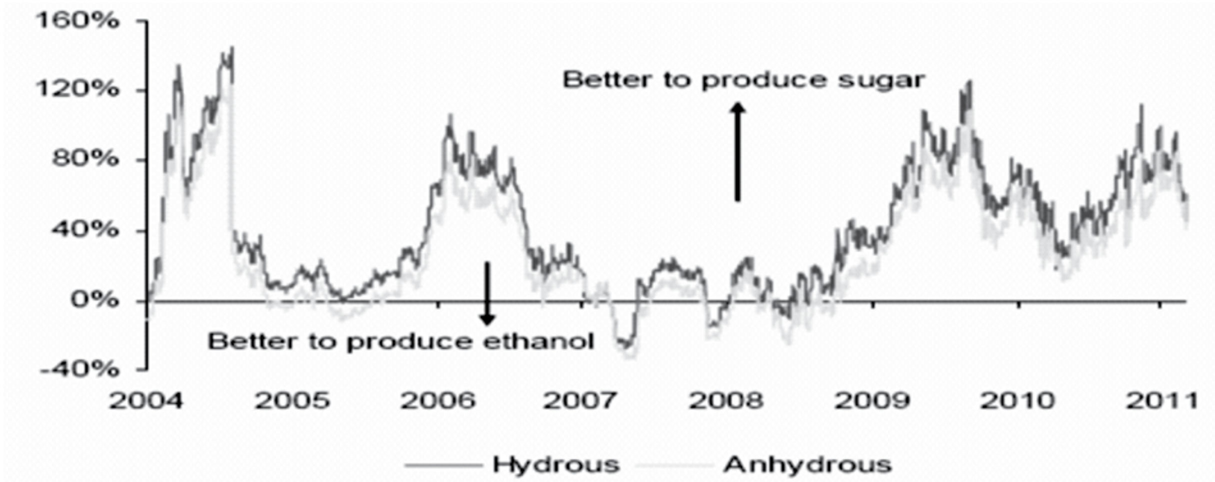
Growth in global fuel ethanol production and consumption in 2011 is forecasted to less than 4% (reaching 89 and 88 Billion Litres respectively), well below the average yearly growth of 29% over the previous 5 years. Legislative constraints in US and only an anticipated modest increase in Brazil's production and use of ethanol underlie the outlook for weaker growth.

Even so, there are new and expanding consumption mandates in the EU and several countries in Central and South America. Brazil's ethanol output is expected to rise only modestly in the upcoming 2011/12 campaign. Persistently high sugar prices are likely to lower even further the allocation of cane to ethanol production with millers keen to maintain their primary focus on producing sugar for the world and domestic markets. Ethanol prices are also forecasted to remain relatively high and off-taken by the growing flex-fuel fleet will therefore be rationed by more competitive gasohol prices in most States.

The anticipated bumper molasses output in India and a higher government set price that oil marketing companies must pay to fuel ethanol is likely to ensure significantly higher fuel ethanol production and wide implementation of the Government's E5 mandate.

Economics Clearly Favour Sugar Production

(Ethanol equivalent price, %)



Source: Bloomberg, Morgan Stanley Commodity Research

Global fuel ethanol trade in 2011 is still not likely to recover from the slump which occurred in 2009. Availability from Brazil is anticipated to be limited in 2011.

Expanding US ethanol exports in 2010 were a result of the sharp increase in manufacturing capacity in recent years coupled with a lack of Brazilian shipments, as well as exchange rate movements which offer export opportunities.

A predicted surplus in US in 2011 may continue to offer potential for ongoing exports to EU, at least until additional Member States implement the sustainability provisions of the Renewable Energy Directive (RED), under which US corn ethanol does not qualify.

INDIAN SCENARIO

Sugar:

Sugar is one of the oldest commodities in the world and traces its origin to the 4th century AD in India and China. India is presently a dominant player in the global sugar industry along with Brazil in terms of production. Given the growing sugar production and the structural changes witnessed in Indian sugar industry, India is all set to continue its domination at the global level.

In 2009/10, Indian sugar production started recovering from an unprecedented fall of 11.7 Million MT or 45% in 2008/09. The recovery continued in 2010/11 season also and as per ICRA report the region's output is likely to reach 25 Million MT as against 18.92 Million MT in the previous season.

As per Indian Sugar Mills Association (ISMA) and National Federation of Co-operative Sugar Factories Ltd. (NFCSFL), the total expected sugar production of 25 Million MT in India includes 94 Lakhs MT from Maharashtra, 58.5 Lakhs MT from Uttar Pradesh, 36 Lakhs MT from Karnataka, 16 Lakhs MT from Tamil Nadu and 13 Lakhs MT from Gujarat.

Table 1 : Domestic Sugar Production and Consumption

Million MT/SY	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11E
Opening Stock-1st Oct	11.32	11.61	8.50	4.00	3.7	10.2	9.9	3.5*	5.0*
Production (Oct-Sept)	20.14	14.00	12.69	19.27	28.3	26.3	14.6	18.92	25
Imports	0.04	0.40	2.14	0.00	0.00	0.00	1.3*	6.0*	0
Total Availability	31.50	26.01	23.33	23.27	32.0	36.5	28.1	28.42	30
Domestic Consumption	18.38	17.29	17.67	18.50	20.2	21.7	22.3	23.42	23
Exports	1.50	0.22	0.00	1.13	1.7	4.9	0.0	0	1.5
Closing Stock as on Sept.30	11.61	8.50	4.00	3.64	10.2	9.9	3.5*	5.0*	5.5
Closing Stock as Months of Consumption	7.58	5.90	3.13	2.36	6.1	5.5	2.7	2.6	2.9

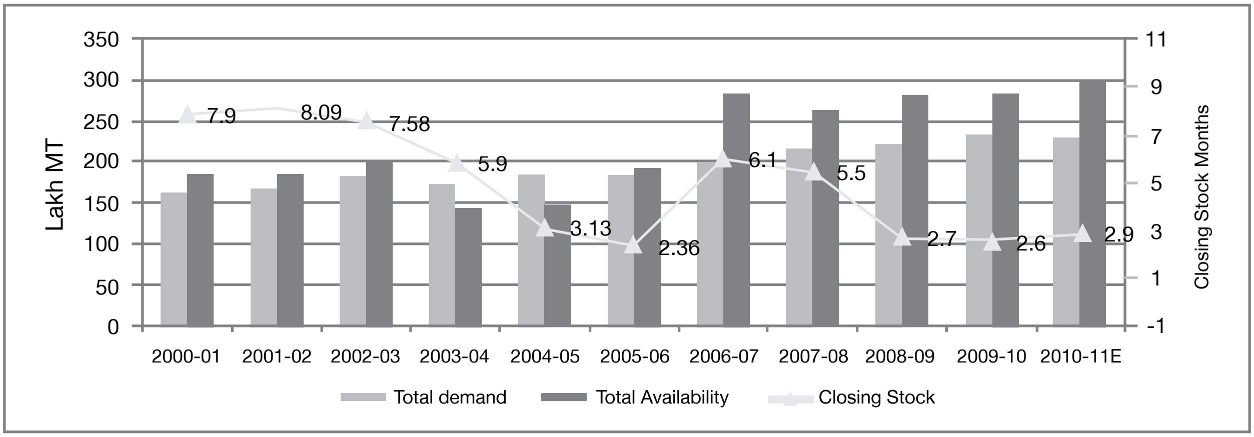
Source : ISMA/Industry Sources/ICRA Research.

Note: * Import figure/CS for SY2008-09 excludes 2.0 million of unprocessed raw lying with sugar mills while import figures/CS for SY2009-10 includes the processing of the aforesaid raw sugar.

Demand-Supply Scenario and Outlook

The closing stock position as measured by sugar-year-end domestic closing stock (CS) as months consumption (Cons.) is given in Chart:

Chart 1 : Domestic Stock Trends



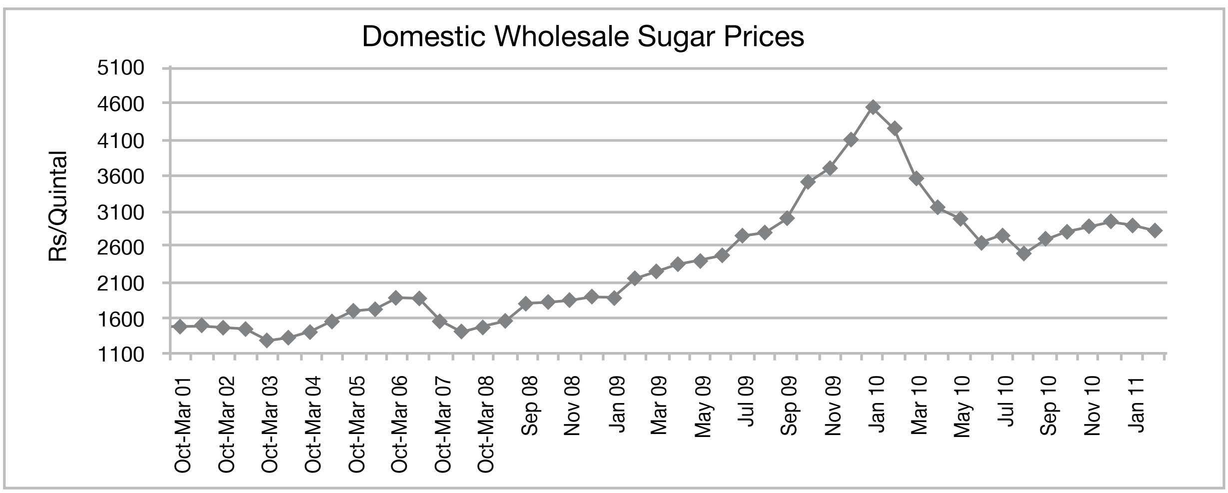
Source : ISMA/Industry Sources

The domestic sugar industry prices had shown a hardening trend since Q4 of SY 2008-09 in anticipation of continued depressed production in SY2009-10. This resulted in a sustained uptrend in prices, which reached a peak of Rs. 40,000/MT by end of January 2010. However, there was a significant drop in sugar prices to, as low as Rs. 25,000/MT by August 2010.

The fall is attributable to a number of factors. Firstly, there was an upward revision in production estimates for the sugar season ending September 2010. Secondly, there was a significant drop in international sugar prices due to increased sugar production in Brazil as well as India, thus resulting in lower dependence on imports in India.

In addition, the Government of India took several measures in order to curb sugar prices. These measures included continued zero duty on imports, allowing bulk consumers to import sugar freely; tight inventory restrictions imposed by the government on buyers and changes in release norms (from monthly to weekly) for free sale sugar.

The downward trend in sugar prices continued until end of August 2010, after which prices started rising from mid - September 2010. The price rise may be attributed to three reasons: – an increase in demand due to the festive season; a fall in sugar releases during October-November 2010; and a rise in the international prices of sugar, which improved the sentiments for the domestic sugar industry (on the anticipation that sugar mills would be able to export surplus production in SY 2010-11 at remunerative prices). Prices reached a peak of Rs. 30,000/MT by January 2011 although they showed a modest correction since then, following a pick-up in domestic sugar production and the government's decision of withholding exports of sugar under Open General Licenses (OGLs).



Source : Industry Data provided by ICRA-rated Sugar Mills

Government Policies and Regulations

In March end, the Central Government has allowed export of 5 Lakhs MT of sugar under the Open General License (OGL). The Government extended stockholding curbs on the quantity of sugar stocks that traders and wholesale dealers can hold upto 30th September, 2011. The curbs were due to expire on 31st March, 2011. But the government cushioned the move by raising the cap on stock quantity to 500 MT from 200 MT from 1st April, 2011.

The Government has released notification for increasing levy price in line with Fair and Remunerative Price and accordingly levy price has been fixed at Rs. 18.47 per kg of sugar to mills for supplying sugar to the government in 2010/11 for onward sale to the poor (levy sugar), 5.1% more than the Rs. 17.57 per Kg last year.

For the sugar season 2011-12, the Central Government has fixed the Fair and Remunerative Price at Rs. 145 per quintal linked to a basic recovery rate of 9.5% subject to a premium of Rs. 1.53 per quintal for every 0.1% increase in recovery above that level.

Power:

Co-generation capacity is likely to show a significant growth, given the improved fiscal and regulatory support and the significant untapped potential across large sugar producing states. Co-generation sector growth is expected further by various regulatory measures including renewable energy portfolio obligation fixed under National Action Plan for Climate Control (NAPCC) of Government of India and generic tariff norms announced for co-generation projects; norms and pricing framework for Renewable Energy Certificates (RECs); and amendment of the provisions of the grid code to ensure smoother off take and transmission of power by utilities. The total installed capacity for (sugar based) co-generation in India increased to 1411 MW in 2010 from 437 MW in 2005.

State Electricity Regulatory Commissions (SERCs) in some key sugar producing states have also taken proactive measures such as increasing co-generation tariffs, permitting third-party sales, allowing usage of coal in off-season and power off take at preferential rates.

However, the major bottlenecks in harnessing co-generation potential has been lack of management focus; weak financial position of many sugar mills, especially smaller units including those run by the co-operative sector; and relatively unattractive tariffs offered by several SERCs. Capacity addition is likely to be driven by the centrality of forward integration into co-generation in improving the profitability of sugar mills and the ability to ride the sharp fluctuation of sugar cycle. However, within the sugar industry as a whole, longer crushing season and proximity to alternative fuel (for offseason) makes co-generation more cost effective in a few states (mainly in the South and the West) than others. Also, the quantum of co-generation profitability remains sensitive to the tariff rates and co-generation regulations of the respective location.

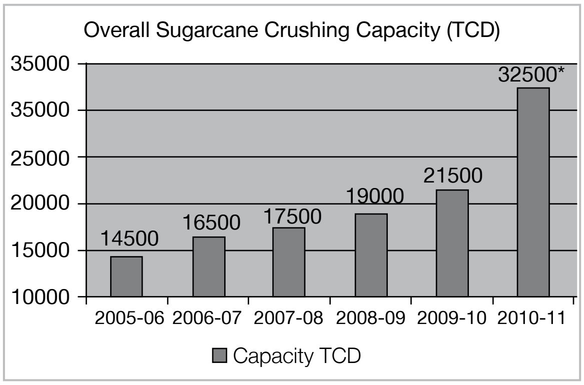
Ethanol:

The Indian Federal Government's Panel for the implementation of the fuel ethanol program has completed its report. However, there were dissent notes from the Ministries of Food and Oil and by the Petroleum and Natural Gas Ministry. The panel has taken the position that it would be possible to allocate 500 Million Litres of fuel ethanol annually. The panel also recommended a fuel ethanol reference price of Rs. 26.76 per litre ex-distillery for the first quarter of the contracted period, based on the gasoline price of the previous quarter. This would be below the Rs. 27 suggested by a group of ministers last year. However, production of ethanol is still not recommended in Tamil Nadu.

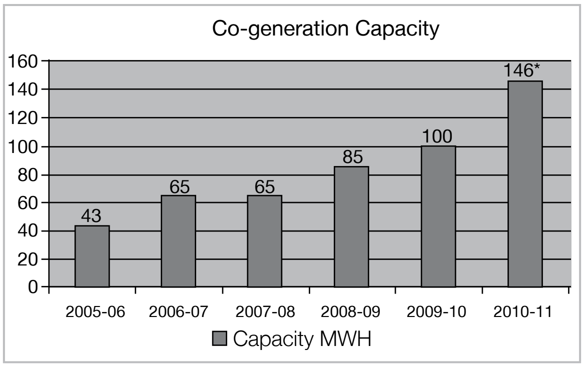
EID Performance Review:

Execution of growth and de-risking strategy:

During 2010-11, the new distillery at Nellikuppam expanded capacity from 40 KLPD to 75 KLPD and started commercial production. The Co-generation facility at Pettavaithalai has stabilised its operations during the year.



*including Subsidiary



*including Subsidiary

The company crushed 28.36 LMT (25.46 LMT in 2009-10) of cane with sugar production (incl. raw sugar) of 2.89 LMT (2.89 LMT in 2009-10). The company continued to make substantial revenues from co-products, its exports to grid were at 3147 Lakh units (2572 Lakh units) and total alcohol sales were at 275.05 Lakh litres (162.81 Lakh litres) (including the ENA sales of 162 Lakh litres (117.44 Lakh litres)

Sugar scorecard

Rs. Lakhs

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue	55592	64158	75957	113439	119655
EBIDT	5764	(2211)	9099	23892	1578
EBIT	3080	(5958)	4716	17644	(5097)
Capital employed	51427	74663	96802	91590	99274
Operating Margin (%)	10%	(4%)	12 %	21%	1%

Rs. Lakhs

	Sugar		Co-generation		Distillery		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Revenue	96526	97645	14496	10305	8632	5489	119655	113439
EBIDT	(5423)	19674	5075	3598	1926	620	1578	23892
EBIT	(8809)	16510	2745	1272	968	(138)	(5096)	17644
Capital employed	53263	44395	29842	30393	16168	16802	99274	91590

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 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 E.I.D.-Parry (India) Ltd., and Cargill International S.A. in Kakinada, Andhra Pradesh has commenced operations in 2010-11. E.I.D.-Parry holds 50% in this joint venture.

Bio-Products

A. Bio-Pesticides

The Bio-Pesticides Division registered revenue of Rs. 5839 lakhs, including operating income of Rs. 7 Lakhs in 2010-11 accounting for 4% of the Company's Revenue.

Highlights

- The sales of Azadirachtin (AZA) in US Home & Garden segments registered an impressive growth of 43% over the previous year. The total sales clocked in USA is 2333 Kg of Aza accounting for 34% of total Aza sales for the year 2010-11. The Brazil market is emerging as another important market for the Division with a sale of 604 Kg Aza during 2010-11. Sales through Trifolio to the European markets viz., Spain and Italy also witnessed considerable growth registering the highest ever sales of 1818 Kg (27% of total Aza sales)
- The domestic business had recorded an impressive growth of 62% over last year. Azadirachtin based products grew by 53% with a 92% growth in sales in the North-East tea markets. In the Non-Aza product category, Abda sales grew by 123% over last year, with the rice markets of Tamil Nadu, Karnataka and Andhra Pradesh in South and West Bengal and Orissa in East contributing to the growth. New non Aza products viz., Abda Gold, Spreadmax and Yieldsmor were received well by the farmers across crops and zones registering Rs. 350 lakhs sale.

Divisional performance

- Revenue for the year was Rs. 5839 lakhs as compared to Rs. 3626 lakhs of previous year. PBIT for the year was Rs. 1149 lakhs against Rs. 561 lakhs in 2009-10.

Financial performance: Rs. Lakhs

Details	2008-09	2009-10	2010-11
Revenue	3636	3626	5839
EBIDTA	877	737	1328
PBIT	717	561	1149

Industry Scenario and Development

Market for Bio-pesticides is gaining momentum in Europe & US due to pressure from produce marketers for clean vegetables and fruits. Major Store chains like Wal-Mart and Target are adding more variety of organic foods taking organic products closer to mass consumers. At the same time, these stores are putting pressure on organic food produce price, impacting price of Agri inputs while US Organic insecticide market continues to grow at 10% Compounded Annual Growth Rate (CAGR). Consumer Lawn and Garden organic products provide market opportunities both in Americas and Europe and the industry is deploying resources for creation of product variables to address these markets. Two major low cost, high ph, strong but eco-unfriendly molecules viz., Methyl Bromide and Nemacur are being phased out in most of the overseas markets leaving a gap in the market place. Bio-pesticides are expected to fit into this segment. Overall, the Bio-pesticides business is recording strong growth in the global pesticide market. This segment is expected to grow at a 15.6% CAGR from $1.6 billion in 2009 to $3.3 billion in 2014.

The Indian market is turning out to offer ample market opportunity for natural products as the government agencies and scientific institutions which are the recommending bodies in the field of agriculture inputs have started accepting and disseminating the importance of Bio-pesticides as an economic means of crop protection as a part of Integrated Pest Management, against their earlier assessment of Bio-pesticides as expensive alternatives to synthetics especially the pyrethroids. Natural products in the field of crop protection when alternated or applied as tank mix partners with the synthetics have led to reducing the crop protection cost per hectare as the pest control is more effective due to low resistance development and extended spray intervals that eventually result in reduced number of spray applications.

Operating results

Sales	2008-09	2009-10	2010-11
	100% technical (Kg)		
Domestic	1471	2137	2476
Exports	3609	2691	4301
Total	5081	4828	6777

Outlook

The market for commercial Biopesticide products has been seeing healthy growth over the past 5 years. 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.

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 almost 34% in the US, 33% in Europe and 33% in rest of the world.

The Indian Government is promoting research, production, registration and adoption of biopesticides, through various rules, regulations, policies and schemes. The Department of Biotechnology (DBT), Indian Council of Agricultural Research (ICAR) and National Centre for Integrated Pest Management (NCIPM) play a key role in the promotion of biopesticides for increasing agricultural production, sustaining the health of farmers and environment.

Parrys Bio's mission is to emerge as a significant biopesticides company, capitalising on the growing trends of sustainable, organic and low toxic pest control 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 a long term R&D focus to innovate natural products from India's rich biodiversity for global markets.

