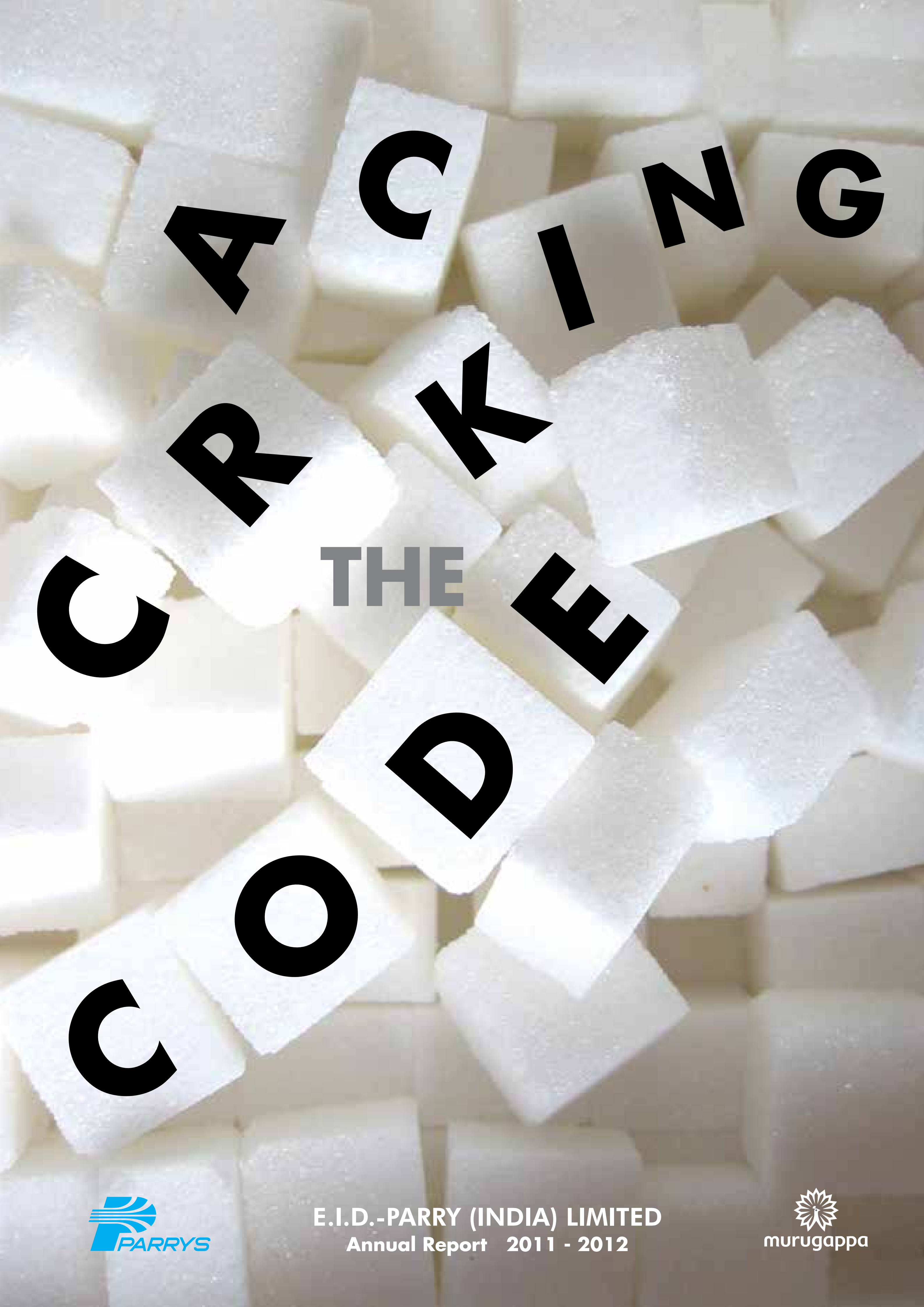


CRACKING THE CODE

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

Annual Report 2011 - 2012

CONTENTS

CRACKING THE CODE

Stretch goals that defied the impossible. Record clocks wired to spin. A motivated team driven by an inner fire to exceed and excel. At E.I.D. Parry 2011-12 was a milestone year. A fiscal when the company cracked the code of cyclicality. Redefined the perimeter of the extraordinary and the norm. Across the company, the year was marked by a peak in performance and process efficiencies, product innovation and people capabilities. The Sugar Division redefined industry trends, reset benchmarks and emerged a clear winner. While the Bio-products business registered robust growth with a range of plant and crop vitalisers, the Nutraceuticals business enlarged its presence in the OTC segment with a slew of health and body care products. Each of the three businesses cracked the code and reinvented sustainable strategies.