B. Nutraceuticals

The Nutraceuticals division's revenue was Rs. 4393 lakhs for the year ended 31st March, 2011 representing 3% of the Company's Revenue. About 82% 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, recording a 17% increase in sales of the product over the previous year.

The Organic Spirulina produced by the 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 algae 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. The Nutraceuticals division is planning to leverage the Parry brand into the wellness sector in the Indian Nutraceutical market by launching a range of OTC products under the Parry brand addressing various health concerns.

The products will cover preventive as well as health specific management segments. Changing lifestyles and increasing health concerns of an ageing population, offer an emerging opportunity for the business. As part of this initiative, Nutraceuticals division has launched Protein drink products under the brand 'Pro9' and 'Pro9D' during the last quarter of 2010-11. While the former is for the general public the later is a variant for the diabetic segment.

The Company holds a stake of about 63% in Parry Phytoremedies Pvt. Ltd., Pune. The sale of Lycopene products grew by 46% over the previous year. As most of the customers prefer the dry forms of the Lycopene products, the company has set up an in-house dry forms facility at the Pune unit which was hitherto being outsourced. The company has developed key customer accounts and will focus on further developing the business during the year. The company is in the process of obtaining the ISO 9001 quality certification for its manufacturing facility. The company's stake in US Nutraceuticals LLC (Valensa International), Florida, USA has been increased from 48 to 51% during the year.

Valensa International is a leading science-based developer and provider of high quality botanically sourced products for nutritional supplements and functional foods and is in the process of drawing up health condition specific formulations covering eye and joint health.

Valensa has developed a new formulation-Phycocyanin (a blue pigment extracted from Parry's Organic Spirulina) coated SpiruZAN tablets (Spirulina and Astaxanthin). This formulation is manufactured by the company for Valensa International.

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 spend 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.

The Company is also set to participate in the Omega 3 fatty acids, one of the fastest growing segments, backed by scientific claims and studies. The company is continuing its trials to produce Omega3 fatty acids from the algal source and the pilot plant level trials so far are encouraging.

Omega3 Algal oil being a new ingredient, the company has been successful in getting the GRAS approval for this. Parry Nutraceuticals is committed to provide complete manufacturing solutions to its customers from carrying out formulation development and to carry out private labelling for customers both in India and overseas.

Financial Analysis and Review 2010-11

During the year 2010-11, Sugar division reported a Net Loss Before Interest of Rs. 5096 Lakhs on account of steep fall in sugar sale realisation from January 2010 onwards coupled with one time loss of about Rs. 5100 Lakhs incurred from import of high cost sugar. Bio pesticides sale increased due to higher demand for formulation, Home and Garden Segments in US and Europe. Expansion to new crop and markets with new products and increased manpower had contributed to increased sale in domestic market. Nutraceuticals business and Non-Operating Income of the company have also contributed for the overall income of the company.

Detailed analysis of the operations is given:

I) Results of Operations

Turnover

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

Segments	Unit	2010-2011			2009-2010		
		Qty	Value Rs. Lakhs	Realisation Rs./Unit	Qty	Value Rs. Lakhs	Realisation Rs./Unit
Sugar							
-Whites	Tonnes	321292	89939	27993	328643	93634	28491
-Raws	Tonnes	14468	4171	28832			
Alcohol	Lakh Ltrs	275	8602	31.27	163	5488	33.67
Power	Lakh Units	3147	13189	4.19	2572	9765	3.80
Bio-Pesticides	Kilo gram	6777	5832	86056	4828	3578	74109
Nutraceuticals			4393			3747	
Others			2989			2364	
Total			129115			118576	

The Total Turnover of the company grew by 9% from Rs. 118576 Lakhs in the year 2009-10 to Rs. 129115 Lakhs in the year 2010-11. The increment was the result of the following:

- Sugar division's sales increased from Rs. 108887 Lakhs in 2009-10 to Rs. 115901 Lakhs in 2010-11 mainly driven by increased Power export and Alcohol sales.
- Bio Pesticides division's sales has increased by 63% to Rs. 5832 Lakhs.
- Nutraceuticals division's sales has increased by 17% to Rs. 4393 Lakhs.

Other Income

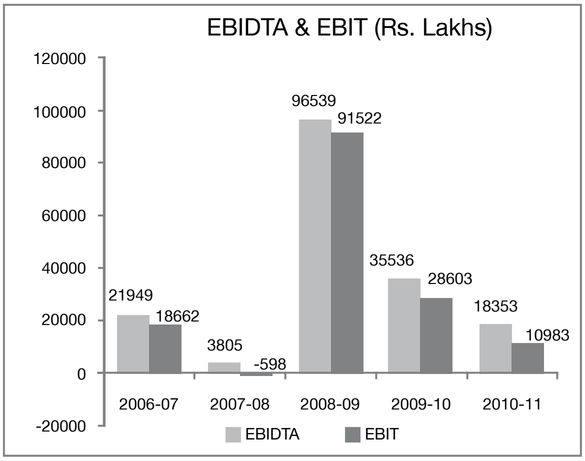
Other income for the year was Rs. 17981 Lakhs as against Rs. 14950 Lakhs in 2009-10 which includes profit on sale of balance 3% stake in Roca Bathroom Products Pvt. Ltd. (formerly Parryware Roca Pvt. Ltd.) - Rs. 2214 Lakhs, dividend income of Rs. 11431 Lakhs against Rs. 10017 Lakhs in 2009-10. Interest income earned during the year was Rs. 1689 Lakhs as against Rs. 772 Lakhs in 2009-10.

EBIDTA

The Earnings Before Interest, Depreciation, Tax and Amortisation for the year was Rs. 16139 Lakhs (excluding Profit on sale of Investments of Rs. 2214 Lakhs) representing 11% of total revenues and showed a dip of 54% over previous year's EBIDTA of Rs. 34738 Lakhs. Losses of Sugar segment was the main contributor to the dip in EBIDTA. However, better performance of Bio-pesticides, Nutraceuticals, other value added products of sugar such as Co-generation and Distillery and dividend income have contributed towards positive side of EBIDTA during the year.

EBIT

EBIT (excluding Profit on sale of Investments) was Rs. 8769 Lakhs as against Rs. 27805 Lakhs of 2009-10, down by 68%.



Finance Charges

The Company incurred finance charges of Rs. 4243 Lakhs for the year 2010-11 as compared to Rs. 3857 Lakhs for the year 2009-10. Term loan interest was Rs. 2871 Lakhs as against Rs. 2815 Lakhs in 2009-10. Other Interest cost was Rs. 1372 Lakhs compared to cost of Rs. 1042 Lakhs in 2009-10.

Depreciation

Depreciation was Rs. 7370 Lakhs for the year 2010-11, as compared to Rs. 6933 Lakhs for the year 2009-10 which was marginally higher by 6% mainly due to normal capital expenditure incurred on plants. There is no change in the method of depreciation.

PAT

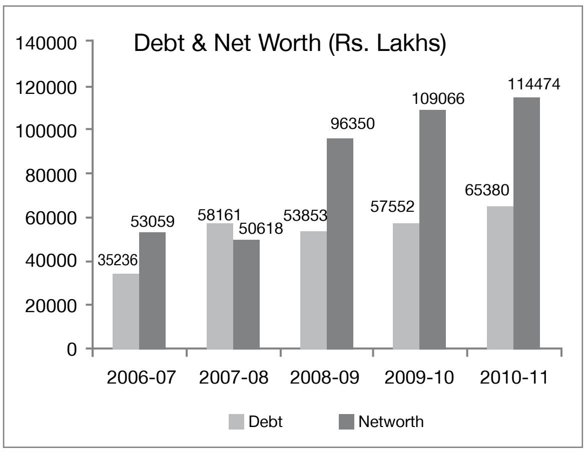
PAT (excluding Profit on sale of investments) stood at Rs. 5712 Lakhs as against Rs. 19820 Lakhs in the previous year. This represents 4% and 15 % of total revenue for the year ended March 31, 2011 and 2010 respectively.

II) Financial Condition

Networth

The Networth as on 31st March, 2011 was Rs. 114474 Lakhs (net of fixed assets revaluation reserve) as against Rs. 109066 Lakhs in 2009-10 contributed by profit made during the year and premium received on issue of shares under ESOP. During the year, the company sub-divided its equity shares from Rs. 2 per share to Re. 1 per share. Further, 481260 Equity shares were issued to the employees on exercise of Employee Stock options for an aggregate premium of Rs. 365 Lakhs as against Rs. 374 Lakhs in 2009-10 and the total number of outstanding shares as on 31st March, 2011 were 173198200. Capital Redemption Reserve and Capital Reserve remain unchanged. Amount transferred to Debenture Redemption Reserve from Profit and Loss Account during the year was Rs. 750 Lakhs.

Borrowing



The loan fund of the company increased by 14% from Rs. 57552 Lakhs in 2009-10 to Rs. 65380 Lakhs in 2010-11. Long Term Debt/Equity is 0.40 times against 0.44 times in 2009-10.

During the year, the company issued 400 - 9.40% Secured Redeemable Non–convertible Debentures aggregating to Rs. 4000 Lakhs, availed Rs. 790 Lakhs from the Sugar Development Fund at a concessional rate of interest and availed from IndusInd Bank Rs. 5000 Lakhs as term loan.

Working capital borrowing utilised was Rs. 27921 Lakhs on 31st March, 2011 as against Rs. 13970 Lakhs in previous year end. High inventory was maintained at year end which included Raw sugar and other stocks held for exports under various Government releases.

Fixed Assets and Depreciation

The company has spent Rs. 3862 Lakhs (Rs. 4451 Lakhs during 2009-10) of Capital expenditure during the year towards normal capex. Since the company has already completed the expansion projects in 2008-2010, the Capex spent was lower by 13% in 2010-11 compared to previous year.

Investments

The total investment of the company as at 31st March, 2011 was Rs. 43414 Lakhs against Rs. 68282 Lakhs in 2009-10. During the year the Company made investment in equity shares of Parrys Sugar Industries Ltd. (formerly GMR Industries Ltd.) for Rs. 8475 Lakhs and in Preference shares of Parrys Sugar Industries Ltd. (formerly GMR Industries Ltd.) for Rs. 1412 Lakhs. Other investments include amount of Rs. 1956 Lakhs in Coromandel International Limited and Rs. 291 Lakhs in US Nutraceuticals LLC, an overseas subsidiary of the company.

The reduction in investments was mainly due to liquidation of surplus money parked in Mutual funds by Rs. 37010 Lakhs. Further, balance 3% stake in Roca Bathroom Products Private Limited (formerly Parryware Roca Pvt. Ltd.,) has been divested for Rs. 2220 Lakhs and the profit on sale of investment was Rs. 2214 Lakhs.

Rating

During the year, rating agency CRISIL has reaffirmed Long term Debt rating to AA/Stable outlook post acquisition of Parrys Sugar Industries Ltd. 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.

Book Value and Earnings Per Share

Book value of the Company increased from Rs. 64 per share (Rs. 127 per share of face value of Rs. 2 per share) to Rs. 66 per share of face value of Re. 1 per share, on account of increase in reserves.

Earnings Per Share for the year ended 31st March, 2011 stood at Rs. 4.58 per share and Earnings Per Share (excluding Profit on sale of investment) decreased by 71% to Rs. 3.30 per share.

Ratios

Particulars	2010-11	2009-10
KEY PROFITABILITY RATIOS		
EBIDTA (excl Profit on Sale of investments)/Sales %	12.85%	30.28%
PAT (excl Profit on Sale of investments)/Sales %	4.55%	17.28%
PAT/Networth % (ROE)	6.89%	18.72%
KEY CAPITAL STRUCTURE RATIOS		
Debt/Equity Ratio	0.57	0.52
Long Term Debt/Equity Ratio	0.40	0.44
Outside Liabilities/Networth	0.70	0.81
Net Fixed Assets/Networth	0.71	0.78
Debt Service Coverage Ratio (Excl profit on sale of invt)	0.74	4.15
LIQUIDITY RATIOS		
Current Ratio	1.83	1.23
Inventory Turnover (days)	53	57
Receivables (day gross sales)	36	35
EARNINGS AND DIVIDEND RATIOS		
Dividend %	200%	500%
Dividend Payout%	44%	42%
Earnings Per Share	4.58	23.81
Book Value Per Share	66	127
P/E Multiple (Excl profit on sale on Invt)	65.01	14.87

(Note: EPS, Book Value per share and P/E Multiple for the year 2009-10 was at face value of Rs. 2 per share)

Risk Management

The Company has a Risk Management 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 are Cane availability, Government regulations, Linkage of sugar price and sugar cane price (Cyclicality of sugar business), and capacity utilisations of plants.

Cane availability – Sugarcane is the key raw material for sugar and any disturbance in getting cane at right time will have impact on the business.

The key factors that influence cane availability are:-

1. Climatic Condition: Climatic changes have adverse effect in quantity and quality of cane. The timing, intensity and periodicity of rains have varying impact on the growth and maturity levels of cane.

2. Availability of Cane Harvesting Labour (CHL): During recent times continuous availability of CHL has become a challenge. The scarcity in availability of CHL is attributed to varying factors including availability of lesser effort jobs elsewhere. To mitigate this risk, the company is systematically increasing the area that can be brought under mechanised harvesting.

3. Farmers opting competitive crops: The prices of competitive crops vis-a-vis sugar cane prices also has a significant influence on planting of sugarcane. Farmers may opt to plant competitive crops instead of cane due to benefits like higher margin, shorter gestation period, lower water requirement etc.

   The risk is mitigated by carrying out yield improvement activities which could increase the total cane proceeds received by the farmer and also by providing services through service provider Namadhu Parry Mayyam to make cane growing hassle free.

   Moreover the risk of cane non-availability is also mitigated by maintaining a good relationship with farmers, timely payments, introducing modern technologies to Farmers like drip irrigation, mechanical harvesting, improved cane varieties and carefully monitoring the scheduling of planting and harvesting etc.

Government regulations – The policies on cane are regulated by both central and state government. The government made the following regulations during 2010-11.

- Reduced the levy quota from 20% to 10%.
- The weekly free release order mechanism was changed to monthly basis.

The risk being mitigated by working closely with ISMA and SISMA towards developing and appropriate policy recommendations, to represent the needs of industry to the government.

Linkage of sugar price and sugar cane price – Sugar price depends upon cane availability and sugar demand in the country. Sugar prices fell to a low of Rs. 25/Kg in October 2010 compared to previous year high of Rs. 40/Kg in January 2010. The average Sugar price for the SY 2010-11 was Rs. 27.14/Kg. On the other hand sugarcane price increased to Rs. 1901/tonne for the SY 2010-11 compared to Rs. 1701/tonne last year. The risk is mitigated by concentrating on retail sugar sales and making direct bulk sales to institutional customers.

Capacity utilisation of plants – Utilisation of plant depends upon the cane availability. Sugar being a seasonal business, cane is available for crushing during 7 to 8 months in a year. Non-availability of cane leads to under utilisation of sugar plant and co-generation plant capacities. This risk is mitigated by operating the sugar plant with imported raw sugar and co-generation plants with other types of fuel.

Business Risks – Bio-Pesticides

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

Raw material price and procurement – Neem seed trade is unorganised, 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. It is also proposed to motivate the seed pickers in villages by providing incentives, schemes etc.

Currency risks – Part of the bio-pesticide sale is exported and hence currency fluctuations have an 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 and currency risk.

Dependence on Climatic Conditions – The micro algae production is weather dependent and changes in the weather pattern can have an adverse impact on productivity and cost of production. The risk is mitigated through continued and focused initiatives taken to manage the controllable factors.

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 division 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 endeavour 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, authorisation 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 has been constantly focusing on judicious usage of IT applications to improve utilisation leading to lesser cost and improving collaboration between employees and the organisation and external entities at large and align with the business strategy.

Internal controls

To validate the internal control systems of the ERP, Systems audit was conducted in the Finance and Materials Management modules of SAP and the recommendations were implemented to strengthen the controls. The controls were found to be adequate and commensurate with the Business requirements.

Network and IT security policy

The IT Security policy for the company was communicated to all the users and the key features are the Password policy, Firewall and internet security policy. The existing servers CMS and Pro MIS SQL 2000 were upgraded to SQL 2008 to improve performance and also better security. The bandwidth in all factory locations have been increased in order to ensure smoother functioning of operations.

New Initiatives

The company took the initiative of upgrading the IT environment in its subsidiaries and joint venture. SAP and Web based Cane management system were implemented in Parrys Sugar Industries Ltd., SAP was implemented in Sadashiva Sugars Ltd., and the Joint venture entity Silkroad Sugar Pvt. Ltd. To ensure better control on receivables for sugar with the business initiative, the Company implemented the credit terms based on credit period for institutional customers and retail customers which has resulted in benefit by monitoring the overdue.

To enhance the customer satisfaction, the Company automated the order and invoicing details by sending it to key institutional customers which improves the customer relationship. To ensure faster payment to cane farmers established a Host to Host connectivity with State Bank of India with all our sugar factories thereby reducing the lead time for payment to farmers and also to the vendors.

Cane Management System

To improve the service to farmers and ensure farmer satisfaction, Company has implemented solutions through Cane Management System to address the new initiatives and also provided solutions for the *Namadhu Parry Mayyam* which provides farmers service.

Farmer being the key stakeholder of your Company, to improve the service to cane farmers, printed the Ryot ledger and for the harvesting labour and transporters in Tamil language which would be beneficial and help retention of the cane farmers. Providing timely information to the farmers is important. The company is generating alerts, SMS which can reach the farmers' mobile and cane field staff, which would enable them to plan their activity. For Parrys Sugar Industries Limited, developed a new purchase centre concept which is unique to Andhra operations (Sankili).

Production Management Information System (ProMIS)

The shop floor information system was implemented in Pugalur and Pettavaithalai which will facilitate the shop floor executives to analyse data and take proactive actions.

Audio-conferencing facility

Audio conferencing facility was implemented in all factories to facilitate faster communication and also to reduce the travel time of executives thus helping in faster decision making.

E waste policy

Based on the group guidelines during the year, removed the e-waste from all the locations to an authorised e-waste agency which will ensure proper disposal of e-waste and thereby remove obsoletes.

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 Human Resources vision, *"Building Organisational Capability to deliver superior business performances",* is delivered by a high level of policy deployment initiatives and contemporary HR practices focusing on the five key imperatives : Capability Development, Talent Management, Employee Engagement, Productivity and Cost and HR Excellence.

Capability Development

E.I.D.-Parry is committed to build a learning organisation, which continuously improves skills and performance of employees, as we believe that a company's human capital is a critical asset and a success factor. The Learning & Development initiatives are committed to deliver benefits to the employees by ensuring complete satisfaction with need based, timely and high quality training solutions that contribute to continuous development and improving the intrinsic level of competence of employees.

With the objective of creating a culture of coaching in the Company, Leadership Development Coach Accreditation programme was launched. A cadre of coaches from the leadership team have been accredited as a 'coach'. Each coach assumes the role of internal coaches to strengthen and deepen our talent pipeline. Addressing the need to ensure timely availability of cane, we conducted a cane signature program for our cane officers. This program focused on helping the participants communicate to the farmers better.

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. Recognising the need for concentrating on the existing talent to develop and retain them, the Company identified the key competencies required to perform the critical jobs in the company. A structured assessment was conducted on the critical talent to identify the gaps in competencies, which could be further developed to ensure the timely availability of talent.

Employee Engagement

Employees are the biggest asset of the Company and hence the Company pays a lot of emphasis on their engagement at workplace. The Company's philosophy is to work top down when it comes to employee engagement. Our leadership team institutionalises the tenets of engagement in their teams and also pay a lot of emphasis on cascading it down to the last employee in the organisation tree.

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 organised on a regular basis. Workshops on yoga and meditation are organised for employees and their families to further emphasise the importance of good health and well being.

Productivity and Cost

While we strive for growth in our business, we also focus on being efficient and try and benchmark ourselves for achieving best in class performance through robust processes which helps us to enhance productivity and improve our costs. Some of the key areas we focused were redesigning the organisation structure for sales team members and enriching their job profile. We also launched interactive methods to propel performance which created excitement at workplace.

HR Excellence

The company decided to be best in class in all its process and practices. Keeping in line with the philosophy the HR department also embarked on the journey of HR Excellence. This has helped us in streamlining a lot of our processes and also help us benchmark our practices with other company HR teams of the country. In this journey of achieving excellence we have been conferred by a "Commendation for Strong Commitment to Excel" by Confederation of Indian Industries (CII).

In continuation with this, our HR department also won the prestigious awards like "Greentech Award for Best HR strategy" awarded by Greentech foundation and awards for "Innovative HR practices and Institution Building" by Asia Pacific HRM Congress. With aggressive growth targets for the future, Human Resources practices at Parry strives to deliver the business requirements of an organisation 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 29, 2011

A. VELLAYAN
Chairman

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

E.I.D.-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 agreement.

Profile of the Board

- Mr. A. Vellayan (58) 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 30 years of industrial experience. He has been the Chairman of the Company since 2006.
- Mr. Ravindra S.Singhvi (53) is the Managing Director. He joined as the Chief Executive Officer of the Company in December 2010 and was inducted to the Board with effect from 29th January, 2011. He is a Commerce Graduate, Chartered Accountant, holds a Degree in Law and a member of the Institute of Company Secretaries of India. He has worked in Birla Group of Companies, Thapars Group and before joining E.I.D.-Parry was President of Indo Rama Synthetics (India) Ltd. He brings with him very rich and varied managerial and leadership experience.
- Mr. Anand Narain Bhatia (64) is an Independent Director. He was educated at Delhi University and Cambridge where he graduated with a degree in Economics. He joined Hindustan Lever (HLL) in 1970 as a Management Trainee. In 1984, he moved to Lipton India Limited (LIL) as Vice President Foods, and was appointed as Director of Foods and Beverages on the Board of LIL in 1990. In 1992, he assumed charge as Managing Director of Lipton. He became Chairman of Unilever Carribbean and successfully established Unilever business in the Carribbean.

  He joined the EID Parry Board in the year 2004. He has 40 years of industrial experience. He is the Chairman of the Shares & Shareholders/ Investors Grievance Committee.
- Mr. V. Manickam (59) 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 Managing Director and Chief Executive Officer of LIC Pension Fund Ltd., Mumbai. He joined the EID Parry Board in the year 2008.
- Mr. M.B.N. Rao (62) 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 (54) 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 31 years of experience including 26 years in the Murugappa Group. He is the Lead Director for Fertilisers and Sugar. He joined the EID Parry Board in the year 2009.
- Mr. R.A. Savoor (67) is an Independent Director. He is a B.Sc. Tech. He retired as Managing Director of Castrol India Ltd. He was with Castrol for 34 years, of which 12 years as Chief Executive and Managing Director. Under

his leadership Castrol India had grown from being a minor oil company to becoming the number 2 lubricant company in India and the second largest Castrol Company worldwide. He joined the EID Parry Board in the year 2002. He has 41 years of industrial experience. He is the Chairman of Audit Committee and Compensation & Nomination Committee.

Resignations/Appointments

- Mr. K. Raghunandan, stepped down from the Board both as the Managing Director and also as a Director with effect from 28th January, 2011 consequent to his movement to the Murugappa Group as Head IT & Technology.

- Mr. Ravindra S. Singhvi, Chief Executive Officer was appointed by the Board as an Additional Director with effect from 29th January, 2011 and will hold the office till the ensuing Annual General Meeting. The Company has received a notice from a member proposing the appointment of Mr. Ravindra S. Singhvi as a Director of the Company. He was also appointed by the Board as the Managing Director for a period of 5 years with effect from 29th January, 2011. Relevant details relating to Mr. Ravindra S. Singhvi are furnished in the Notice convening the Annual General Meeting to be held on 27th July, 2011.

- Mr. R.A. Savoor and Mr. Anand Narain Bhatia, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Relevant details relating to Mr. R.A. Savoor and Mr. Anand Narain Bhatia are furnished in the Notice convening the Annual General Meeting to be held on 27th July, 2011.

Board Meetings

- The Board of Directors met 5 times during the financial year 2010 – 11. i.e. 24.04.2010, 28.07.2010, 25.10.2010, 28.01.2011 and 19.03.2011. 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 2010-11	Whether attended last AGM held on July 28, 2010	No. of Directorships in other public companies*		No. of committee positions in other public companies*	
					Chairman	Member	Chairman	Member
1)	Mr. A. Vellayan Chairman	Promoter Non - Independent, Non - Executive,	5	Yes	2	3	-	1
2)	Mr. Ravindra S.Singhvi Managing Director (a)	Executive	1	N.A.	-	2	-	1
3)	Mr. Anand Narain Bhatia	Independent, Non - Executive	4	No	-	1	1	1
4)	Mr. V. Manickam	Independent, Non - Executive	5	Yes	-	2	-	-
5)	Mr. M.B.N. Rao	Independent, Non - Executive	5	Yes	2	9	4	5
6)	Mr. V. Ravichandran	Non - Independent, Non - Executive	5	Yes	1	2	-	2
7)	Mr. R. A. Savoor	Independent, Non - Executive	5	Yes	1	5	4	3
8)	Mr. K. Raghunandan Managing Director (b)	Executive	4	Yes	N.A.	N.A.	N.A.	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/Managing Director w.e.f. 29th January, 2011.

(b) Resigned as Managing Director/Director w.e.f. 28th January, 2011.

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.

- The Audit Committee members meet the statutory auditors and internal auditors at periodic intervals.

- Four meetings of the Audit Committee were held during the financial year 2010–11. The dates on which the said meetings were held are as follows: 24.04.2010, 28.07.2010, 25.10.2010 and 28.01.2011.

- 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 2010-11
1)	Mr. R.A. Savoor Independent Non - Executive	Chairman	4
2)	Mr. Anand Narain Bhatia Independent Non - Executive	Member	3
3)	Mr. M.B.N. Rao Independent Non - Executive	Member	4
4)	Mr. V. Ravichandran Non - Independent Non - Executive	Member	4

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;

(a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and

(b) 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

- Two committee meetings were held during the financial year 2010-11. The dates on which the said meetings were held are as follows: 28.07.2010 and 28.01.2011.
- 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 2010-11
1)	Mr. R.A. Savoor Independent Non - Executive	Chairman	2
2)	Mr. Anand Narain Bhatia Independent Non - Executive	Member	1
3)	Mr. V. Ravichandran Non - Independent Non - Executive	Member	2

Remuneration Policy

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

a. job profile and special skill requirements

b. prevailing compensation structure in companies of similar size and in the industry

c. 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, 2011 the Company has granted to various employees 366300 Employee Stock Options.

Remuneration for the year

- During the financial year 2010-2011, the Company paid 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 Directors for the year ended 31st March, 2011 are as follows:

Non-Executive Directors

Name	Sitting Fees paid for Board and Committee Meetings (Rupees in Lakhs)	Commission payable (Rupees in Lakhs)
Mr. A. Vellayan	1.05	5.00
Mr. Anand Narain Bhatia	1.45	5.00
Mr. V. Manickam (paid/payable to L.I.C.)	0.75	5.00
Mr. M.B.N. Rao	1.35	5.00
Mr. V. Ravichandran	1.95	5.00
Mr. R.A. Savoor	1.55	5.00
	8.10	30.00

Non Executive Directors Shareholding

1. Mr. A. Vellayan, Chairman - 344540 equity shares of Re. 1 each;
2. Mr. Anand Narain Bhatia, Director – Nil
3. Mr. V. Manickam, Director – Nil
4. Mr. M.B.N. Rao, Director – Nil
5. Mr. V. Ravichandran, Director – Nil
6. Mr. R.A. Savoor, Director – Nil

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

Name	Salary/ Allowances (Rupees)	Contribution to funds * (Rupees)	Value of perquisites (Rupees)	Incentive Paid (Rupees)
Mr. K. Raghunandan (a)	70,99,789	5,90,037	3,92,961	15,68,845
Mr. Ravindra S. Singhvi (b)	23,65,374	2,00,536	4,800	Nil

(a) Managing Director for the period from 01.04.2010 to 28.01.2011

(b) Managing Director from 29.01.2011

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

- The Company has service contract with Mr. Ravindra S. Singhvi for a period of 5 years with effect from 29th January, 2011. The notice period is three months and no severance compensation is payable.
- Mr. Ravindra S. Singhvi, Managing Director was granted 197100 stock options during the financial year ended 31st March, 2011 vesting over a period of four years commencing from the date of the grant of options issued.
- Mr. K. Raghunandan, Managing Director (upto 28.01.2011) was granted stock options aggregating to 2,58,200 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 2010-11. The dates on which the said meetings were held are as follows: 24.04.2010, 28.07.2010, 25.10.2010 and 28.01.2011.
- 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 2010-11
1)	Mr. Anand Narain Bhatia Independent Non - Executive	Chairman	3
2)	Mr. K. Raghunandan Executive	Member	4 (a)
3)	Mr. V. Ravichandran Non - Independent Non - Executive	Member	4
4)	Mr. Ravindra S. Singhvi Executive	Member	N.A. (b)

(a) Resigned w.e.f. 28th January, 2011.

(b) Appointed as Member w.e.f. 29th January, 2011.

- Mr.Suresh Krishnan, Company Secretary, is the compliance officer of the Company.
- Details of complaints received and redressed are given below:

Opening Balance	Received during the financial year 2010-11	Resolved during the financial year 2010-11	Closing Balance
Nil	1	1	Nil

Loans & Investments Committee (2009)

The "Loans & Investments Committee" exercises the borrowing powers of the Board delegated pursuant to Section 292(1)(c) of the Companies Act 1956 for an amount not exceeding Rs.300 crore (excluding working capital facilities) that may be sanctioned from time to time by Banks/Financial Institutions and for creation of security.

Composition & Meetings

- Three Committee meetings were held during the financial year 2010 – 11. The dates on which the said meetings were held are as follows: 13.04.2010, 17.06.2010 and 12.10.2010.
- The composition of the Loans & Investments Committee and particulars of meetings attended by the members of the Committee are given below. The Committee elects a Chairman for each meeting.

Sl. No	Name & Category	Whether Chairman/ Member	No. of Meetings attended during the year 2010-11
1.	Mr. A. Vellayan Non – Independent Non – Executive Promoter	Member	3
2.	Mr. Anand Narain Bhatia Independent Non - Executive	Member	-
3.	Mr. K. Raghunandan Executive	Member	3 (a)
4.	Mr. Ravindra S. Singhvi Executive	Member	N.A. (b)

(a) Resigned w.e.f. 28th January, 2011.

(b) Appointed as Member w.e.f. 29th January, 2011.

General Body Meetings

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

For the year ended 31st March	Day and date	Time	Venue
2008	Monday, 28.07.2008	4.00 p.m.	The Music Academy, 168, TTK Road, Royapettah, Chennai - 600 014
2009	Wednesday, 29.07.2009	4.00 p.m.	Tamil Isai Sangam, Rajah Annamalai Mandram 5, Esplanade Road, Chennai - 600 108
2010	Wednesday, 28.07.2010	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
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
28.07.2010	No	Not Applicable

During the last financial year, the following Special Resolutions were passed through Postal Ballot.

Sl. No.	Subject Matter of the resolution	Date of the notice	Date of shareholder approval
1.	Subdivision of equity shares of nominal value of Rs. 2 each into equity shares of Re. 1 each	25.10.2010	06.12.2010
2.	Amendment of Clause V of the Memorandum of Association and Article 4 (1) of the Articles of Association of the company	25.10.2010	06.12.2010

1) By a Special Resolution, the consent of the Members was obtained under Section 94 of the Companies Act, 1956 for subdivision of equity shares of nominal value of Rs. 2 each into equity shares of Re. 1 each.

Details of voting pattern

Particulars	No. of Ballots	No. of shares	% on Total Shares Received
Postal Ballot Forms with Assent for the Resolution	1399	54730263	99.97
Postal Ballot Forms with Dissent for the Resolution	33	16401	0.03
Total	1432	54746664	100.00

Mr. R. Sridharan, Partner of M/s. R. Sridharan&Associates, Company Secretaries, Chennai, conducted the Postal Ballot.

2) By a Special Resolution, the consent of the Members was obtained under Sections 16 and 31 of the Companies Act, 1956 for amendment of Clause V of the Memorandum of Association and Article 4 (1) of the Articles of Association of the company.

Details of voting pattern

Particulars	No. of Ballots	No. of shares	% on Total Shares Received
Postal Ballot Forms with Assent for the Resolution	1393	54730971	99.97
Postal Ballot Forms with Dissent for the Resolution	39	15693	0.03
Total	1432	54746664	100.00

Mr. R. Sridharan, Partner of M/s. R. Sridharan&Associates, Company Secretaries, Chennai, conducted the 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.

In order to align the existing Risk Committee and in compliance with the provisions of the Listing Agreements with the Stock Exchanges and the Voluntary Guidelines on Corporate Governance, the Company reconstituted a Committee of the Board called as "Risk Management Committee" which consists of the following as the Members of the Committee :

a) Mr. M.B.N. Rao - Independent Director - Chairman

b) Mr. Ravindra S. Singhvi - Managing Director - Member

Some of the senior officials of the Company are invited to attend each meeting of the Committee as permanent invitees. The Board had also finalised the terms of reference of the Risk Management Committee.

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. 31 of Schedule 18 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, 2010, September 30, 2010, December 31, 2010 and March 31, 2011.

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 28th July, 2010.

2. Risk Management Committee

   The Board along with the Audit Committee and executive management have identified the risks impacting the business of the Company and documented the process of risk identification, risk minimisation and risk optimisation as a part of the risk management policy. A critical risk management framework has been put across the Company which is overseen by the Board once in every six months. The details of risk assessments and the mitigation plans appear under the Management Discussion and Analysis Report forming part of the Annual Report.

Whistle Blower Policy

3. 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

4. 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.

5. 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 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 29, 2011

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, for the year ended on 31st March, 2011 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)

M.K. Ananthanarayanan
Partner
(Membership No. 19521)

Chennai,
April 29, 2011

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, 2011 as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

Chennai
April 28, 2011

RAVINDRA S.SINGHVI
Managing Director

General Shareholder Information

i.	Annual General Meeting	
	Day, Date and Time	Wednesday, 27th July, 2011 at 4.00 p.m.
	Venue	Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai – 600 108.
ii.	Financial Year	1st April, 2010 to 31st March, 2011
iii.	Date of Book closure	12th July, 2011 to 27th July, 2011 (Both days inclusive)
iv.	Dividend Payment Date	Not Applicable
v.	Listing on stock exchanges	Equity shares:

- 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.
  - The Listing fees for the financial year 2010-2011 were paid to all the above Stock Exchanges.
  - The Global Depository Receipts listed at the Luxembourg Stock Exchange were de-listed with effect from 11th April, 2011.
- Madras Stock Exchange Ltd., - The Company has applied for de-listing of its equity shares on 23rd April, 2010.

vi. Stock Code

Name of the Stock Exchange/Depository	Code/ISIN
National Stock Exchange of India Ltd. (NSE)	EID PARRY EQ
Bombay Stock Exchange Ltd. (BSE)	500125
NSDL & CDSL	INE126A01031

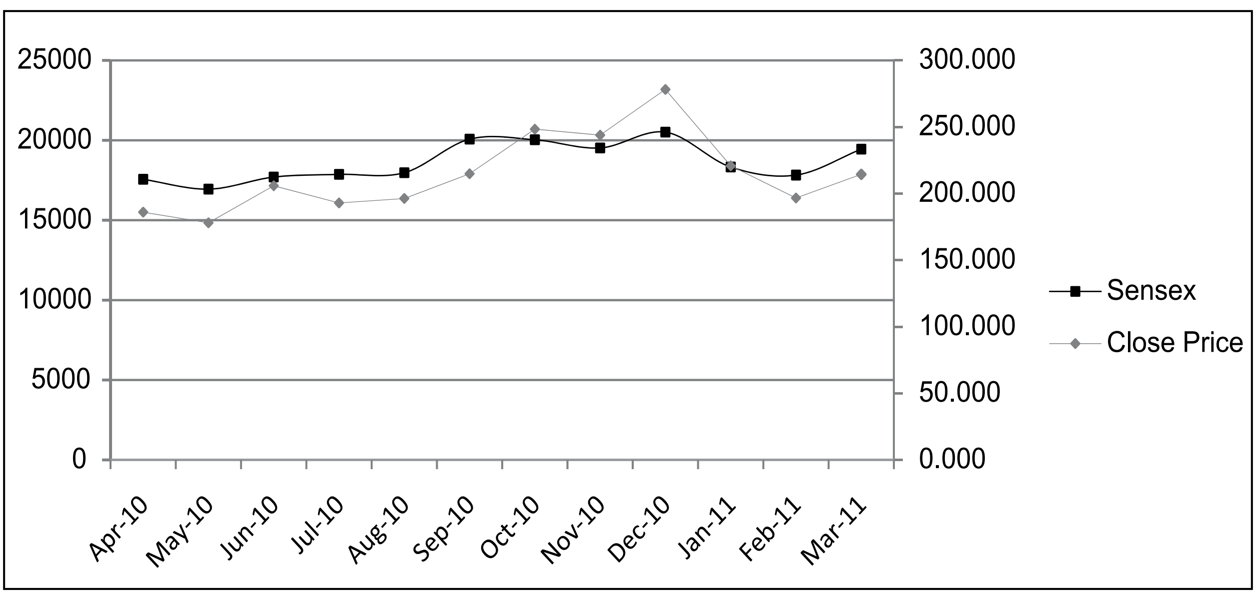
vii. Market Price Data – Monthly high, low and trading volume for equity shares

Period	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)			(BSE & NSE)
	High	Low	Volume	High	Low	Volume	Total volume
	Rs. P.	Rs. P.	(No. of shares)	Rs. P.	Rs. P.	(No. of shares)	(No. of shares)
Apr - 2010	388.95	332.00	781386	395.00	332.00	1222776	2004162
May - 2010	377.00	338.05	333928	378.80	338.10	746843	1080771
Jun - 2010	447.65	353.70	374778	447.00	350.10	1185947	1560725
Jul - 2010	444.90	377.60	329981	444.00	375.10	988737	1318718
Aug - 2010	428.15	373.10	1705041	430.00	373.00	1598065	3303106
Sep - 2010	480.00	394.00	841806	479.45	392.50	1810584	2652390
Oct - 2010	545.00	425.50	1255825	544.00	424.00	3078760	4334585
Nov - 2010	567.00	460.00	703393	566.85	460.00	3179883	3883276
Dec - 2010*	281.80	275.05	859436	280.70	224.00	2181816	3041252
Jan - 2011	289.90	217.20	1248330	289.00	216.25	2920123	4168453
Feb - 2011	228.75	188.50	408985	228.00	189.00	1157358	1566343
Mar - 2011	220.00	194.00	468625	230.00	191.00	998300	1466925

* The face value of the equity shares were sub-divided from Rs. 2/- to Re. 1/- with effect from 24th December, 2010.

viii. Performance in comparison to broad based indices such as BSE Sensex, CRISIL Index, etc.

Share Price performance in comparison with BSE SENSEX



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 44655115,
Fax : +91 040 23420814
E-Mail : einward.ris@karvy.com
vkjayaraman@karvy.com
Contact Person : Mr. V. K. Jayaraman, General Manager

(b) Company

E.I.D.-Parry (India) Limited,
Secretarial Department, 3rd Floor,
Dare House, Parrys Corner, Chennai – 600 001
Tel : +91-044-25306789,
Fax : +91-044-25341609
E-Mail : investorservices@parry.murugappa.com
sureshk@parry.murugappa.com
Contact Person : Mr. Suresh Krishnan, General Manager & Company Secretary

x. Share Transfer System

Share Transfers 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 (Face value of Re. 1/- each).
- Certain senior executives along with a director have been jointly authorised to approve request for transfers up to 1000 (Face value of Re. 1/- each) shares per transferor/transferee.
- Certain senior executives have also been authorised to approve transfers up to 500 shares (Face value of Re. 1/- each) per transferor/transferee.