'Parry's' has been selected and is being awarded the Consumer Superbrand ranking for 2011-12 by popular consensus among both consumers and industry experts. This global acknowledgement places it in an elite league of the world's best brands. Parry's Sugar is the only sugar brand in India to be conferred Superbrand status.

CRACKING THE CODE

PERFORMANCE EXCELLENCE

Performance excellence in process methods and business strategies became the driving force of the sugar business as it worked its magic of revival and restoration and rewrote business history. The division charted a new and dynamic direction to growth, breaking away from the confined code of cyclicality. Across plants, people and process efficiencies redefined industry trends, broke records and created new benchmarks in manufacturing. Enhanced operational efficiencies, increase in planting acreage and reduction in downtime contributed to a quantum jump in sugar production. Exports touched a new high.

Focus on quality and deliverables contributed to performance excellence. Across plants, dedicated teams worked to improve the quality of the sugar produced and ensured compliance to standards, right from cane planting to finished product. The refinery at Nellikuppam received its accreditation for ISO 22000 PAS 220 equivalent to the highest Food Safety Management Standards, opening up vendor opportunities with global pharma, food and beverage manufacturers.

The Bio Products business scripted a success run with a 13% growth in profits. Collaborative farmer centric initiatives, structured field trials, rural training programmes and a dedicated, direct contact field force, working closely with the farmers helped the division to establish its non aza brand of plant vitalisers and position itself as a Total Solution Provider in Crop Management.

New products and new markets was the defining strategy of the Nutraceuticals Division. The business expanded its product offering in Active, Health and Body Care in the OTC segment, through breakthrough research, clinical trials and innovative marketing strategies.

CRACKING THE CODE

PRODUCT INNOVATION

Product innovation served as a growth driver and enabled the company to crack the code of traditional business trends. The sugar division made a strategic shift in marketing sugar from a commodity product to a customer driven, value add variant, thereby increasing its institutional sales and earning higher revenue. The business also leveraged the potential of its co-products and converted its residual potash waste to 'Kash', a fertilizer used in agriculture. In the global market, the division expanded its market space with export sales recording a new high.

At the Bio Products division, Neemazal continued to garner new accreditations and expand its global presence in the Agri, Home and Garden segment. Organic spirulina produced by E.I.D. Parry became the first and only spirulina in the world to qualify as per the proposed USP monograph. Capitalising on the growing trend in organic cultivation, the division launched its Abda, Abda Gold and Abda Foliar brand of liquid plant vitalisers for new crop segments. Customer driven demand for the vitalisers, helped to ramp up a 42% increase in domestic sales and contributed to an upward growth graph.

New product lines, focused market penetration and visibility promotion marked the winning strategy of the Nutraceuticals division. In line with its strategic intent to consolidate its presence in the US market and increase its global footprint, the company acquired a 100% voting right in Valensa International. The division also forayed into the OTC segment, expanding market base with a range of Health and Body care products such as GreenT[6], Rejuveneyes and Pro9 brand of dietary supplements. New products that are market ready and poised for a commercial breakthrough include, 'Fenupower' clinically proven for its efficacy in diabetic care and 'Spiriblu' a research based, natural blue colourant.

CRACKING THE CODE

PEOPLE SYNERGY

At E.I.D. Parry, the year 2011-2012 ushered in a totally new direction to people and human resource management. Driven with a zeal to excel, teams across plants demonstrated a cohesive oneness in cracking the efficiency code and making stretch goals easy and effortless.

The People Strategy of ‘Building organisation capability to deliver superior business performance’ worked in tandem with the Company‘s key business imperatives for growth and transformation.