Details of Complaints received and redressed

Nature of Complaints	Received during the year	Resolved during the year
Non receipt of share certificate on account of Merger	1	1

There were no complaints remaining pending both at the beginning and end of the financial year 2010-11.

xi. Distribution of shareholding as on March 31, 2011

No. of equity shares held	No. of shareholders	%	No. of shares	%
1 - 5000	27660	95.97	11876245	6.86
5001 - 10000	561	1.95	4136049	2.39
10001 - 20000	275	0.95	3947094	2.28
20001 - 30000	86	0.30	2105073	1.21
30001 - 40000	40	0.14	1461705	0.84
40001 - 50000	30	0.10	1384724	0.80
50001 - 100000	61	0.21	4420004	2.55
100001 above	110	0.38	143867306	83.07
Total	28823	100.00	173198200	100.00

Shareholding Mode	No. of shareholders	%	No. of shares	%
Physical	8544	29.64	7530636	4.35
Demat/Electronic	20279	70.36	165667564	95.65
Total	28823	100.00	173198200	100.00
NSDL	15960	55.37	150705844	87.01
CDSL	4319	14.99	14961720	8.64

Shareholding Pattern as on March 31, 2011

Category	No. of shareholders	No. of shares	% to paid-up Capital
Promoters	52	79358764	45.82
Indian Public/HUF/Clearing Members	27574	32779068	18.92
Mutual Funds & UTI	34	24114177	13.92
Banks/Financial Institutions/Insurance Co.'s	30	15248292	8.80
Foreign Institutional Investors/GDR's	56	11547579	6.67
Private Corporate Bodies	634	7267592	4.20
NRI/OCB/ Foreign Nationals	434	2836610	1.64
Trusts	9	46118	0.03
Total	28823	173198200	100.00

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 95.65 % of the Company's share capital are dematerialised as on March 31, 2011.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, 2011, 196930 (0.11%) GDRs were outstanding. Each GDR represents one underlying equity share.

xiv. Plant Locations

Sugar

1. Sugar Factory & Distillery
Nellikuppam- 607 105
Cuddalore District
Tamil Nadu
2. Sugar Factory
Pugalur – 639 113
Karur District
Tamil Nadu
3. Sugar Factory
Ariyur
Kandamangalam Post
Puducherry – 605 001
4. Sugar Factory
Pettavaithalai - 639 112
Tiruchirapalli District
Tamil Nadu
5. Sugar Factory
Kurumbur – 614 622
Aranthangi Taluk
Pudukottai District
Tamil Nadu
6. Distillery Factory
Udaikulam Village
Koothandan Post
Sivagangai Taluk
Sivagangai District – 630 561
Tamil Nadu
7. Bio-Products
Bio-Pesticides Factory
Thyagavalli Village
Via Alapakkam Rly. Station
Cuddalore Taluk – 608 803
Cuddalore District
Tamil Nadu
8. Nutraceuticals Factory
Kadiapatti, Nemathanpatti Road
Panangudi Post – 622 505
Oonaiyur Village
Pudukottai District
Tamil Nadu
9. R & D Facility
145, Budikere Road
off. Old Madras Road
Bangalore – 560 049
Karnataka

xv. Address for correspondence

E.I.D. – Parry (India) Limited, Secretarial Department, 3rd Floor
Dare House, Parrys Corner, Chennai – 600 001. Tel: +91-044-25306789
Fax: +91-044-25341609 , 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	Amount of Dividend Per share (Rs. P.)	Due for transfer to the Investor Education and Protection Fund
2003-04	Final	7.50	04.09.2011
2004-05	Final	2.50	28.08.2012
2005-06	Final	4.50	24.08.2013
2006-07	Interim	4.50	24.08.2013
2006-07	Final	1.40	31.08.2014
2007-08	Final	0.50	02.09.2015
2008-09	Special	4.00	15.11.2015
2008-09	Interim	10.00	28.04.2016
2008-09	Final	6.00	04.09.2016
2009-10	Interim	6.00	14.03.2017
2009-10	Final	4.00	03.09.2017
2010-11	Interim	2.00	01.05.2018

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

4.35% 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:

- Waiver of stamp duty on purchase of securities in demat form;
- Immediate transfer and registration of securities;
- Faster disbursement of cash corporate benefits like dividend, interest through NECS;
- Faster disbursement of non cash corporate benefits like rights, bonus, split, merger/demerger;
- Change in Address/Bank details recorded with Depository Participant gets registered with all companies in which investor holds securities eliminating the need to correspond with each company separately;
- Convenient Nomination facility;

GENERAL

Members are requested to quote their Folio No./DP & Client ID Nos, Email ids, telephone/Fax numbers for timely investor servicing by the Company/Registrar and Transfer Agent. Members holding shares in electronic form are requested to update with their depository participant their present address and bank particulars (9 digit MICR code).

UNCLAIMED SUSPENSE ACCOUNT

The Members are aware that consequent to sub-division of equity shares of the company from Rs. 2/- per share to Re. 1/- per share with effect from 24th December, 2010, the Company had during the 1st week of January, 2011 despatched the share certificates to the shareholders. As per Clause 5A of the amended Equity Listing Agreement with the Stock Exchanges, all physical shares, which remain unclaimed by shareholders, need to be dematted by the company and kept in an "Unclaimed Suspense Account" to be opened by the Company for this purpose. As per the clause, the Company is required to send three reminders to the respective shareholders before transferring the physical shares to the "Unclaimed Suspense Account".

The Company is in the process of sending reminder letters to such shareholders to claim their respective shares. After sending the third reminder, the Company would transfer the remaining unclaimed shares into the "Unclaimed Suspense Account". All corporate benefits that accrue on these shares such as bonus shares, split etc. shall also be credited to the Unclaimed Suspense Account and the voting rights on such shares shall remain frozen. Shareholders who are in receipt of the reminder letters are requested to write to the Registrar and Transfer Agent and provide the correct details to enable the Company to re-send the share certificates. These shares would be, thereafter transferred to the respective shareholders as and when claimed by them.

LIST OF PROMOTERS

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.

Sl.No.	Names
1.	Silkroad Sugar Private Limited
2.	New Ambadi Estates Private Limited & Subsidiaries
3.	Ambadi Enterprises Limited & Subsidiaries
4.	Tube Investments of India Limited & Subsidiaries
5.	Presmet Private Limited
6.	Cholamandalam MS Risk Services Limited
7.	Carborundum Universal Limited & Subsidiaries
8.	Laserwords Private Limited & Subsidiaries
9.	Coromandel Engineering Company Limited
10.	Murugappa Educational & Medical Foundation
11.	AMM Arunachalam & Sons Private Limited
12.	AMM Vellayan Sons Private Limited
13.	M M Muthiah Sons Private Limited
14.	Murugappa & Sons
15.	Yelnoorkhan Group Estates
16.	Kadamane Estates Company
17.	MM Muthiah Research Foundation

Sl.No.	Names
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.	V Arunachalam & family
25.	A Venkatachalam & family
26.	M M Murugappan & family
27.	M M Muthiah & family
28.	M M Venkatachalam & family
29.	M A Alagappan & family
30.	Arun Alagappan & family
31.	M A M Arunachalam & family
32.	Any company/entity promoted or controlled by any of the above
Family for this purpose includes spouse, dependent children and parents.	

Ministry of Corporate Affairs, Government of India vide their Letter No.47/18/2011-CL-III dated 24.01.2011 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, 2011. The annual accounts of the subsidiary companies and the related detailed information will be made available to the hodling 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, 2011, 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, 2011;

      (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, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 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)

M.K. Ananthanarayanan
Partner
(Membership No. 19521)

Chennai
April 29, 2011

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

(i) Having regard to the nature of the Company's business/activities, clauses 4(xii), 4(xiii), 4(xiv), 4(xviii), 4(xx) of CARO are not applicable.

(ii) 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.

(iii) In respect of its inventory:

(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.

(iv) 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.

(v) 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. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) 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.

(vii) 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.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(ix) 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.

(x) 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, 2011 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, 2011 on account of disputes are given below:

Name of the Statute	Nature of Dues	March 31, 2011 Rs Lakhs	Forum where the dispute is pending	Period to which the dues belong
Central Excise Act, 1944	Excise Duty	631	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	114	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
Customs Act, 1962	Customs Duty	4302	CESTAT	2006-07
Income Tax Act, 1961	Income Tax	1595	Income Tax Appellate Tribunal/ High court/CIT Appeals	2003-04 to 2006-07

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) 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.

(xvi) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 400 debentures of Rs. 10,00,000 each. The Company is yet to create security in respect of the debentures issued.

(xvii) 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)

M.K. Ananthanarayanan
Partner
(Membership No. 19521)

Chennai
April 29, 2011

Balance Sheet

As at 31st March,	Schedule		2011		Rs. Lakhs 2010
I. SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS:					
(a) Share Capital	1	1732		1727	
(b) Reserves and Surplus	2	113296	115028	107907	109634
2. LOAN FUNDS:					
(a) Secured Loans	3	45680		48663	
(b) Unsecured Loans	4	19700	65380	8889	57552
3. DEFERRED TAX LIABILITY:			12689		13875
(Refer Note No. 8 of Schedule 18)					
TOTAL			193097		181061
II. APPLICATION OF FUNDS					
1. FIXED ASSETS:	5				
Gross Block		126660		122905	
Less: Depreciation / Amortisation		48370		41265	
(a) Net Block		78290		81640	
(b) Capital Work-in-Progress at cost		3250	81540	3578	85218
2. INVESTMENTS	6		43414		68282
3. CURRENT ASSETS, LOANS AND ADVANCES :					
(a) Inventories	7	19046		19059	
(b) Sundry Debtors	8	12910		11710	
(c) Cash and Bank Balances	9	4940		7403	
(d) Interest accrued on Fixed Deposits		97		196	
(e) Loans and Advances	10	46274		20612	
		83267		58980	
Less :					
CURRENT LIABILITIES AND PROVISIONS :					
(a) Current Liabilities	11	14399		26309	
(b) Provisions	12	725		5110	
		15124		31419	
NET CURRENT ASSETS			68143		27561
TOTAL			193097		181061
Significant Accounting Policies and Notes on Accounts	18				

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

Ravindra S Singhvi
Managing Director

A. Vellayan
Chairman

M.K. Ananthanarayanan
Partner

Suresh Krishnan
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 29, 2011

Profit and Loss Account

For the year ended 31st March,	Schedule		2011		Rs. Lakhs 2010
Income :					
Sales		129115		118576	
Less : Excise Duty		3546	125569	3844	114732
Other Income	13		17981		14950
			143550		129682
Expenditure :					
Material Cost	14		89932		64211
Employee Cost	15		6785		5950
Other Costs	16		28480		23985
Depreciation and Amortisation		7384		6947	
Less: Transfer from fixed assets revaluation reserve		14	7370	14	6933
Interest Cost	17		4243		3857
			136810		104936
PROFIT BEFORE TAX			6740		24746
Less : Provision for Tax					
Current				2,600	
MAT Credit entitlement				(1369)	
Deferred		(1186)	(1186)	2987	4218
PROFIT AFTER TAX			7926		20528
Balance Brought Forward			30680		59180
Amount Available for Appropriation			38606		79708
APPROPRIATIONS					
Interim Dividend on Equity Shares - Rs.2 per share (2010 - Rs. 6 per share)			3466		5181
Proposed Dividend on Equity Shares - Nil (2010 - Rs. 4 per share)			-		3454
Dividend Distribution Tax			(574)		(24)
Transfer to Debenture Redemption Reserve			750		417
Transfer to General Reserve			800		40000
Balance Carried to Balance Sheet			34164		30680
			38606		79708
Earnings Per Share - Basic (Rs. Face value Re.1)			4.58		11.90
Diluted (Rs. Face value Re.1)			4.56		11.83
(Refer Note No. 30 of Schedule 18)					
Significant Accounting Policies and Notes on Accounts	18				

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

M.K. Ananthanarayanan
Partner

Ravindra S Singhvi
Managing Director

Suresh Krishnan
Secretary

A. Vellayan
Chairman

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 29, 2011

Cash Flow Statement

For the year ended 31st March,		2011		Rs. lakhs 2010
A. Cash flow from operating activities				
Net profit before tax		6740		24746
Adjustments for :				
Depreciation and Amortisation	7370		6933	
Interest expense	4243		3857	
Investment income	(11431)		(10017)	
Profit on sale of fixed assets (net)	(344)		(152)	
Profit on sale of investments	(2214)		(799)	
Diminution on value of investment			68	
Interest Income	(1689)		(772)	
Liabilities/ Provisions no longer required written back	(662)			
Other non cash items	346	(4381)	28	(854)
Operating profit before working capital changes		2359		23892
Adjustments for : Increase/(Decrease) in				
Trade and other receivables	(550)		(2400)	
Inventories	13		(4137)	
Current liabilities	(11820)	(12357)	8596	2059
Cash generated from operations		(9998)		25951
Direct taxes paid net of refund		(842)		(3435)
Net cash flow (used in) / from operations		(10840)		22516
B. Cash flow from investing activities				
Purchase of fixed assets	(3862)		(4451)	
Proceeds from sale of fixed assets	408		229	
Purchase of investments	(14)		(13991)	
Investments in subsidiary companies	(12134)		(5806)	
Loans and Advances to subsidiary companies	(25526)		(895)	
Proceeds from Sale of investments	39230		808	
Interest received	1788		644	
Proceeds from Fixed Deposit	2449		867	
Investment income received	11431		10017	
Net cash flow from / (used in) investing activities		13770		(12578)
C. Cash flow from financing activities				
Proceeds from Issue of Shares on exercise of ESOP	370		379	
Proceeds from long term borrowings	10877		13635	
Repayment of long term borrowings	(17000)		(5025)	
Proceeds from other term borrowings (net)	10811		(6640)	
Changes in working capital finance	3140		1728	
Interest paid	(4222)		(3708)	
Dividends paid Including Dividend Tax	(6920)		(10628)	
Net cash flow used in financing activities		(2944)		(10259)
Net increase in cash and cash equivalents (A+B+C)		(14)		(321)
Cash and cash equivalents as at 1st April		769		1090
Cash and cash equivalents as at 31st March		755		769
Reconciliation				
Cash and Cash equivalent at the end of the year as above		755		769
Short Term Fixed Deposits		4185		6634
Cash and Bank balances as per Balance Sheet		4940		7403

In terms of our report of even date attached.

On behalf of the Board

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Ravindra S Singhvi
Managing Director

Suresh Krishnan
Secretary

A. Vellayan
Chairman

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 29, 2011

Schedules Forming Part of Accounts

01 SHARE CAPITAL

Rs. lakhs

As at 31st March,	2011	2010
SHARE CAPITAL :		
AUTHORISED :		
Preference Shares:		
50,00,000 Redeemable Preference Shares of Rs. 100 each	5000	5000
Equity Shares:		
51,50,00,000 Equity Shares of Re. 1 each	5150	5150
(2010 - 51,50,00,000 Equity Shares of Re. 1 each)	10150	10150
ISSUED AND SUBSCRIBED		
17,27,16,940 Equity Shares of Re. 1 each fully paid up (2010 - 17,22,27,628 Equity shares of Re. 1 each)	1727	1722
Add : Allotment of 4,81,260 equity shares of Re. 1 each on exercise of Employees Stock option (2010 - 4,89,312 Equity Shares of Re. 1 each fully paid up)	5	5
17,31,98,200 Equity Shares of Re. 1 each fully paid up (2010 - 17,27,16,940 Equity Shares of Re 1 each)	1732	1727
(Of the above 6,89,48,590 Equity Shares of Re. 1 each have been allotted as fully paid up for consideration other than cash)		

02 RESERVES AND SURPLUS

Rs. lakhs

	As at April 01, 2010	Additions	Deductions	As at March 31, 2011
CAPITAL RESERVES				
Capital Reserve	1348			1348
Capital Redemption Reserve	3113			3113
Fixed Assets Revaluation Reserve (Note 2 below)	568		14	554
Securities Premium (Note 3 below)	4104	365		4469
Debenture Redemption Reserve (Note 4 below)	417	750		1167
	9550	1115	14	10651
REVENUE RESERVES				
General Reserve	67677	800		68477
Hedging Reserve	-	4		4
	67677	804	-	68481
PROFIT AND LOSS ACCOUNT BALANCE	30680			34164
	107907			113296

Note :

1. Effective from 24th December 2010, the company has subdivided the nominal value of equity shares from Rs. 2 per share to Re. 1 per share.
2. Deduction during the year represents Rs. 14 Lakhs transferred to Profit and Loss Account.
3. During the year 4,81,260 Equity shares of Re. 1 each were issued to the employees on exercise of Employees Stock option for an aggregate premium of Rs. 365 Lakhs (2010 - Rs. 374 Lakhs)
4. Debenture Redemption Reserve account has been created for the Non-convertible Debentures of Rs. 9000 Lakhs (2010 - Rs. 5000 Lakhs) and Rs. 750 Lakhs (2010 - Rs. 417 Lakhs) has been transferred from Profit and loss account.

Schedules Forming Part of Accounts

03 SECURED LOANS (Refer Note 2 of Schedule 18)

Rs. lakhs

As at 31st March,		2011		2010
(a) Privately placed Secured, Redeemable Non-convertible debenture				
- 8.65% Non-Convertible Debenture (2009-10 series)	5000		5000	
- 9.40% Non-Convertible Debenture (2010-11 series)	4000	9000	–	5000
(b) Term Loans from:				
i) Government of India -Sugar Development Fund	9643		8441	
ii) Banks- Rupee Loan	16316	25959	27641	36082
(c) Other Loans and Advances - Cash Credit from Bank		10721		7581
		45680		48663
Repayable within one year		6571		16992

04 UNSECURED LOANS

As at 31st March,	2011	2010
(a) Short Term loan from Banks - Rupee loan	17169	4361
(b) Other Loans and Advances- from others	2500	2500
(c) Commercial Paper @	-	2000
(d) Security Deposits	31	28
	19700	8889
Repayable within one year	17169	6361
@ Maximum Amount outstanding during the year	7000	2000

05 FIXED ASSETS

	Gross Block				Depreciation and Amortisation				Net Block	
	Cost/Value As at 01-04-2010	Additions	Deletions	Cost/Value As at 31-03-2011	As at 01-04-2010	For the year	Deletions	As at 31-03-2011	As at 31-03-2011	As at 31-03-2010
Tangible assets										
Freehold Land	3811	88	50	3849	-	-	-	-	3849	3811
Leasehold Land (Note 1)	4	-	-	4	1	-	-	1	3	3
Buildings (Notes 2 and 3)	12592	801	17	13376	3144	407	3	3548	9828	9448
Plant and Machinery	101720	2821	5	104536	34787	6571	4	41354	63182	66933
Furniture and Office Equipment	3582	196	164	3614	2519	276	153	2642	972	1063
Vehicles	925	219	134	1010	574	117	119	572	438	351
Intangible Assets										
Patent	271			271	240	13		253	18	31
	122905	4125	370	126660	41265	7384	279	48370	78290	81640
Previous Year	114155	9187	437	122905	34640	6947	322	41265		
Capital Work - in Progress									3250	3578
									81540	85218

Notes:

1. Amortisation of Leasehold land for the year is Rs. 0.08 Lakhs (2010 - Rs. 0.08 Lakhs).
2. Includes cost of Rs. 31 Lakhs (2010 - Rs. 31 Lakhs) for which title deeds are yet to be received from the Registrar.
3. Includes Building on Leasehold land : Cost : Rs. 884.41 Lakhs (2010 - Rs. 884.41 Lakhs) and Accumulated Depreciation : Rs. 214.54 Lakhs (2009 - Rs. 199.81 Lakhs).
4. Fixed Asset additions for the year 2010-11 includes Rs. 28 Lakhs (2010 - Rs. 300 Lakhs) of Fixed Assets additions made in the Approved In-house R & D Centres.

Schedules Forming Part of Accounts

06 INVESTMENTS

	Nominal Value Rs.	Nos				Rs. Lakhs			
		April 01, 2010	Acquisitions	Sales/ Disposal	March 31, 2011	April 01, 2010	Acquisi- tions	Sales/ Disposal	March 31, 2011
Investments - Long Term (At Cost)									
(A) Quoted									
Equity Shares (Fully Paid up)									
Trade Subsidiary Companies									
Coromandel International Limited	1	176568580	587000		177155580	10033	1956		11989
Parrys Sugar Industries Limited (acquired during the year)	10	-	12975110		12975110	-	8475		8475
(Previously known as GMR Industries Limited)									
Preference Shares (Fully Paid up)									
Trade Subsidiary Company									
Parrys Sugar Industries Limited	11	-	12831880		12831880	-	1412		1412
(Previously known as GMR Industries Limited)									
Non Trade Others									
Kartik Investments Limited	10	23600			23600	4			4
Travancore Sugars and Chemicals Limited	10	100			100	-			-
State Bank of India	10	8244			8244	25			25
Cholamandalam Investment and Finance Company Limited	10	393			393	-			-
(Previously known as Cholamandalam DBS Finance Limited)									
Coromandel Engineering Company Limited	10	42938			42938	4			4
Carborundum Universal Limited	2	1000			1000	-			-
(A) Total Quoted						10066	11843	-	21909
(B) Unquoted									
Equity Shares (Fully paid up)									
Trade Subsidiary Companies									
Parry America Inc	US $100	776	-	-	776	24			24
Parrys Sugar Limited	10	1500000	-	-	1500000	150			150
Parrys Investments Limited	10	250150	-	-	250150	37			37
Parry Infrastructure Company Private Limited	10	5000000	-	-	5000000	500			500
Parry Phytoremedies Private Limited	100	106600	-	-	106600	213			213
Sadashiva Sugars Ltd	10	45803418	-	-	45803418	4962			4962
US Nutraceuticals LLC.						4519	291		4810
Non Trade									
Parry Agro Chem Exports Limited	10	9500	-	-	9500	-			-
Coromandel Bathware Limited (Refer Note below)	10	1939999	-	1939999	-	68		68	-

Schedules Forming Part of Accounts

	Nominal Value Rs.	Nos				Rs. Lakhs			
		April 01, 2010	Acquisitions	Sales/ Disposal	March 31, 2011	April 01, 2010	Acquisi-tions	Sales/ Disposal	March 31, 2011
Trade Others									
Murugappa Management Services Limited	100	18270	-	-	18270	18			18
Silkroad Sugar Private Limited	10	27267438	-	-	27267438	9934			9934
Non Trade - Others									
Hawker Siddley Group Limted (Shares of 25 pence each)		125	-	-	125	-			-
Indian Dairy Entrepreneur and Agricultural Co Limited	1	10000	-	-	10000	-			-
(Cost less amount written off Rs 0.90 Lakh)									
Chennai Wellingdon Corporate Foundation	10	266	-	-	266	-			-
Indian Potash Limited	10	637200	-	-	637200	32			32
Bio Tech Consortium (India) Limited	10	100000	-	-	100000	10			10
Murugappa Morgan Thermal Ceramics Limited	10	2	-	-	2	-			-
Kulittalai Cane Farms Private Limited	100	20	-	-	20	-			-
Roca Bathroom Products Private Limited	10	64045	-	64045	-	6		6	-
Short Term:									
Mutual Funds	10	315062956	2751060123	3059144345	6978734	37710	389056	426066	700
Long Term:									
Public Sector Bonds									
Rural Electrical Corporation 5 Year 5.5% Redeemable Bonds	10000	1000	140	-	1140	100	14		114
Government Securities (Lodged as Security deposit)						1			1
(B) Total Unquoted						58284	389361	426140	21505
(C) Less : Diminution on value of investment						(68)	-	(68)	-
(A+B+C) Total Investments						68282	401204	426072	43414
Market Value of Quoted Investments						269374			532610

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) Coromandel Bathware Limited (CBL) has been dissolved under Easy Exit Scheme 2011.

c) The details of investments in Mutual Funds purchased and redeemed during the year are given below (No. of Units).

Schedules Forming Part of Accounts

Scheme Name	Opening		Additions		Redemption		Closing	
	No. of units	Rs. Lakhs	No. of units	Rs. Lakhs	No. of units	Rs. Lakhs	No. of units	Rs. Lakhs
Baroda Pioneer Liquid Fund- Institutional Daily Dividend Plan			16992201	1700	16992201	1700	-	-
Baroda Pioneer Treasury Advantage Fund- Institutional Daily Dividend Plan	11519707	1153	17228926	1724	28748632	2877	-	-
Birla Cash Plus- Institutional Premium Plan- Dividend			153225187	15352	153225187	15352	-	-
Birla Sun Life Interval Income Fund Quarterly Plan- Series II- Institutional-Dividend	10000000	1000	117464	12	10117464	1012	-	-
Birla Sun Life Savings Fund- Instl.- Daily Dividend	6079828	608	123035847	12312	129115674	12920	-	-
Birla Sun Life Short Term Opportunities Fund INSTL Weekly Dividend	16080117	1608	20138071	2017	36218188	3625	-	-
BSL Floating Rate Fund- Long Term- INSTL- Weekly Dividend			10070762	1008	10070762	1008	-	-
BSL Interval Income Fund- INSTL- Quarterly- Series 1 Dividend	5000000	500	61389	6	5061389	506	-	-
CRMF Treasury Advantage Super IP DDR	3226189	400	12665	2	3238854	402	-	-
DWS Cash Opportunities Fund Institutional Daily Dividend	3117137	312	44750	4	3161887	317	-	-
DWS Cash Opportunities Fund- Regular Plan Daily Dividend	1100404	110	13619	1	1114023	112	-	-
HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale - Daily Dividend			44942192	4508	44942192	4508	-	-
HDFC Floating Rate Income Fund- Short Term Plan- Wholesale Option--Dividend Reinvestment- Daily	9930744	1001	21969685	2215	31900430	3216	-	-
HDFC FMP 90D June 2010 - Dividend - Series XIII			5061750	506	5061750	506	-	-
HDFC Liquid Fund- Premium Plan- Daily Dividend			70971681	8701	70971681	8701	-	-
ICICI Prudential Flexible Income Plan Premium- Daily Dividend	1719841	1818	4379625	4631	6099466	6449	-	-
ICICI Prudential Floating Rate Plan D- Daily Dividend			601993	602	601993	602	-	-
ICICI Prudential Institutional Liquid Plan- Daily Dividend Option			1814312	2150	1814312	2150	-	-
ICICI Prudential Institutional Liquid Plan- Super Institutional Daily Div			10654142	10657	10654142	10657	-	-
IDFC Cash Fund- Plan C- Daily Dividend			8998965	900	8998965	900	-	-
IDFC Floating Rate Fund- Plan C- Daily Dividend			10349646	1035	10349646	1035	-	-
IDFC Money Manager Fund - Investment Plan - Inst Plan B-Daily Div.	10127204	1014	138889	14	10266091	1028	-	-
J M High Liquidity Fund- Institutional Plan- Daily Dividend			5991149	600	5991149	600	-	-
JM Money Manager-Fund Super Plan- Daily Dividend			6018637	603	6018637	603	-	-
JP MORGAN India Liquid Fund Super Inst. Daily Dividend Plan			517719246	51813	517719246	51813	-	-
JP MORGAN India Treasury Fund Super Inst. Daily	7001265	701	130591139	13071	137592404	13771	-	-
Kotak Flexi Debt Sch Ins Daily Dividend	36900534	3708	79460778	7984	116361312	11691	-	-
Kotak Floater Long Term- Daily Dividend			5044920	509	5044920	509	-	-
Kotak Liquid Institutional Premium Plan- Daily Dividend			216367911	26458	216367911	26458	-	-
Kotak Quarterly Interval Plan Series 7- Dividend	5020540	502	40004	4	5060544	506	-	-
Kotak Quarterly Interval Plan- Series III- Dividend	6024959	602	45373	5	6070332	607	-	-
Kotak Quarterly Interval Plan--Series 6- Dividend	5028027	503	28440	3	5056468	506	-	-
L & T Freedom Income STP Inst- Daily Dividend Reinvestment Plan			10852635	1102	10852635	1102	-	-
L & T Liquid Fund- Daily Dividend Reinvestment Plan			10875136	1100	10875136	1100	-	-
L & T Select Income Fund- Flexi Debt Institutional- Dividend	47890296	4804	189015	38	48079311	4842	-	-
LICMF Floating Rate Fund- Short Term Plan- Daily Dividend Plan	17251543	1725	214133	21	17465676	1747	-	-
LICMF Liquid Fund Dividend			77427634	8502	77427634	8502	-	-

Schedules Forming Part of Accounts

Scheme Name	Opening		Additions		Redemption		Closing	
	No. of units	Rs. Lakhs	No. of units	Rs. Lakhs	No. of units	Rs. Lakhs	No. of units	Rs. Lakhs
LICMF Savings Plus Fund - Daily Dividend Plan	55185395	5517	40282606	4028	95468001	9545	-	-
Principal Money Manager Fund - Institutional - Dividend Reinvestment Daily - Dec07			2004724	201	2004724	201	-	-
Reliance Fixed Horizon Fund - XIII - Series 1- Dividend Plan	5000000	500	93205	9	5093205	509	-	-
Reliance Liquid Fund Cash Plan Daily Dividend			323241273	36014	323241273	36014	-	-
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend	5887933	900	322238045	49262	328125978	50162	-	-
Reliance Medium Term Fund - Daily Dividend Plan	4959040	848	35311	6	4994351	854	-	-
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	170065	1703	2449446	24528	2619512	26231	-	-
Reliance Monthly Interval Fund - Series I - Institutional Dividend Plan			5019556	502	5019556	502	-	-
Reliance Monthly Interval Fund - Series II - Institutional Dividend Plan	4998151	500	10077262	1008	15075413	1508	-	-
Reliance Quarterly Interval Fund - Series III - Institutional Dividend Plan			10119057	1013	10119057	1013	-	-
Religare Active Income Fund Institutional - Monthly Dividend	5003262	500	53842	5	5057104	506	-	-
Religare Liquid Fund- Super Institutional Daily Dividend			14992074	1500	14992074	1500	-	-
Religare Ultra Short Term Fund- Institutional Daily Dividend	4627020	463	8111550	813	12738570	1276	-	-
SBI Premier Liquid Fund- Institutional - Daily Dividend			208028413	20870	201049678	20170	6978734	700
SBI Premier Liquid Fund- Super Institutional - Daily Dividend			66816858	6703	66816858	6703	-	-
SBI-SHF- Ultra Short Term Fund - Institutional PLAN - Daily Dividend	9997677	1000	99301314	9936	109298991	10936	-	-
SBNPP Interval Fund Qly-Plan-E-Inst Div	3000235	300	35517	4	3035752	304	-	-
SBNPP Money Fund Super Inst.Daily Div.Rein			19815232	2000	19815232	2000	-	-
SBNPP Ultra ST Fund Super Inst.Div Rein Daily			18045986	1811	18045986	1811	-	-
Tata Floater Fund - Daily Dividend			2999467	301	2999467	301	-	-
TATA Liquid SuperHigh Inv Daily Div			161632	1801	161632	1801	-	-
Taurus Short Term Bond Fund - Institutional Daily Dividend Plan	9989	100	139	1	10128	101	-	-
UTI Fixed Income Interval Fund - Monthly Interval Plan - II - Institutional Dividend Plan	4000345	400	5037577	504	9037922	904	-	-
UTI Fixed Income Interval Fund Monthly Interval Plan Series I - Institutional Dividend Plan			6022298	602	6022298	602	-	-
UTI Floating A Rate Fund-short Term Plan - Institutional Daily Dividend Plan	70111	702	442527	4429	512638	5130	-	-
UTI Liquid Cash Plan- Institutional - Daily Dividend			2394908	24415	2394908	24415	-	-
UTI Short Term Plan Institutional - Income Option	3976617	400	31921	5	4008538	405	-	-
UTI Treasury Advantage Fund Institutional Plan (Dividend Option)(Formerly ILFS Bond Fund)	130207	1301	1490725	14912	1620932	16213	-	-
UTI-Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Dividend Plan	5028574	503	27747	3	5056321	506	-	-
Grand Total	315062956	37709	2751060123	389056	3059144345	426066	6978734	700

Schedules Forming Part of Accounts

07 INVENTORIES

Rs. Lakhs

As at 31st March,	2011	2010
Raw materials	1835	1774
Work-in-process	1674	1096
Finished goods	13436	14591
	16945	17461
Consumables, stores and spares	2101	1598
	19046	19059

08 SUNDRY DEBTORS (Unsecured)

As at 31st March,		2011		2010
Debts outstanding for a period exceeding six months :				
Considered good	3046		1897	
Considered doubtful	336		310	
	3382		2207	
Less: Provision for doubtful debts	336	3046	310	1897
Other Debts:				
Considered good	9864	9864	9813	9813
		12910		11710

09 CASH AND BANK BALANCES

As at 31st March,	2011	2010
Cash on hand (including cheques on hand)	68	37
Balance with Scheduled Banks:		
In Current account	240	277
In Dividend account	445	446
In Deposit account	4185	6634
Balance with other banks:		
In Current Account (Note 1 below)	2	9
	4940	7403

Note:

1. Balances with other banks	As at March 31, 2011 Rs. Lakhs	Maximum Balance during 2010-11	As at March 31, 2010 Rs. Lakhs	Maximum Balance during 2009-10
Cuddalore District Central Co-operative Bank Limited	1.00	10	7	271
Vallalar Grama Bank	0.34	15	2	40
Trichy District Co operative Bank, Trichy	0.37	37	1	118
Trichy District Co operative Bank, Kulithalai	0.18	87	-	-

Schedules Forming Part of Accounts

10 LOANS AND ADVANCES

Rs. lakhs

As at 31st March,		2011		2010
Unsecured and considered good unless otherwise stated :				
Loans/ Advances to Subsidiary companies		25860		1232
Advance Tax less Provision for Tax		3314		2472
Balance with Customs and Central Excise Authorities		526		365
MAT Credit Entitlement		1430		1430
Advance recoverable in cash or in kind or for value to be received:				
- Unsecured and Considered Good (Refer Note No. 7 of Sch 18)	15144		15113	
- Considered Doubtful	118		112	
	15262		15225	
Less: Provision for Doubtful Advances	118	15144	112	15113
		46274		20612

11 CURRENT LIABILITIES

As at 31st March,		2011		2010
Sundry Creditors:				
- Dues to Micro Enterprises and Medium Enterprises (Refer Note No. 9 of Schedule 18)		-		-
- Others		11930		17372
Advances and Deposits from Customers/Others		385		5552
Due to Directors		55		36
Investor Education and Protection Fund @ shall be credited by the following amounts namely:-				
(a) Unpaid Dividend	445		318	
(b) Interest accrued on the above	-	445	1	319
Other Liabilities		1166		2633
Interest accrued but not due on loans		418		397
		14399		26309

@ These represents warrants/cheques issued and remaining un-encashed as at 31st March 2011. There is no amount which has fallen due as at Balance Sheet date to be credited to Investor Education and Protection Fund.

12 PROVISIONS

As at 31st March,	2011	2010
Proposed Dividend	-	3454
Dividend Tax	-	574
Provision for compensated absences	725	632
Others (Refer Note No. 10 of Schedule 18)	-	450
	725	5110

Schedules Forming Part of Accounts

13 OTHER INCOME

Rs. Lakhs

For the year ended 31st March,		2011		2010
Profit on sale of Fixed Assets		344		152
Profit on sale of Investments		2214		798
Liabilities/ Provisions no longer required written back		662		171
Dividend Income				
- Trade Investments				
Subsidiary Companies	10707		8815	
Others	15		20	
	10722		8835	
- Non Trade Investments	709	11431	1182	10017
Interest on Deposits, etc		1689		772
(Tax deducted at source : Rs 161 Lakhs (2010 : Rs 79 Lakhs))				
Sundry Income		1641		3040
		17981		14950

14 MATERIAL COST

For the year ended 31st March,		2011		2010
Raw Materials Consumed		72592		60016
Purchase of Finished Goods		16763		6993
(Increase)/Decrease in Stocks				
Opening Stock:				
Work-in-process	1096		742	
Finished Goods	14591		12147	
	15687		12889	
Closing Stock:				
Work-in-process	1674		1096	
Finished Goods	13436		14591	
	15110	577	15687	(2798)
		89932		64211

15 EMPLOYEE COST : (Refer Note No. 12 & Note No. 18.1 of Schedule 18)

For the year ended 31st March,	2011	2010
Salaries, Wages and Bonus	5295	4725
Contribution to Provident and Other Funds	607	455
Workmen and Staff Welfare Expenses	883	770
	6785	5950

Schedules Forming Part of Accounts

16 OTHER COSTS

Rs. Lakhs

For the year ended 31st March,		2011		2010
Consumption of Stores, Spares and Consumables		7178		5796
Power and Fuel		2206		1821
Rent		346		277
Repairs and Maintenance - Buildings	188		131	
- Plant and Machinery	2317		2141	
- Others	1494	3999	1162	3434
Insurance		308		246
Rates and Taxes		401		335
Packing, Despatching and Freight		4775		4649
Commission to Selling Agents		128		111
Rebates and Discounts		81		167
Auditors' Remuneration		32		32
Directors' Fees and Commission		63		46
Sales Promotion and Publicity		1165		335
Fixed Assets scrapped		25		38
Professional Charges		1856		1820
Provision for Doubtful Debts and Advances		32		11
Bad Debts/Advances written off		35		26
Investments written off (Refer 3(b) of Schedule 18)	68		-	
Provision for Diminution in value of Investments (adjusted)/made	(68)	-	68	68
General Manufacturing, Selling and Administration Expenses		5850		4773
		28480		23985

17 INTEREST

For the year ended 31st March,	2011	2010
Interest on		
- Debentures	505	252
- Other Fixed Loans	2366	2563
- Others	1372	1042
Total *	4243	3857

* Net of capitalisation Rs Nil Lakhs (2010 - Rs. 236 Lakhs)

Schedules Forming Part of Accounts

18 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 the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities as at 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 up to 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.

1.4 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.

1.5 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	6.67 % to 33.33 %
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. 5,000 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.

1.6 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 carried at lower of cost and fair value.

Schedules Forming Part of Accounts

18	NOTES ON ACCOUNTS (Contd.)

1.7 Inventories

(i) Inventories other than by-products are valued at the lower of cost and net realisable value.

(ii) In respect of work-in-process and finished goods, cost includes all applicable production overheads 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.

(iii) In respect of Raw materials, boughtout items, consumables and stores and spares, cost is determined based on weighted average cost basis.

1.8 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.

1.9 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.

1.10 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 "Hedging 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 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.

1.11 Employee Benefits

a. (i) 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

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

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.

(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. Actuarial gains/losses are absorbed in the financial statements.

(iii) Deferred Compensation cost

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 and 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.

1.12 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 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 Provision, 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.

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

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. Segment 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) (a) Loan from Sugar Development Fund (Government of India) for modernisation/ expansion/ co-generation amounting to Rs. 9,608 Lakhs is secured by way of a Bank Guarantee from State Bank of India.

i) (b) Working Capital facilities from State Bank of India and guarantee given by it in respect of the Sugar Development Fund Loan amounting to Rs. 35 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.

ii) (a) The Rupee term loan from HDFC Bank Limited amounting to Rs. 37 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.

(ii) (b) The Rupee term loans from State Bank of India amounting to Rs. 2,400 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 by a *pari passu* first charge on the immovable properties situated at these places except Ariyur and a second charge on current assets.

(ii) (c) The Rupee term loan from State Bank of India amounting to Rs. 2,250 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 by a second charge on the immovable properties situated at these places except Ariyur and by a third charge on Pugalur fixed assets.

(ii) (d) The Rupee term loan from Canara Bank amounting to Rs. 2,500 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 by a *pari passu* first charge on the immovable properties situated at these places except Ariyur.

(ii) (e) The Rupee term loans from State Bank of India amounting to Rs. 4,129 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 by a *pari passu* first charge on the immovable properties situated at these places except Ariyur and a second charge on current assets.

(ii) (f) The Rupee term loan from IndusInd Bank Limited amounting to Rs. 5,000 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

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

at Nellikuppam, Pugalur, Pettavaittalai, Pudukottai, Thyagavalli and Ariyur and to be further secured by a *pari passu* first charge on the immovable properties situated at these places.

(iii) 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.

(iv) 400 - 9.40% Secured Redeemable Non-convertible Debentures aggregating to Rs. 4,000 Lakhs are secured/to be 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 Pettavaithalai and to be 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 2014.

3 (a) The company has entered into a Share Purchase agreement with GMR Holdings Private Limited for acquisition of shares upto 65% in GMR Industries Limited (currently known as Parrys Sugar Industries Limited), Karnataka.

Accordingly, the company has made an open offer to the Shareholders of Parrys Sugar Industries Limited under SEBI (Substantial Acquistion of Shares and Takeovers) Regulations, 1997 and acquired 1,29,75,110 equity shares of Rs. 10/ each representing 65% of the Paid-up Share Capital of Parrys Sugar Industries Limited for Rs. 8475 Lakhs. Consequently, Parrys Sugar Industries Limited (PSIL) became a subsidiary of the company effective from 27th August, 2010.

The company has also acquired 1,28,31,880, 8% Non-cumulative Redeemable Preference Shares of Rs. 11 each of GMR Industries Limited (currently known as Parrys Sugar Industries Limited) for Rs. 1,412 Lakhs.

(b) Coromandel Bathware Limited, a subsidiary company, has been dissolved on 29th January, 2011 under Section 560 of the Companies Act under Easy Exit Scheme, 2011. The provision for diminution of investments made in the earlier year has been fully written off during the year.

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

		2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
4.	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	547	735
5.	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	5741	28674
(b)	Income Tax demands contested for which no Provision has been made	3404	3326
(c)	Claims against the Company for Sales Tax, Excise Duty and others including Industrial Disputes not acknowledged as Debt and not provided for.	6073	1378
(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 and 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	826
(f)	The company had an opening export obligation of 22,641 MT arising out of raw sugar imported against Advance licences in earlier years. The company has fulfilled the export obligation of 22,641 MT during the year 2010-11. There is no balance export obligations as on March 31, 2011.		

6. Disputed statutory dues:

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

Sl. No	Name of the Statute	Nature of Dues	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs	Forum where the dispute is pending
a)	Central Excise Act, 1944	Excise Duty	631	403	Assistant Commissioner / Deputy Commissioner, Commissioner, CESTAT, High Court
b)	Finance Act, 1994 (Service Tax)	Service Tax dues	48	48	Commissioner (Appeals)
c)	Various States Sales Tax Acts	Sales Tax – Local	114	116	Assistant Commissioner / Deputy Commissioner / Tribunal
d)	Central Sales Tax Act, 1956	Sales Tax CST	70	70	Assistant Commissioner / Deputy Commissioner, Tribunal, High Court
e)	Tamil Nadu General Sales Tax Act, 1959	TNGST Act	122	122	Assistant Commissioner / Deputy Commissioner, Tribunal, High Court
f)	Customs Act, 1962	Customs Duty	4302	-	CESTAT
g)	Income Tax Act, 1961	Income Tax	1595	1,677	Income Tax Appellate Tribunal /High court / CIT Appeals

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

		2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
7.	Capital advances included in Loans and Advances	1659	1594

8. Deferred Tax

Break up of Net deferred tax liability:	Deferred Tax Liability/(Asset) 2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
Deferred Tax Liability		
Difference between the written down value of assets as per books of account and Income Tax Act.	14307	14,281
Deferred Tax Asset		
Unabsorbed Depreciation and Business Loss	(1326)	NIL
Provision for Doubtful Debts, Provision for compensated absences and others	(292)	(406)
Net Deferred Tax liability	**12689**	**13875**

9. 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, 2011 which is on the basis of such parties having been identified by the management.

10. Provision others includes amount in respect of contractual obligations relating to certain business divested by the company.