E.I.D. continued to invest in people for building leadership capabilities, focusing on employee engagement initiatives which touched base with people aspirations and created an exciting work culture. There was a pulsating people energy as empowered teams across the Company innovated, broke records, won awards and jubilated. At E.I.D., people synergy had set a new direction.

MESSAGE FROM THE CHAIRMAN

A great team always demonstrates its ability to remain cohesive, surmount challenges, define new directions and excel.

Dear Shareholders,

We began the year 2011-2012 with a resolve and certainty, that, irrespective of economic trends and industry indicators, we would correct the trend of the past fiscal in our main sugar business and achieve a turnaround. I am indeed very happy to share with you the significant growth that your company achieved during the year, with each of the businesses putting in a creditable performance.

Sugar : The Sugar Division did exceedingly well despite it being a challenging year for the overall industry. This was made possible by a concerted effort to optimize efficiencies, sweat assets and achieve stretch targets. The team touched the highest ever record in production and process capabilities in sugar and co-products. The team has clearly demonstrated its ability to surmount challenges, define new directions and still remain cohesive. We are also encouraged by the appointment of Rangarajan Committee to look at moving towards de-control of the sugar industry. This is a move which has been awaited for a long time and should augur well for our Company. An indication of the thinking of the Government was the release of sugar exports without licensing. This itself is a move in the right direction and should help the Sugar Division earn a better price parity for its sugar in the overseas markets.

Acquisitions made during the previous years were consolidated with a 100% increase in stake in Sadashiva Sugars. The process of gradual merging of Parrys Sugar Industries Limited into E.I.D. has also begun and during the year 2012-13 this will be given effect to. This would enlarge E.I.D.'s scope of operations in the future. Technology upgradation, reduction in cyclicality and diversification into value added products, would be the drivers of future growth.

Bio-Products and Nutraceuticals : The Bio Products business capitalized on the growing demand for organic farming crop protection products. The division posted a robust growth, establishing itself as a Provider of Total Solutions in Crop Protection. Nutraceuticals expanded its market presence in health and body care, with a range of differentiated product offerings for the OTC segment.

Last year was a challenging one for the Company, but the team demonstrated its capabilities to excel in difficult circumstances and is well poised to continue this performance into the next year.

As we march into another year with confidence, I thank all our shareholders for their continued support and patronage.

Yours sincerely
A Vellayan
Chairman

MESSAGE FROM THE MD

I believe that every target is but a milestone to be reached and every hurdle has a code to be cracked.

Dear Shareholders,

I am very happy to share with you the performance during the year 2011-2012.

Sugar: It was a defining year for the sugar business as it cracked the code of cyclicality, fettering growth and emerged with a creditable performance. The business did exceedingly well despite it being a challenging year for the overall industry. Process optimization initiatives across plants contributed to an increase in revenue both from sugar and co-products. The cane crushed for the year exceeded 48 lakh MT as against 28 lakhs MT for the same period last year. Consequently, sugar production touched 4.34 Lakh MT, registering a 72% increase over the previous year. Sale of sugar rose to 4.04 lakh MT compared to 3.21 lakh MT during the previous year. While domestic sales was dependant on market trends, sales of export sugar touched a new high. The sugar division also made a strategic shift in marketing sugar from a commodity product to a customer driven, value add variant, thereby increasing its institutional sales and earning higher revenue.

Bio Products: The growing global trend for organic methods of cultivation has resulted in an increased interest in bio pesticides. E.I.D.'s flagship brand, Neemazal, a neem based, pure Azadirachtin bio-pesticide continued to enlarge its global market presence in the agri, home and garden segment. During the year, the division posted a 42% increase in domestic sales, establishing the Abda and Abda variant, plant vitalisers for different crop segments.

Nutraceuticals: The business leveraged the growing trend for nature care products with its segmental and target specific offerings in Active Care, Health Care and Body Care, with a range of differentiated product offerings for the OTC segment.