Particulars	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
Opening balance	450	450
Add : Provision created	-	-
Less : Reversed during the year	450	-
Closing Balance	-	450

11. Particulars	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
(i) Net exchange difference dealt with in the Profit and Loss Account on foreign currency monetary items	263	519
(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

(iii) Derivative transactions

The Company uses forward exchange contracts, and currency options to hedge its exposure in foreign currency. The information on derivative instruments is as follows:

(a) Derivative Instruments outstanding as at March 31, 2011

Particulars	Currency	Amount (Foreign Currency Lakhs)	Buy/Sell	Amount (Rs. Lakhs)
(i) Forward exchange contracts (net)	USD/INR	335.10	Sell	15619
	EURO/INR	28.01	Sell	1781
(ii) Options (net)		-		-

(b) All the foreign exchange forward contracts are designated as cash flow hedges.

(c) Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2011 - Nil

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

12. (a) 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) 2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
Present Value of obligations at the beginning of the year	856	764
Current service cost	58	62
Interest Cost	68	61
Actuarial loss/(gain)	171	36
Benefits paid	(100)	(67)
Present Value of obligations at the end of the year	1053	856
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	929	833
Expected return on plan assets	83	77
Contributions	177	86
Benefits Paid	(100)	(67)
Actuarial gain/(Loss) on plan assets	-	-
Fair Value of plan assets at the end of the year	1089	929
Amounts recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	1053	856
Fair value of plan assets at end of the year	1089	929
Funded status of the plans – (asset)/Liability recognised in the balance sheet	(36)	(73)
Cost for the year		
Current service cost	58	62
Interest Cost	68	61
Expected return on plan assets	(83)	(77)
Net actuarial (gain)/loss recognised in the year	171	36
Net Cost	214	82
Assumptions		
Discount rate	8%	8%
Expected rate of planned assets	8%	8%
Expected rate of salary increases	5%	5%

In the absence of detailed information regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed. The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation report and hence, are not furnished.

Note on Provident Fund:

With respect to the Provident Fund Trust administered by the company, the company shall make good deficiency, if any, in the interest rate declared by Trust over 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 (b) Assumption used for Long Term Compensated Absence

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows

Assumptions	2010-11	2009-10
Discount rate	8%	8%
Attrition Rate	3%	3%
Expected rate of salary increases	5%	5%

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

13. (a) 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 16 "Other Costs".

(b) General Manufacturing, Selling and Administration Expenses included under Other Cost in Schedule 16, includes Cane Development Expenditure of Rs. 3835 Lakhs (PY : 2702 Lakhs).

	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
14. Rates & Taxes included in Raw material consumption	1760	1601
15. Research and Development expenditure incurred by the Approved In-house R & D Centres during the year 2010-11		
(i) Revenue Expenses : -		
a) Revenue expenses on Research and Development included under various heads of accounts (excluding depreciation and fixed assets scrapped)	440	725
b) Other Income relating to Research and Development	(65)	(97)
Net Revenue expenses on Research and Development	375	628
(ii) Fixed Assets additions in R & D Centre made during the year	28	300
16. Repairs and maintenance includes Stores and spare parts consumed	1591	1417
17. Auditors' remuneration and expenses:		
(i) Audit Fees	15	15
(ii) Tax Audit	3	3
(iii) Fees for other services	13	12
(iv) Reimbursement of out of pocket expenses	1	2
Total	32	32
18. Directors' Remuneration:		
18.1 Whole time Directors remuneration:		
Salaries and Allowances	97	75
Contribution to Provident and Other Funds	7	5
Other Benefits	1	1
Commission	25	19
	130	100
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.		
18.2 Non Whole time Directors remuneration :		
Commission to Non Whole Time Directors	30	17
Directors' sitting Fees	8	10
	38	27
18.3 Computation of Directors Commission		
Profit as per Profit & Loss Account:	6740	24746
Add:		
Directors' sitting Fees	8	10
Whole Time Directors' Remuneration Including Commission / Non Whole Time Directors' Commission	160	117
Provision for Doubtful Debts/ Advances	32	11
Voluntary Separation Scheme	-	4
	6940	24888
Less:		
Profit on sale of Fixed Assets as per books	344	152
Profit on Sale of Investments	2214	798
Profit as per Section 349	4382	23938
Commission to Whole Time Directors restricted to	25	19
Commission at 1% on the profit as per Section 349	44	239
Commission at 1% as above for Non-Whole Time Directors restricted to	30	17

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

19. LICENSED/INSTALLED CAPACITIES AND PRODUCTION DETAILS FOR THE YEAR ENDED MARCH 31, 2011 (AS CERTIFIED BY THE MANAGEMENT)

CLASSES OF GOODS*	UNIT	LICENSED CAPACITY		INSTALLED CAPACITY		UNIT	ACTUAL PRODUCTION	
		2010-11	2009-10	2010-11	2009-10		2010-11	2009-10
SUGAR	CANE MT/DAY	NA	NA	19000	19000	MT	288762	289283
SPIRIT	KLTS/DAY	NA	NA	135	135	KLTS	27500	16600
POWER	KWH	NA	NA	84500	84500	KW	447555730	379784851
NEEM TECHNICALS	KGS/YEAR	NA	NA	14400	7500	KGS	6314	7453
ALGAE	KGS/YEAR	NA	NA	NA	NA	KGS	230191	211556

* 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.

20. PARTICULARS IN RESPECT OF FINISHED GOODS STOCK

CLASSES OF GOODS	UNIT	OPENING STOCK				CLOSING STOCK			
		2010-11		2009-10		2010-11		2009-10	
		Qty.	Value Rs. Lakhs	Qty.	Value Rs. Lakhs	Qty.	Value Rs. Lakhs	Qty.	Value Rs. Lakhs
Sugar	MT	48257	9219	58835	8945	39534	9631	48257	9219
Others			5372		3202		3805		5372
			14591		12147		13436		14591

Closing stock excludes excess/shortages including damaged stocks of MT 29 and net inter-unit transfers of MT 1116.

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

CLASSES OF GOODS	UNIT	PURCHASES			
		2010-11		2009-10	
		Qty.	Value Rs. Lakhs	Qty.	Value Rs. Lakhs
Sugar	MT	24952	9826	9351	2719
Raw Sugar		14468	4922	14413	2641
Others			2015		1633
			16763		6993

CLASSES OF GOODS	UNIT	SALES (Including Excise Duty)			
		2010-11		2009-10	
		Qty.	Value Rs. Lakhs	Qty.	Value Rs. Lakhs
Sugar	MT	321292	92858	328643	95998
Raw Sugar		14468	4173		
Others			32084		22578
			129115		118576

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

22. ANALYSIS OF RAW MATERIALS CONSUMED

DESCRIPTION	UNIT	2010-11 QTY	2010-11 Value Rs. Lakhs	2009-10 QTY	2009-10 Value Rs. Lakhs
Sugarcane	MT	2835734	52296	2545898	38899
Raw Sugar	MT	38338	9979	67705	13532
Others			10317		7585
			72592		60016

23. 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:

Description	2010-11 Rs. Lakhs	2010-11 %	2009-10 Rs. Lakhs	2009-10 %
Imported	10346	14	13643	22
Indigenous	65591	86	49283	78
	75937	100	62926	100
Raw Materials	72592		60016	
Stores and Spare parts	3345		2910	
	75937		62926	

24. Value of Imports on C.I.F basis	2010-11	2009-10
	Rs. Lakhs	Rs. Lakhs
Raw Materials	12344	15514
Components, Stores and Spare parts	1	-
Traded Goods	10310	8193
Capital Goods	355	490
	23010	24197
25. Expenditure in Foreign Currency		
Travel	1	37
Professional Fee	6	171
Others	154	186
	161	394
26. Earnings in Foreign Exchange		
FOB Value of exports	23979	4675
Other Income- Despatch Money	9	12
	23988	4687

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

	Equity Shares	
No. of shareholders	41	41
No. of shares held	2584915	905305*
Net amount remitted (Rs lakhs)	70	109

* Equity Shares of Rs. 2 Each

Schedules Forming Part of Accounts

18	NOTES ON ACCOUNTS (Contd.)

28. Employee Stock Option Plan – ESOP 2007

a) 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.

b) Under the Scheme, options not exceeding 89,24,850 (consequent to Sub-division of equity shares with effect from 24th December, 2010) (Prior to Sub-division - 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 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 2011, granted 37,48,100 options (face value of Re. 1 each) normally 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 granted 3,66,300 stock options during the year 2010-11.

e) Effective from 24th December 2010, the company has subdivided the nominal value of equity shares from Rs. 2 per share to Re. 1 per share. Consequently, the previous years options granted have been restated for disclosure.

f) The details of the grants under the aforesaid schemes are summarised below : -

S. No	Description	Date of grant	Number of Options granted	Date of vesting
1.	Details of options granted	31.08.2007	1858200	31.08.2008
		29.10.2007	232400	29.10.2008
		24.01.2008	460600	24.01.2009
		24.04.2008	152200	24.04.2009
		28.07.2008	130000	28.07.2009
		24.09.2008	387000	24.09.2009
		29.10.2008	113600	29.10.2009
		20.03.2009	47800	20.03.2010
		28.01.2011	366300	28.01.2012
		Total	3748100	
2.	Options granted and outstanding at the beginning of the year	Options vested and exercisable	:	322876
		Options unvested	:	1705000
		Total	:	**2027876**
3.	Options granted during the year	366300		
4.	Options exercised during the year	481260		
5.	Options lapsed/cancelled during the year	179796		
6.	Options outstanding at the end of the year	Options vested and exercisable	:	372720
		Options unvested	:	1360400
		Total	:	**1733120**

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

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

Date of grant	Number of Options granted	Fair value as per Black Scholes Options pricing model
31.08.2007	1858200	29.46
29.10.2007	232400	26.32
24.01.2008	460600	21.98
24.04.2008	152200	24.59
28.07.2008	130000	26.63
24.09.2008	387000	24.11
29.10.2008	113600	30.73
20.03.2009	47800	32.26
28.01.2011	329600	90.05
28.01.2011	36700	87.86
Total	3748100	

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.1250 Lakhs (2010 - Rs. 925 Lakhs) and the impact on the financial statements would be

Increase in employee compensation cost :	162 Lakhs
Decrease in Profit After Tax:	162 Lakhs
Decrease in Earning per share : (Basic): Rs.	0.09
Decrease in Earning per share : (Diluted): Rs.	0.09

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:	8%
Expected average Life of the option:	4 Years
Expected Volatility:	0.4833
Expected Dividend Yield:	300%

29. Segment Reporting as at March 31, 2011

Composition of Business Segments:

Primary Segments :

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

Secondary Segments

Geographical Segment :

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

18 NOTES ON ACCOUNTS (Contd.)

PRIMARY SEGMENTS

Rs. Lakhs

	Sugar		Co-generation		Bio Products		Others		Elimination		Overall	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Revenue (Sales/Income) :												
(Gross of Excise Duty)												
External Customers	105700	101486	13189	9764	10226	7326					129115	118576
Inter-segmental Sales			1253	1275					(1253)	(1275)	-	-
Total	105700	101486	14442	11039	10226	7326			(1253)	(1275)	129115	118576
Results :												
Operating Profit/(Loss)	(7841)	16372	2745	1272	1266	766	(521)	(1394)			(4351)	17016
Profit on Sale of Investments											2214	798
Interest Income											1689	772
Dividend Income											11431	10017
Interest Expenses											(4243)	(3857)
Profit Before Tax											6740	24746
Income Tax - Current											-	(2600)
- Deferred											1186	(2987)
- MAT Credit Entitlement											-	1369
Profit After Tax											**7926**	**20528**
Other Information :												
Segment Assets	78284	81359	31582	32754	12431	10548	6966	8232			129263	132893
Unallocated Corporate Assets											78958	79587
Total Assets											208221	212480
Segment Liabilities	9061	20443	1740	2361	1825	856	2498	7757			15124	31417
Unallocated Corporate Liabilities											78069	71429
Total Liabilities											93193	102846
Capital Expenditure	2798	3711	566	1169	338	301	95	576	-	-	3797	5757
Depreciation	4343	3922	2330	2326	363	344	334	341			7370	6933
Non-cash expenditure	45	35	-	-	34	6	15	104			94	145
(excluding Depreciation)												

Rs. Lakhs

SECONDARY SEGMENTS

	North America		Europe		Rest of the world		India		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Revenue	2783	1820	7676	2041	10921	903	107735	113812	129115	118576
Carrying Amounts of :										
Segment Assets	1367	1265	890	711	244	292	205720	210212	208221	212480
Segment Liabilities	48	323	543	481	51	93	92551	101949	93193	102846
Capital Expenditure							3797	5757	3797	5757

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

30. Earnings Per Share:

Effective from 24th December 2010, the company has subdivided the nominal value of equity shares from Rs. 2 per share to Re.1 per share. Effect of this has been given in the Earnings Per Share computation.

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
(A) Profit after Taxation (Rs. Lakhs)	7926	20528
Number of equity shares of Re. 1 each outstanding at the beginning of the year	172716940	172227628
Add : Number of shares issued pursuant to exercise of Employees Stock option	481260	489312
(a) Number of equity Shares of Re. 1 each outstanding at the end of the year	173198200	172716940
(b) Weighted Average number of Equity Shares	172938693	172462272
(c) Diluted shares on account of issue of ESOP granted	916266	1086166
(d) Number of potential equity shares of Re. 1 each outstanding at the end of the year	173854959	173548438
Earnings Per Share		
– Basic (Rs.) (A)/(b)	4.58	11.90
– Diluted (Rs.) (A)/(d)	4.56	11.83

31. Related Party Disclosure for the year ended 31st March, 2011

31.1.Subsidiary Company/Entities

1. Coromandel International Ltd.
2. Parry Chemicals Ltd.
3. CFL Mauritius Limited
4. Coromandel Brasil Limitada – Partnership
5. Parrys Sugar Industries Ltd. (Formerly known as GMR Industries Ltd.)
6. Alagawadi Bireshwar Sugars Private Limited
7. Sadashiva Sugars Ltd.
8. Parry America Inc.,
9. Parrys Investments Limited
10. Parrys Sugar Limited
11. Parry Infrastructure Company Private Limited
12. Parry Phytoremedies Private Limited
13. US Nutraceuticals LLC
14. Parry Agrochem Exports Limited

Joint Venture Company

1. Silkroad Sugar Private Limited

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

31.2. Key Management Personnel (KMP)

Mr. K. Raghunandan, Managing Director (upto 28th January, 2011)

Mr. Ravindra S. Singhvi, Managing Director (From 29th January, 2011)

Note : Related Party Relationships are as identified by the management and relied upon by the auditors.

31.3. Transactions with related parties

Rs. Lakhs

	2010-11			2009-10		
	Subsidiary Companies	Associates/ Joint venture	KMP	Subsidiary Companies	Associates/ Joint venture	KMP
Sale of Goods						
a. Parry America Inc.	1477	-	-	953	-	-
b. Parry Phytoremedies Private Limited	306	-	-	294	-	-
c. U.S. Nutraceuticals LLC	566	-	-	-	23	-
d. Sadashiva Sugars Ltd	-	-	-	4	-	-
e. Coromandel International Limited	-	-	-	1	-	-
Rendering of services						
a. Coromandel International Limited	46	-	-	57	-	-
b. Silkroad Sugar Private Limited	-	30	-	-	24	-
c. Sadashiva Sugars Ltd	71	-	-	-	-	-
Dividend Income						
a. Coromandel International Limited	10618	-	-	8815	-	-
b. Parry Agrochem Exports Ltd.	22	-	-	-	-	-
c. Parrys Investments Limited	68	-	-	-	-	-
Deputation Charges Received						
a. Coromandel International Limited	11	-	-	61	-	-
b. Silkroad Sugar Private Limited	-	43	-	-	76	-
c. Sadashiva Sugars Ltd.	24	-	-	-	-	-
d. Parrys Sugar Industries Limited	181	-	-	-	-	-
Purchase/Receipt of Goods						
a. Coromandel International Limited	8	-	-	118	-	-
b. Parry Phytoremedies Private Limited	1035	-	-	602	-	-
c. U.S. Nutraceuticals LLC	13	-	-	-	23	-
d. Sadashiva Sugars Ltd.	400	-	-	400	-	-
e. Parrys Sugar Industries Limited	24	-	-	-	-	-
Receipt of services						
U.S. Nutraceuticals LLC	36	-	-	-	8	-
Sale of fixed assets						
Parry Infrastructure Company Private Limited	356	-	-	-	-	-

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

Transactions with related parties (Continued) Rs. Lakhs

	2010-11			2009-10		
	Subsidiary Companies	Associates/ Joint venture	KMP	Subsidiary Companies	Associates/ Joint venture	KMP
Interest Income on ICD Loans						
a. Sadashiva Sugars Limited	23	-	-	1	-	-
b. Parry Infrastructure Company Private Limited	321	-	-	20	-	-
c. Parrys Sugar Industries Limited	605	-	-	3	-	-
d. U.S. Nutraceuticals LLC	1	-	-	-	-	-
Subscription to Equity Shares						
a. Silkroad Sugar Private Limited	-	-	-	-	1429	-
b. Parrys Sugar Industries Limited	8475	-	-	-	-	-
c. Investment in U.S. Nutraceuticals LLC	291	-	-	-	-	-
d. Sadashiva Sugars Limited	-	-	-	4962	-	-
e. Parry Phytoremedies Private Limited	-	-	-	40	-	-
f. Coromandel International Limited	1956	-		-	-	
Subscription to Preference Shares						
a. Parrys Sugar Industries Limited	1412	-	-	-	-	-
Loans and Advances to Subsidiaries						
a. Parrys Sugar Industries Limited	21832	-	-	-	-	-
b. Parry Infrastructure Company Private Limited	2186	-	-	878	-	-
c. Sadashiva Sugars Limited - Given/ (Repaid)	306	-	-	(1200)	-	-
d. Parrys Investments Limited - Given /(Repaid)	-	-	-	(290)	-	-
e. Parry Phytoremedies Private Limited	51	-	-	-	-	-
f. U.S. Nutraceuticals LLC	277	-	-	-	-	-
Closing Balance - Debit / (credit)						
a. Coromandel International Limited	1	-	-	75	-	-
b. Parry America Inc.	881	-	-	955	-	-
c. Parry Phytoremedies Private Limited	981	-	-	1058	-	-
d. U.S. Nutraceuticals LLC	329	-	-	-	26	-
e. Silkroad Sugar Private Limited	-	123	-	-	25	-
f. Sadashiva Sugars Ltd	405	-	-	(257)	-	-
g. Parry Infrastructure Company Private Limited	3065	-	-	898	-	-
h. Parry Agrochem Exports Ltd	-	-	-	-	2	-
i. Parrys Sugar Industries Limited	22691	-	-	-	-	-
Guarantees given						
Parry America Inc.,	446	-	-	-	-	-

For remuneration to KMP refer Note No 18.1 above

Schedules Forming Part of Accounts

18 NOTES ON ACCOUNTS (Contd.)

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

Name of the Joint Venture entity	Silkroad Sugar Private Limited
Country of Incorporation	India
Principal Activities	Manufacturing of Sugar
Ownership interest	50%
Cost of Investment (Rs. Lakhs)	9934

Descriptions	2010-11 Rs. Lakhs	2009-10 Rs. Lakhs
Assets		
Fixed Assets	21352	19892
Current Assets	19361	13046
Total	40713	32938
Liabilities		
Secured and Unsecured Loans	32450	22148
Current Liabilities	4963	1297
Provisions	7	4
Total	37420	23449
Income	11184	835
Expenditure	17382	1162
Capital Commitments	29	811
Contingent Liabilities	796	189

33. Previous year's figures have been regrouped/reclassified to conform to Current year's classification.

On behalf of the Board

Ravindra S Singhvi
Managing Director

A. Vellayan
Chairman

Chennai
April 29, 2011

Suresh Krishnan
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 Number	6989
	State Code	18
	Balance Sheet Date	March 31, 2011
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	20822134
	Total Assets	20822134
	Source of Funds :	
	Paid up Capital	173198
	Reserves & Surplus	11329495
	Secured Loans	4568005
	Unsecured Loans	3482472
	Deferred Tax Liability	1268964
	Application of Funds :	
	Net Fixed Assets	8153955
	Investments	4341439
	Net Current Assets	8326740
IV.	Performance of Company (Amount in Rupees Thousand)	
	Turnover (including other income)	14355056
	Total Expenditure	13681041
	Profit Before Tax	674014
	Profit After Tax	792614
	Earnings per share - (in Rs.)	4.58
	Dividend Rate %	200%
V.	Generic names of three principal products	
	Item Code Number (ITC Code)	170111.00
	Product Description	Sugar
	Item Code Number (ITC Code)	380810
	Product Description	Insecticides
	Item Code Number (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, 2011, 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 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 entities, Parry America Inc., Parry Phytoremedies Private Limited, Parry Infrastructure Company Private Limited, Parrys Investments Limited, Parry Agrochem Exports Limited, Parrys Sugar Limited, Sadashiva Sugars Limited, Parrys Sugar Industries Limited and its subsidiary, US Nutraceuticals LLC and its subsidiaries whose financial statements reflect total assets of Rs. 611,764 Lakhs as at 31st March, 2011, total revenues of Rs.793,580 Lakhs and net cash inflows amounting to Rs. 97,437 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 are based solely on the reports of the other auditors.

4. Attention is drawn to the following

   In the case of subsidiary Coromandel International Limited the other auditors have reported in their audit report that: *Attention is drawn to Note III (d) on Schedule 17 regarding the use of unaudited financial statements of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT), a joint venture company, for the period up to December 31, 2010, (since as explained to us, the audited financial statements of TIFERT as at and for the year ended December 31, 2010 and the unaudited financials as at and for the three months ended March 31, 2011 were not available).*

   The unaudited financial statements of TIFERT for the period up to December 31, 2010 constitute total assets of Rs. 32,943 lacs, net assets of Rs. 10,591.06 lacs, total liabilities of Rs. 22,352.72 lacs, revenues of Rs. 84.95 lacs and profit after tax of Rs. 43.46 lacs and net cash inflows of Rs. 8,074.26 lacs of the consolidated financial statements of the Group as at and for the year ended March 31, 2011.

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) 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 to the best of our information and according to the explanations given to us, except for the impact of adjustments, if any, that are not ascertainable at this stage in respect of matters referred to in paragraph 4 above, 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, 2011;

   (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)

M.K. Ananthanarayanan
Partner
(Membership No. 19521)

Chennai
April 29, 2011

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

As at 31st March,	Schedule		2011		Rs. Lakhs 2010
I. SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS:					
(a) Share Capital	1	1732		1727	
(b) Reserves and Surplus	2	218937		175913	
(c) Capital Reserve on Consolidation		3488	224157	5039	182679
Minority Interest			73120		71861
LOAN FUNDS:					
(a) Secured Loans	3	179808		134066	
(b) Unsecured Loans	4	152537	332345	166544	300610
Deferred Tax Liability (Net) (Note 10 of Schedule 19)			21280		22422
TOTAL			650902		577572
II. APPLICATION OF FUNDS					
FIXED ASSETS:	5				
(a) Gross Block		346570		270676	
(b) Less: Depreciation		120361		91407	
Net Block		226209		179269	
(c) Share in Joint Venture		21352		19892	
(d) Capital Work-in-Progress at cost		38234	285795	18215	217376
Goodwill on Consolidation			10675		402
INVESTMENTS	6		18327		58828
CURRENT ASSETS, LOANS AND ADVANCES :					
(a) Inventories	7	219401		126327	
(b) Sundry Debtors	8	39898		25023	
(c) Cash and Bank Balances	9	102816		105020	
(d) Interest Accrued on deposits		922		197	
(e) Other Current Assets	10	43601		85996	
(f) Loans and Advances	11	137692		83389	
		544330		425952	
Less :					
CURRENT LIABILITIES AND PROVISIONS :					
(a) Current Liabilities	12	205524		118330	
(b) Provisions	13	2708		6751	
		208232		125081	
NET CURRENT ASSETS			336098		300871
MISCELLANEOUS EXPENDITURE :					
(to the extent not written off or adjusted)					
- Product development expenses			7		95
TOTAL			650902		577572
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	Ravindra S Singhvi Managing Director	A. Vellayan Chairman
M.K. Ananthanarayanan Partner	Suresh Krishnan Secretary	P. Gopalakrishnan Vice-President (Finance)

Chennai
April 29, 2011

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

For the year ended 31st March,	Schedule		2011		Rs. Lakhs 2010
Income :					
Sales		496078		406140	
Less : Excise Duty		(10368)		(7476)	
		485710		398664	
Government Subsidies		426289		356420	
Add: Sales - Share in Joint Venture		11078	923077	667	755751
Other Income	14		25238		19814
			948315		775565
Expenditure :					
Material cost	15		681561		550316
Employee Cost	16		28059		23133
Other Costs	17		118798		91046
Depreciation		17433		13345	
Less : Transfer from Fixed Assets revaluation reserve		(14)	17419	(14)	13331
Interest Cost	18		20146		12714
			865983		690540
PROFIT BEFORE TAX			82332		85025
Less : Provision for Tax					
Current Tax		29758		26132	
Deferred Tax		(2805)		3546	
Fringe Benefit Tax - earlier year		-		(4)	
MAT Credit Entitlement		(125)	26828	(1369)	28305
PROFIT AFTER TAX			55504		56720
Share of Associates - Profit / (Loss)			-		(351)
Adjustment on consolidation			-		(28)
Minority Interest			(24276)		(16981)
			31228		39360
Balance brought forward			82161		91829
Amount Available for Appropriation			113389		131189
APPROPRIATIONS :					
Interim Dividend paid on Equity share			4124		5181
Proposed Dividend on Equity Share			-		3454
Dividend Distribution Tax			(574)		(24)
Transferred to Debenture Redemption Reserve			750		417
Transferred to General Reserve			800		40000
Balance Carried to Balance Sheet			108289		82161
			113389		131189
Earnings Per Share - Basic in Rs. (Face Value Re. 1)			18.06		22.82
Diluted in Rs. (Face Value Re. 1)			17.96		22.65
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

M.K. Ananthanarayanan
Partner

Ravindra S Singhvi
Managing Director

Suresh Krishnan
Secretary

A. Vellayan
Chairman

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 29, 2011

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

Rs. Lakhs

For the year ended 31st March,	2011	2011	2010	2010
A. Cash flow from operating activities				
Net profit before tax		82332		85025
Adjustments for :				
Depreciation	17419		13331	
Interest expense	20146		12714	
Interest Income	(7290)		(7685)	
Investment income	(2000)		(1860)	
(Profit) /loss on sale of fixed assets	(289)		371	
(Profit) / loss on sale of investments (net)	1329		(803)	
Other non cash items	(10859)	18456	(2535)	13533
Operating profit before working capital Changes		100788		98558
Adjustments for : (Increase) /Decrease in				
Trade and other receivables	(40188)		39802	
Inventories	(82173)		27464	
Current liabilities	79317		(66663)	
		(43044)		603
Cash generated from operations		57744		99161
Interest Received		2483		7028
Direct taxes paid net of refund		(30164)		(27899)
Net cash flow from operations		30063		78290
B. Cash flow from investing activities				
Purchase of fixed assets	(33086)		(34330)	
Proceeds on sale of fixed assets	576		250	
Proceeds on sale of Business	3		-	
Purchase of investments	(517433)		(469348)	
Investments in subsidiary companies	(12134)		(5806)	
Sale of investments	556029		459615	
Interest received	524		502	
Investment income	12790		10675	
Net cash flow from/ (used in) investing activities		7269		(38442)
C. Cash flow from financing activities				
Proceeds from issue of share capital	968		731	
Proceeds from long term borrowings	47191		34594	
Repayment of long term borrowings	(32058)		(15537)	
Proceeds from other term borrowings (net)	26276		5327	
Change in working capital finance	(39590)		27726	
Interest paid	(16610)		(12714)	
Dividends paid	(26578)		(26819)	
Net cash flow (used in) / from financing activities		(40401)		13308
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)		(3069)		53156
Cash and cash equivalents as at 1st April		105020		51507
Add: On consolidation of Subsidiary		865		357
Cash and cash equivalents as at 31st March		102816		105020

Note: Cash and Cash equivalents on consolidation includes - Rs. 382 Lakhs of subisidiary - US Nutraceuticals LLC and Rs. 483 Lakhs of Subsidiary - Parrys Sugar Industries 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

M.K. Ananthanarayanan
Partner

Ravindra S Singhvi
Managing Director

Suresh Krishnan
Secretary

A. Vellayan
Chairman

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 29, 2011

Schedules Forming Part of Consolidated Accounts

01 SHARE CAPITAL

Rs. Lakhs

As at 31st March,	2011	2010
AUTHORISED :		
Preference Shares:		
50,00,000 Redeemable Preference Shares of Rs. 100 each	5000	5000
Equity Shares:		
51,50,00,000 Equity Shares of Re. 1 each	5150	5150
(2010- 51,50,00,000 Equity Shares of Re. 1 each)	10150	10150
ISSUED AND SUBSCRIBED		
17,27,16,940 Equity Shares of Re. 1 each fully paid up (2010 - 17,22,27,628 Equity Shares of Re. 1 each)	1727	1722
Add : Allotment of 4,81,260 Equity Shares of Re. 1 each on exercise of Employees Stock option (2010 - 4,89,312 Equity Shares of Re. 1 each fully paid up)	5	5
17,31,98,200 Equity Shares of Re. 1 each fully paid up (2010 - 17,27,16,940 Equity Shares of Re. 1 each)	1732	1727
(Of the above 6,89,48,590 Equity Shares of Re. 1 each have been allotted as fully paid up for consideration other than cash.)		

02 RESERVES AND SURPLUS

Rs. Lakhs

	As at March 31, 2010	Additions	Deductions	As at March 31, 2011
CAPITAL RESERVES				
Capital Subsidy	11	-	-	11
Capital Reserve	14980	4	-	14984
Capital Redemption Reserve	3599	1175	-	4774
Fixed Assets Revaluation Reserve (Note 1)	568	-	14	554
Securities Premium Account	26333	1942	7208	21067
Debenture Redemption Reserve	417	750	-	1167
Subtotal	45908	3871	7222	42557
REVENUE RESERVES				
Statutory Reserve	3	-	-	3
Pre acquisition reserve	6889	-	-	6889
General Reserve	107842	2371	161	110052
Profit and loss Account	82161	31228	5100	108289
Hedging Reserve Account	-	4	-	4
Currency Translation Reserve	2062	(1315)	-	747
Adjustments on Consolidation as per AS-21/23/27 (Note 2)	(68952)	-	(19348)	(49604)
Subtotal	130005	32288	(14087)	176380
Total	175913	36159	(6865)	218937

Note :

1. Deduction during the year represents Rs. 14 Lakhs transferred to Profit & Loss A/c
2. Detailed break up of Adjustments:

		Rs. Lakhs
Transfer to Capital Reserve on Consolidation	(5039)	(3488)
Transfer to Minority Interest	(61480)	(20348)
Adjusted as Pre-acquisition Reserve	(7617)	(16693)
Share of Pre/Post-acquisition Reserves	5184	(9075)
	(68952)	(49604)

Schedules Forming Part of Consolidated Accounts

03 SECURED LOANS

Rs. Lakhs

As at 31st March,	2011	2011	2010	2010
(a) Privately placed Secured, Redeemable Non-convertible debenture				
- 8.65% Non-Convertible Debenture (2009-10 series)	5000		5000	
- 9.40% Non-Convertible Debenture (2010-11 series)	4000	9000	-	5000
(b) Term Loans from:				
i) Government of India -Sugar Development Fund	13005		8441	
ii) Banks *	94144		57070	
iii) Others	554		-	
		107703		65511
(c) Other Loans and Advances - Cash Credit from Bank		46641		51367
Add : Share in Joint Venture		16464		12188
		179808		134066

* Secured by hypothecation of certain fixed assets and current assets, both present and future

04 UNSECURED LOANS

As at 31st March,	2011	2010
(a) Commercial paper	-	2000
(b) Short Term loan from Banks	124175	139773
(c) Other than Banks - Others	12376	14811
Add : Share in Joint Venture	15986	9960
	152537	166544

05 FIXED ASSETS

Rs. lakhs

	Gross Block at Cost or Revaluation					Depreciation					Net Block	
	As at 01.04.2010	Additions on Acquisitions (Note 2 of Schedule 19)	Additions	Deletions/ Adjustments	As at 31.03.2011	As at 01.04.2010	Additions on Acquisitions (Note 2 of Schedule 19)	For the Year	With-drawn/ For the Year Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Leasehold Land (Note 1)	1788	26	94	-	1908	200	7	31	-	238	1670	1588
Freehold Land	30390	2600	1156	154	33992	3	-	-	3	-	33992	30387
Buildings (Note 2 and 3)	24995	11535	2233	91	38672	5160	1599	1206	51	7914	30758	19835
Railway Siding	699	-	2	-	701	304	-	33	1	336	365	395
Plant and Machinery	201497	48721	7246	699	256765	79567	9373	15207	191	103956	152809	121930
Furniture and Office Equipments	8626	1568	754	258	10690	4722	686	1172	567	6013	4677	3904
Motor Vehicles	2395	400	611	253	3153	1200	156	417	206	1567	1586	1195
Patent	286	302	102	2	689	251	36	50	-	337	352	35
	270676	65152	12198	1457	346570	91407	11857	18116	1019	120361	226209	179269
PREVIOUS YEAR	235339	475	36337	1475	270676	78797	43	13345	778	91407		
Capital Work-in-Progress											38234	18215
Add: Share in Joint Venture											21352	19892
											285795	217376

Notes :

1. Amortisation Leasehold land for the year is Rs. 0.08 Lakhs (2010 - Rs. 0.08 Lakhs).
2. Includes cost of Rs. 31 Lakhs (2010 - Rs. 31 Lakhs) for which title deeds are yet to be received from the Registrar.
3. Includes Building taken on Lease : Cost : Rs. 884.41 Lakhs (2010 - Rs. 884.41 Lakhs) and Accumulated Depreciation : Rs. 214.54 Lakhs (2010 - Rs. 199.81 Lakhs).
4. Additions to Plant and Machinery and Buildings for the year include interest capitalised amounting to Rs. 644.32 Lakhs (2010 - Rs. 121.12 Lakhs).

Schedules Forming Part of Consolidated Accounts

06 INVESTMENTS

Rs. Lakhs

As at 31st March,		2011		2010
Long Term : -				
A) Quoted (Fully Paid)				
Trade - Equity Shares :				
Others		2		-
Non - Trade - Equity Shares :				
Others		51		33
		53		33
B) Unquoted (Fully Paid)				
Trade - Equity Shares :				
Associates		-		2
Others		13356		13298
Non - Trade - Equity Shares :				
Associates	-		4519	
Less : Profit/(Loss) from Associate	-	-	(641)	3878
Others		42		51
		13398		17229
C) Government Securities		3751		3662
D) Public sector Bonds		114		100
Short Term : -				
E) Mutual Funds - Non quoted		1020		37811
(A+B+C+D+E)		18336		58835
Add: Share in Joint Ventures		-		-
Less : Provision for Diminution in value of investments		(9)		(7)
Total		**18327**		**58828**
Market Value of Quoted Investments		396		204

07 INVENTORIES

As at 31st March,	2011	2010
Raw Materials	92093	57701
Work-in-Process #	10612	2911
Finished Goods	92768	50457
	195473	111069
Consumables, Stores and Spares	8071	5087
Add: Share in Joint Venture	15857	10171
	219401	**126327**

includes Rs. 5375 Lakhs of property development expenses held as Inventory by a subsidiary.

Schedules Forming Part of Consolidated Accounts

08 SUNDRY DEBTORS

Rs. Lakhs

As at 31st March,		2011		2010
Debts outstanding for a period exceeding six months				
Secured - Considered Good	327		137	
Unsecured - Considered Good	5141		2567	
Unsecured - Considered Doubtful	944		797	
	6412		3501	
Less : Provision for Doubtful Debts	944	5468	797	2704
Other Debts:				
Secured - Considered Good	1804		1470	
Unsecured - Considered Good	31456	33260	20849	22319
Add : Share in Joint Venture		1170		-
		39898		25023

09 CASH AND BANK BALANCES

As at 31st March,	2011	2010
Cash on hand (including cheques on hand)	178	61
Balance with Scheduled Banks:		
In Current Account	37032	9773
In Dividend Account	502	446
In Margin Money Account	27	35
In Deposit account	64541	93710
Balance with other Banks:		
In Current Account	98	35
Add: Share in Joint Venture	438	960
	102816	105020

10 OTHER CURRENT ASSETS

As at 31st March,	2011	2010
7.00% Fertiliser Companies' Government of India Special Bonds 2022	7625	15251
6.20% Fertiliser Companies' Government of India Special Bonds 2022*	19466	38931
6.65% Fertiliser Companies' Government of India Special Bonds 2023	22795	45591
Other Deposits - (Unsecured and Considered Good)	604	-
	50490	99773
Less : Mark to Market Write down	6889	13777
	43601	85996

* Out of these, Nil (2010: 37,500,000) bonds of Rs.100 each have been marked as lien in favour of a lender.

11 LOANS AND ADVANCES

As at 31st March,		2011		2010
Unsecured and considered Good unless otherwise stated :				
MAT Credit entitlement		1555		1430
Advance Tax less provision for taxation		2079		1032
Advance recoverable in cash or in kind or for value to be received				
- Unsecured and Considered Good	133662		79013	
- Considered Doubtful	215		775	
	133877		79788	
Less: Provision for Doubtful Advances	215	133662	775	79013
Add: Share in Joint Venture		396		1914
		137692		83389

Schedules Forming Part of Consolidated Accounts

12 CURRENT LIABILITIES

Rs. Lakhs

As at 31st March,		2011		2010
Acceptance		1527		4457
Sundry Creditors		179407		93803
Advances and Deposits		10566		9155
Due to Directors		55		36
Investor Education and Protection Fund @				
(a) Unpaid Dividend	1321		890	
(b) Interest accrued on above	-	1321	1	891
Other Liabilities		5777		7539
Interest accrued but not due on loans		1908		1152
Add: Share in Joint Venture		4963		1297
		205524		118330

@ These represents warrants/cheques issued and remaining un-encashed as at 31st March, 2011. There is no amount which has fallen due as at Balance Sheet date to be credited to Investor Education and Protection Fund.

13 PROVISIONS

As at 31st March,	2011	2010
Employee Benefits	2632	2269
Proposed Dividend on Equity Shares	-	3454
Corporate Dividend Tax	-	574
Others	69	450
Add:Share in Joint Venture	7	4
	2708	6751

14 OTHER INCOME

For the year ended 31st March,	2011	2010
Profit on sale of Investments	2397	798
Profit on sale of Fixed Assets	344	154
Liabilities/ Provisions no longer required written back	8846	3100
Investment Income	2000	1873
Sundry Income	4254	5872
Interest on Loans and Advances and others	7290	7849
Add: Share in Joint Venture	107	168
	25238	19814

15 MATERIAL COST

For the year ended 31st March,		2011		2010
Raw Materials Consumed		604239		464430
Purchase of Finished Goods		108534		74990
(Increase) / Decrease in Stocks				
Opening Stock:				
Work-in-process	3545		2325	
Finished Goods	53242		61342	
	56787@		63667	
Closing Stock:				
Work-in-process	5237		2911	
Finished Goods	92768		50457	
	98005	(41218)	53368	10299
Add: Share in Joint Venture		10006		597
		681561		550316

@ includes Rs. 3419 Lakhs pertaining to subsidiary acquired during the year

Schedules Forming Part of Consolidated Accounts

16 EMPLOYEE COST

Rs. Lakhs

For the year ended 31st March,	2011	2010
Salaries, Wages and Bonus	23218	19206
Contribution to Provident and Other Funds	1904	1530
Workmen and Staff Welfare Expenses	2748	2312
Add: Share in Joint Venture	189	85
	28059	23133

17 OTHER COSTS

For the year ended 31st March,		2011		2010
Consumption of Stores, Spares and Consumables		20820		12485
Power and Fuel		11427		12807
Rent		2514		1702
Repairs and Maintenance - Buildings	1147		288	
- Plant and Machinery	11065	12212	5790	6078
Insurance		893		494
Rates and Taxes		1406		1031
Packing, Despatching and Freight		39654		35365
Commission to Selling Agents		319		365
Rebates and Discounts		81		167
Auditors' Fees and Expenses		53		38
Directors' Fees and Commission		206		54
Sales Promotion and Publicity		1331		335
Fixed Assets scrapped		25		38
Mark to Market Loss on Bonds		-		2033
Loss on sale of fixed assets		55		525
Loss on sale of investments		3726		
Provision for Doubtful Debts and Advances		247		715
Bad Debts/Advances written off		69		87
General Manufacturing, Selling and Administration Expenses		19138		16600
Add: Share in Joint Venture		4622		127
		118798		91046

18 INTEREST COST

For the year ended 31st March,	2011	2010
Interest on		
- Debentures	524	777
- Other Fixed Loans	7597	2563
- Others	9985	9022
Add: Share in Joint Venture	2040	352
Total	20146	12714

Schedules Forming Part of Consolidated Accounts

19 NOTES ON ACCOUNTS

I. (a) Basis of preparation of accounts

The consolidated financial statements have been prepared on the basis of going concern, under the historic cost convention, to comply in all material respects with applicable accounting principles in India, the Accounting Standards notified under section 211(3C) of the Companies Act 1956 ("the Act") and the relevant provisions of the Act.

The consolidated financial statements include accounts of E.I.D-Parry (India) Limited, ("the company") and its subsidiaries Coromandel International Limited and its subsidiaries and its jointly controlled companies, Parry America Inc, Parrys Investments Limited and its subsidiary, Parrys Sugar Limited, Parry Infrastructure Company Private Limited, Parry Phytoremedies Private Limited, Sadashiva Sugars Limited, US Nutraceuticals LLC and its subsidiaries, Parrys Sugar Industries Limited and its subsidiary, and Joint Venture Company Silkroad Sugar Private Limited all together referred to as 'the Group'.

1. (b) Principles of consolidation

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

(i) 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.