The past year saw a strategic shift in human resource deployment. The organisation structure was re- aligned to be in tandem with stretch goals. I am reminded of the courage and dedication demonstrated by our teams at Nellikuppam and Puducherry, in tackling the aftermath of the Thane hurricane and getting the plants readied within a short span of 3 days and simultaneously catering to the needs of the community around for food, water and shelter. It is this which makes me believe that every target is but a milestone to be reached and every hurdle has a code to be cracked. Looking ahead for a great year, with a great team.

Yours sincerely
Ravindra S Singhvi
Managing Director

BOARD OF DIRECTORS

Mr. A. Vellayan

Mr. A. Vellayan (59) 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 E.I.D. - Parry Board in the year 1999. He has 31 years of industrial experience. He has been the Chairman of the Company since 2006.

Mr. V. Ravichandran

Mr. V. Ravichandran (55) is a Non Independent Director and Vice Chairman. He is an Engineering Graduate and holds a Post Graduate Diploma in Management from IIM, Ahmedabad. He is also a Cost Accountant and a Company Secretary. He has 32 years of experience, including 27 years in the Murugappa Group. He is the Lead Director for Fertilisers and Sugar businesses. He joined the E.I.D. - Parry Board in the year 2009.

Mr. Ravindra S. Singhvi

Mr. Ravindra S.Singhvi (54) 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

Mr. Anand Narain Bhatia (65) 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 Caribbean and successfully established Unilever business in the Caribbean. He joined the E.I.D. - Parry Board in the year 2004. He has 41 years of industrial experience and is the Chairman of the Shares & Shareholders/ Investors Grievance Committee.

Mr. V. Manickam

Mr.V.Manickam (60) 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 retired as the Managing Director and Chief Executive Officer of LIC Pension Fund Ltd., Mumbai on 31st March, 2012. He joined the E.I.D. - Parry Board in the year 2008.

Mr. M.B.N. Rao

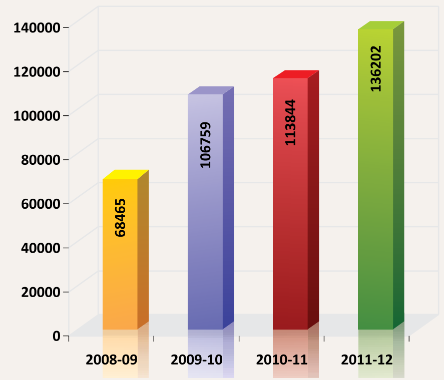
Mr.M.B.N.Rao (63) is an Independent Director and a former Chairman and Managing Director of Canara Bank. He was also Chairman and Managing Director of Indian Bank during the period from 2003 to 2005. He is a Graduate in Agriculture and an Associate of the Chartered Institute of Bankers and a Fellow of the Indian Institute of Banking & Finance. A Banker with over 38 years of hands on experience and over 9 years of overseas experience, he was the Board level appointee for about 8 years and at Chairman level for about 5 years. He joined the E.I.D. - Parry Board in the year 2009. He is the Chairman of the Risk Management Committee.

Mr. R.A. Savoor

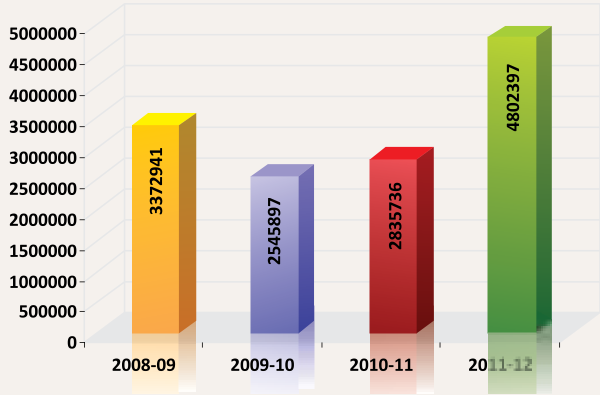
Mr.R.A.Savoor (68) is an Independent Director. He is a B.Sc. Tech. He retired as Managing Director of Castrol India Ltd. He was with Castrol for 34 years, of which 12 years was as Chief Executive and Managing Director. Under his leadership Castrol India had grown from being a minor oil company to becoming the number 2 lubricant company in India and the second largest Castrol company worldwide. He joined the E.I.D. - Parry Board in the year 2002. He has 42 years of industrial experience. He is the Chairman of Audit Committee and Compensation & Nomination Committee.