(ii) Intra group balances and intra group transactions and the unrealised profits on stocks arising out of intra-group transactions have been eliminated.

(iii) Investments in Joint Venture, Silkroad Sugar Private Ltd. has been accounted for using proportionate consolidation method, as per AS 27 Financial Reporting of interest in Joint Venture.

(iv) All Inter company transactions, balances and unrealised surplus and deficits on transactions between Group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable and in the case of certain subsidiaries the impact of which is not quantifiable.

(v) The operations of the company's foreign subsidiaries are considered as integral operations for the purpose of consolidation.

(vi) 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. The carrying value of Goodwill is tested for impairment as at the end of each reporting period.

(vii) Minority Interest in the Net Assets of the Consolidated Subsidiaries consists of:

a) The amount of Equity attributable to Minorities at the date on which the investment in the Subsidiary is made; and

b) The Minorities' share of movements in Equity since the date the Parent Subsidiary relationship came into existence.

(viii) Minority Interest share in the Net Profit for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit after Tax of the Group.

1. (c) Statement of Significant Accounting Policies

(i) Basis of Preparation of Financial Statement

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.

Schedules Forming Part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

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 or rates specified in Schedule XIV of the Companies Act, 1956.

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

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 market 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 process, 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 process 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, 2011 aggregates to Rs. 89833 Lakhs. (Previous year - Rs. 54535 Lakhs).

(vi) Revenue Recognition

a) Revenue from sale is recognised when risks and rewards of ownership are transferred to the buyer under the terms of the contract.

b) Sales include Excise duty recovered and are stated net of trade discounts and sales returns.

c) Export Incentive under Duty Entitlement Pass Book Scheme are treated as income in the year of export at the estimated realisable value.

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

Schedules Forming Part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

e) 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.

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

g) 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 & Loss Account. Any profit or loss arising on cancellation of a foreign exchange contract is recognised as income or expense in the Profit & 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 to 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 "Hedging Reserve Account" under Shareholders' Funds and the ineffective portion is recognised immediately in the profit & 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 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 & Loss account for the year.

(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 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

Schedules Forming Part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

and employee state insurance scheme are defined contribution plans. Fixed contributions to the Superannuation Fund, which is administered by trustees and managed by Life Insurance Corporation of India are charged to the Profit & 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 and 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 & Loss Account on graded vesting basis over the vesting period of the options.

(x) Miscellaneous Expenditure

Preliminary 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 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) Provision, 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.

Schedules Forming Part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

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 & Loss Account.

2. (i) Amalgamation of Pasura Bio - Tech Private Limited with the Coromandel International Limited (Coromandel);-

a) Pursuant to the Scheme of Amalgamation (‘the Scheme’) of the erstwhile Pasura Bio-Tech Private Limited (PBPL) with Coromandel International Limited (a subsidiary company of EID Parry (India) Limited), as approved by the Hon’ble High Court of Judicature of Andhra Pradesh on February 21, 2011, the entire business and undertaking of PBPL including all assets, liabilities, duties and obligations have been transferred to and vested in the Company with effect from April 1, 2010.

b) PBPL is engaged in the business of manufacture and sale of Pesticides formulations.

c) The Amalgamation has been accounted for under the ‘Pooling of interests’ method as prescribed by Accounting Standard 14, “Accounting for Amalgamations”, notified under Section 211(3C) of the Act.

d) In accordance with the Scheme, 8,18,475 Equity Shares of Rs. 10/- each held by Coromandel in the equity share capital of PBPL stands cancelled. The difference of Rs. 161.23 lacs between assets, liabilities, statutory reserves of PBPL and the carrying value of investments being cancelled has been adjusted against the General Reserve.

e) All assets, liabilities and licenses held in the name of erstwhile PBPL are in the process of being transferred in the name of Coromandel.

f) In view of the accounting for amalgamation with effect from April 1, 2010, the figures of the current year are not strictly comparable with those of the previous year.

(ii) Acquisition of Shares in GMR Industries Limited (currently known as Parrys Sugar Industries Limited);-

EID Parry (India) Limited has entered into a Share Purchase agreement with GMR Holdings Private Limited for acquisition of shares upto 65% stake in GMR Industries Limited (Currently known as Parrys Sugar Industries Limited), Karnataka. Accordingly, the company has made an open offer to the Shareholders of

Schedules Forming Part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

Parrys Sugar Industries Limited under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and acquired 1,29,75,110 equity shares of Rs. 10/ each representing 65% of the Paid-up Share Capital of Parrys Sugar Industries Limited for Rs. 8475 Lakhs.

Consequently, Parrys Sugar Industries Limited (PSIL) became a subsidiary of the company effective from 27th August, 2010.

The company has also acquired 1,28,31,880, 8% Non-cumulative Redeemable Preference Shares of Rs. 11 each of GMR Industries Limited (currently known as Parrys Sugar Industries Limited) for Rs. 1,412 Lakhs.

(iii) Investment made in US Nutraceuticals LLC:

During the year 2010-11, E.I.D.-Parry (India) Limited has increased its stake from 48% to 51% (increase of 3%) in US Nutraceuticals LLC. Consequently US Nutraceuticals LLC has become subsidiary of the Company.

(iv) Investment in Parry Agrochem Exports Limited by Parrys Investments Limited:

During the year 2010-11, Parrys Investments Limited, a subsidiary of E.I.D.-Parry (India) Limited, had increased the stake to 81% in Parry Agrochem Exports Limited and consequently Parry Agrochem Exports Limited became a subsidiary of E.I.D.-Parry (India) Limited.

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

Name of the company	Country of incorporation	% of voting power held			
		on 31st March, 2011		on 31st March, 2010	
		Direct	Indirect	Direct	Indirect
Parry Chemicals Limited (PCHL)	India		62.86		62.94
Parry America Inc. (PAI)	U S A	100.00		100.00	
Coromandel Bathware Limited (CBL)	India	*		99.99	
Coromandel International Limited (CIL)	India	62.86		62.94	
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 Private Limited (PPPL)	India	62.78		62.78	
CFL Mauritius Limited (CFLML)	Mauritius		62.86		62.94
Coromandel Brasil Limitada (COBL)	Brazil		62.86		62.94
Sadashiva Sugars Limited (SSL)	India	76.00		76.00	
US Nutraceuticals LLC (US Nutra)	USA	51.00		48.00	
Parrys Sugar Industries Limited (PSIL)	India	65.00			
Alagawadi Bireshwar Sugars Pvt. Ltd. (ABSPL)	India		65.00		
Parry Agrochem Exports Limited (PAEL)	India	19.00	81.00	19.00	31.00

* Coromandel Bathware Limited, a subsidiary of E.I.D.-Parry (India) Limited, has been dissolved on 29th January, 2011 under Section 560 of the Companies Act, 1956 under Easy Exit Scheme, 2011.

(ii) In respect of Pratyusha Chemicals and Fertilisers Limited (PCFL), subsidiary company of Coromandel International Ltd. (Coromandel), previously consolidated as an associate company by Coromandel, the % of holding has been reduced from 25% to 12% due to Capital Reduction scheme implemented by PCFL and hence the same has not been considered for consolidation in the consolidated financial statement of Coromandel International Ltd.

(iii) Details of Interest in Joint Venture Company.

Name of the company	Country of Incorporation	% of voting power held on 31st March, 2011	% of voting power held on 31st March, 2010
Silkroad Sugar Private Limited (SSPL)	India	50 %	50 %

(iv) 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, CIL, PICPL, PIL, PSL, PPPL, CFLML, COBL, PSIL, ABSPL, US Nutra, PAEL and SSL and SSPL, a Joint Venture company.

Schedules Forming Part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

			31.03.2011 Rs. Lakhs	31.03.2010 Rs. Lakhs
4.	a.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances)	25914	26614
	b.	Commitment towards Investments	500	--
	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.	13624	29989
		ii. Income tax demands contested for which no provision has been made.	3404	3326
		iii. Claims against the company for Sales Tax, Excise Duty and others including Industrial Disputes not acknowledged as Debt and not provided for.	8040	2348
		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	826
		vi. The company had an opening export obligation of 22,641 MT arising out of raw sugar imported against Advance licences in earlier years. The company has fulfilled the export obligation of 22,641 MT during the year 2010-11. There is no balance export obligations as on March 31, 2011.		

5. (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) debited to the respective heads of account in the Profit and Loss Account is Rs. 6,043 lakhs (2010 - Rs. 9,635 lakhs debit).

(ii) The Group has entered into certain operating lease agreements and an amount of Rs. 1,524.65 lakhs (2010 - Rs. 1,415.05 lakhs) paid under such agreements has been charged to the Profit and Loss Account. These agreements are cancellable in nature.

(iii) Exchange difference in respect of forward exchange contracts to be recognised in the Profit and Loss Account in the subsequent accounting period is Rs. 1,199.91 lakhs debit (2010: Rs. 153.03 lakhs debit).

(iv) In respect of subsidiary company, Coromandel, it has recognised subsidy income for the current year as per the Nutrient Based Subsidy (NBS) Policy announced by Government of India, effective April 1, 2010. Such income has been shown under "Government Subsidies" in the Profit and Loss Account. The subsidy income for the year includes Rs. 22,652 lakhs (2010 - Rs. 26,211 lakhs) relating to previous years, following announcement / determination of the final rates of concession for the previous years.

(v) During the year, Government of India has decided to buy back the remaining Fertiliser Companies' Government of India Special Bonds (Fertiliser bonds - issued by it in an earlier year in lieu of subsidy dues) in two equal tranches during 2010-11 and 2011-12 through Reserve Bank of India and also decided to share atleast 50% of the loss on such sale of fertiliser bonds. Accordingly the company has sold 50% of the fertiliser bonds of each coupon rate held (aggregate face value of Rs. 49,886.45 lakhs) on 31st March 2011 and accounted for a loss of Rs. 7,435.51 lakhs. The company has also recognised 50% compensation receivable from Government of India amounting to Rs. 3,717.76 lakhs. Consequently Mark to Market provision of Rs. 6,888.58 lakhs made in respect of these bonds have been reversed. In respect of unsold bonds, the company continues to value the same at the current market price pending confirmation on the price and timing of sale by Government of India.

(vi) In respect of joint venture company Silkroad Sugar Private Limited, their debtors include amounts due from Cargill International S.A. aggregating to Rs. 20.88 Lakhs and Creditors include amounts due to Cargill International S.A. aggregating to Rs. 72.17 Lakhs. These balances are subject to confirmation by Cargill International S.A.

Schedules Forming Part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

vii) 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:

Rs. Lakhs

Particulars	Gratuity Plan *		Superannuation and other Pension Plans	
	2010-11	2009-10	2010-11	2009-10
Projected benefit obligation at the beginning of the period	3080.84	1477.05	115.36	151.01
Current service cost	291.35	134.33	1.70	4.50
Interest cost	235.91	107.37	9.23	11.33
Actuarial loss/(gain)	406.17	157.02	(9.45)	(20.60)
Benefits paid	(333.72)	(168.35)	-	-
Projected benefit obligation at the end of the period	3680.55	1707.42	116.84	146.24
Amounts recognised in the balance sheet				
Projected benefit obligation at the end of the period	3680.55	1707.42	116.84	146.24
Fair value of plan assets at end of the period	3382.64	1675.85	-	-
Funded status of the plans – (asset)/ liability	297.91	31.57	116.84	146.24
Liability recognised in the balance sheet		-		-
Cost for the period				
Current service cost	291.35	134.33	1.70	4.50
Interest cost	235.91	107.37	9.23	11.33
Expected return on plan assets	(238.11)	(128.15)	-	-
Net actuarial (gain)/loss recognised in the period	346.23	145.27	(9.45)	(20.60)
Past service cost	214.00	(1.59)	-	-
Net Cost recognised in Profit and Loss Account	849.38	257.23	1.48	(4.77)
Assumptions				
Discount rate	8%	7/8%	8%	7.00%
Estimated rate of return on plan assets	8%	7/8%	8%	7.00%
Expected rate of salary increases	5%	3.50/5%	5%	3.50%

* In the absence of detailed information regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed. The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation report and hence, are not furnished.

Current year figures includes employee benefits relating to Parrys Sugar Industries Limited (PSIL) which has been acquired during the year and hence previous year figures are not comparable.

6. In respect of overseas subsidiary companies, 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 & Loss account.

7. Composition of Business Segments:

Farm Inputs	Sugar	Co-generation	Bio-Products	Others
Fertilisers	Sugar	Power	Neem Products	Corporate
Pesticides	Spirits		Organic Manure	Investments, Infrastructure development
			Nutraceuticals	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 :

Primary Segments — Rs. Lakhs

Particulars	Farm Inputs		Sugar		Co-generation		Bio-Products		Others		Elimination		Overall	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue (Sales/Income) :														
(Gross of Excise Duty)														
External Customers	758488	642943	144617	104518	21266	10305	15426	7522	13721	7233			953518	772521
Inter-segmental Sales		118	2706	400	4135	1275		1849			(6841)	(3642)		
Total	758488	642943	147323	104518	25401	11580	15426	7522	13721	15082	(6841)	(3642)	953518	772521
Results :														
Operating Profit/(Loss)	99143	70956	(7164)	15768	3092	1050	584	753	(707)	(1333)			94948	87194
Profit on sale of Investments													2397	798
Dividend Income													2000	1873
Share in Joint Venture PBIT													(4157)	25
Interest Expenses													(20146)	(12714)
Interest Income													7290	7849
Profit Before Tax													82332	85025
Income Tax - Current													(29758)	(26132)
- MAT Credit Entitlement a/c													125	1369
- Deferred													2805	(3546)
- Fringe Benefit													-	4
Net Profit before Minority Interest													55504	56720
Less : Minority Interest's share													(24276)	(16981)
Add : Share of Associates' Profits													-	(351)
Adjustment on Consolidation													-	(28)
Net Profit relating to the Group													31228	39360
Other Information :														
Segment Assets	537061	463700	154693	89911	56188	40651	20111	10234	1809	8231			769862	612727
Share in Joint Venture													40713	32938
Unallocated Corporate Assets													48552	56988
Total Assets													859127	702653
Segment Liabilities	183911	92686	34837	21041	4108	2624	3458	769	8745	7757			235059	124877
Share in Joint Venture													37421	23449
Unallocated Corporate Liabilities													289377	298443
Minority Interest													73120	71861
Total Liabilities													634977	519974
Capital Expenditure	24552	22606	5287	20100	566	1169	532	316	1633	1047			32570	52839
Depreciation	6207	5942	6764	4368	3402	2326	636	354	410	341			17419	13331
Non-cash expenditure													(4724)	243

Rs. Lakhs

	Secondary Segments									
	India		North America		Europe		Rest of the World		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Segment Revenue	924515	766360	10406	3217	7676	2041	10921	903	953518	772521
Carrying Amounts of :										
Segment Assets	850683	699684	7210	1966	890	711	344	292	859127	702653
Segment Liabilities	631332	518534	3051	866	543	481	51	93	634977	519974
Capital Expenditure	32304	52838	266	1	-	-	-	-	32570	52839

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) Joint Venture company

- Silkroad Sugar Private Limited

b) Key Management Personnel (KMP)

1. Mr. K. Raghunandan, Managing Director (upto 28th January, 2011)
2. Mr. Ravindra S. Singhvi, Managing Director (From 29th January, 2011)
3. Mr. V. Ravichandran, Managing Director in Coromandel International Limited (upto 19th October, 2010)
4. Mr. Kapil Mehan, Managing Director in Coromandel International Limited (From 20th October, 2010)

c) Transactions with related parties

	2010-11		2009-10	
	Joint-Ventures/ Associates	KMP	Joint-Ventures/ Associates	KMP
Sale of Goods				
Associate – US Nutraceuticals LLC	--		23	
Rendering of services				
Joint Venture Company – Silkroad Sugar Pvt. Ltd.	30		24	
Deputation Charges Received				
Joint Venture Company – Silkroad Sugar Pvt. Ltd.	43		76	
Receipt of Services				
Associate – US Nutraceuticals LLC	--		8	
Subscription to Equity Shares				
Joint Venture Company – Silkroad Sugar Pvt. Ltd.	--		1429	
Managerial Remuneration *				
Closing Balance – Debit				
Joint Venture Company – Silkroad Sugar Pvt. Ltd.	123		25	
Associate – US Nutraceuticals LLC	--		36	

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

Schedules Forming Part of Consolidated Accounts

19 NOTES ON ACCOUNTS (Contd.)

9. EARNINGS PER SHARE

Effective from 24th December, 2010, the company has subdivided the nominal value of equity shares from Rs. 2 per share to Re. 1 per share. Effect of this has been given in the Earnings Per Share computation.

	Particulars	Year ended March 31, 2011	Year ended March 31, 2010
(a)	Profit after Taxation (Rs. Lakhs)	31228	39360
(b)	Number of equity shares of Re. 1 each outstanding at the beginning of the year	172716940	172227628
(c)	Number of shares issued pursuant to exercise of Employees Stock option	481260	489312
(d)	Number of equity Shares of Re. 1 each outstanding at the end of the year	173198200	172716940
(e)	Weighted Average number of Equity Shares	172938693	172462272
(f)	Diluted shares on account of issue of ESOP option granted	916266	1086166
(g)	Number of potential equity shares of Re. 1 each outstanding at the end of the year	173854959	173548438
	Earnings per Share		
	Basic - (Rs.) (a)/(e)	18.06	22.82
	Diluted - (Rs.) (a)/(g)	17.96	22.65

10. DEFERRED TAX

Break up of Net deferred tax liability is as under	31.03.2011 Deferred Tax Liability/(Assets) Rs. Lakhs	31.03.2010 Deferred Tax Liability/(Assets) Rs. Lakhs
Difference between tax and book written down value of fixed assets	25565	23907
Others	(4285)	(1485)
Net Deferred Tax Liability	**21280**	**22422**

11. The financial reporting of interest in Joint venture for the current year is based on audited financial statements.

12. Previous year's figures have been regrouped/reclassified to conform to Current year's classification.

On behalf of the Board

Ravindra S Singhvi
Managing Director

A. Vellayan
Chairman

Chennai
April 29, 2011

Suresh Krishnan
Secretary

P. Gopalakrishnan
Vice-President (Finance)

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

Rs. Lakhs

Name of Subsidiary	Coromandel International Limited		Parry Chemicals Limited		CFL Mauritius Ltd.		Coromandel Brasil Ltda@	Parrys Sugar Industries Ltd.@	Alagawadi Bireshwar Sugars Pvt. Ltd.@	Sadashiva Sugars Ltd.		Parry Infrastructure Co. Pvt. Ltd		Parrys Investments Limited		Parry America Inc.		Parrys Sugar Ltd.		Parry Phytoremedies Pvt. Ltd.		US Nutra ceuticals LLC	Parry Agrochem Exports Ltd @
Particulars	2010-11	2009-10	2010-11	2009-10	Year ended 31st Dec. 2010	Period ended upto 31st Dec. 2009	2010-11	2010-11	2010-11	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2010-11
Share Capital	2818	2805	50	50	8169	8144	270	3407	102	6027	6027	500	500	25	25	34	38	150	150	170	170	8725	5
Reserves & Surplus	187593	140693	119	116	6250	6219	(201)	(3293)	-	(3543)	(1461)	90	1	31	18	232	121	45	37	(336)	(239)	(4577)	18
Total Liabilities $	333166	295561	461	318	17312	4006	80	80229	1324	23674	17452	9298	4097	4	-	1333	1498	12	-	1,059	952	1402	1
Total Assets #	523577	439059	630	484	31731	18369	149	80343	1426	26158	22018	9888	4598	60	43	1599	1657	207	187	893	883	5550	24
Total Income (incl. other income)	771614	652685	47	57	62	74	2	29077	6	6774	1124	1378	189	97	1	2465	1397	11	13	974	603	5058	190
Profit/(Loss) Before Tax	98846	70844	9	7	(188)	(46)	(133)	(7884)	(1)	(2683)	(1470)	132	6	92	-	174	87	11	12	(130)	(134)	(742)	190
Provision for Tax	29400	24024	6	5	(200)	(12)	-		-	(601)	-	44	-	-	-	65	38	3	3	(40)	(45)	-	38
Profit/(Loss) after Tax	69446	46820	3	2	12	(34)	(133)	(7884)	(1)	(2082)	(1470)	88	6	92	-	109	49	8	9	(90)	(89)	(742)	152
Proposed Dividend (incld Dividend Tax)	9827	6543	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments (included in Total Assets)	21233	21105	-	-	12419	12379	-	14	-	2	2	193	6	59	40	-	-	67	64	-	-	31	15

Note: Coromandel Bathware Limited was dissolved during the year 2010-11 under Easy Exit Scheme, 2011 as per Section 560 of Companies Act, 1956.

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

(Net Fixed Assets + Current Assets + Investments)

@ become subsidiary during the year 2010-11

The Spirit of the Murugappa Group

Integrity

Responsibility

Passion

The five lights

The values, principles and beliefs that have always guided us and continue to show the way forward.

Respect

Quality

Integrity

We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

Passion

We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

Quality

We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

Respect

We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

Responsibility

We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that befits our size and also reflects our humility.

murugappa

Be the energy

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