FINANCIAL HIGHLIGHTS

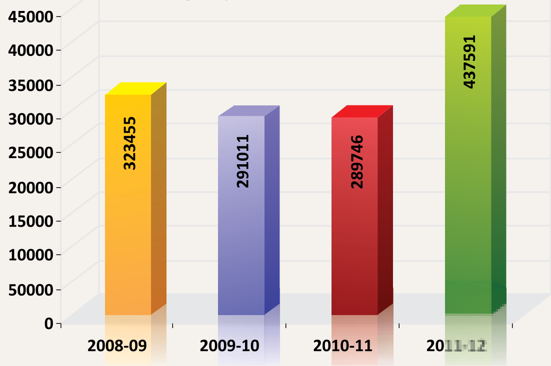
Total Income (Sugar, Cogen, Distillery) in Rs. Lakhs



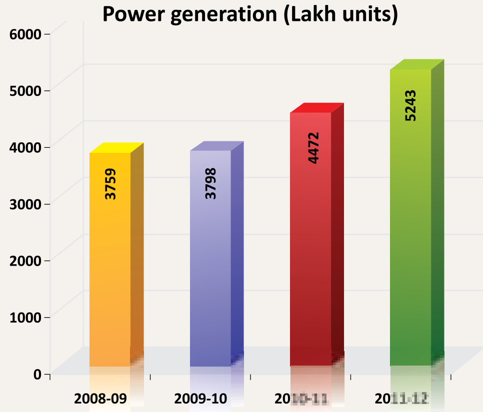
Cane crushed (MT)



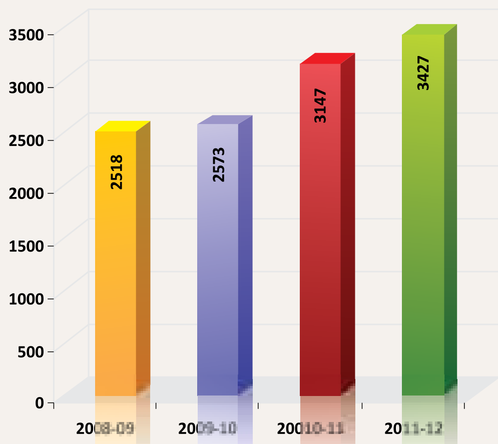
Sugar production (MT)



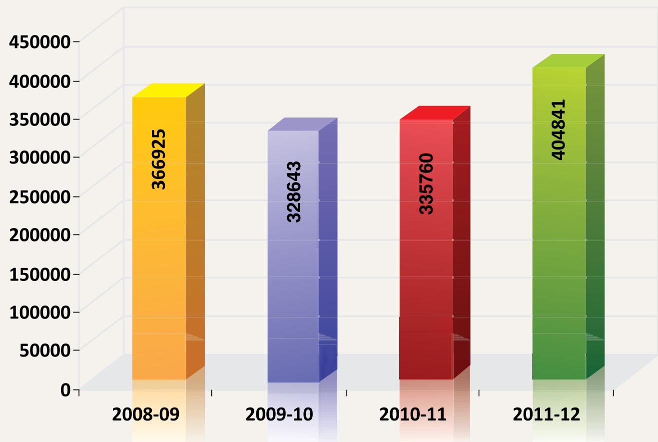
Power generation (Lakh units)



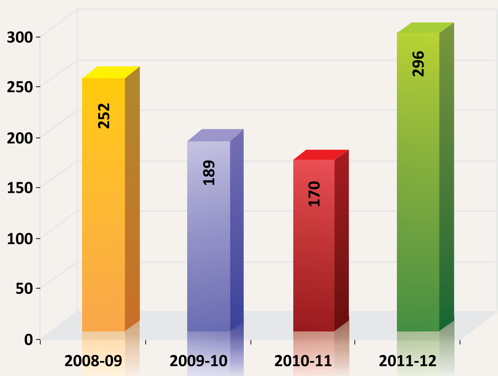
Power export to grid (Lakh units)



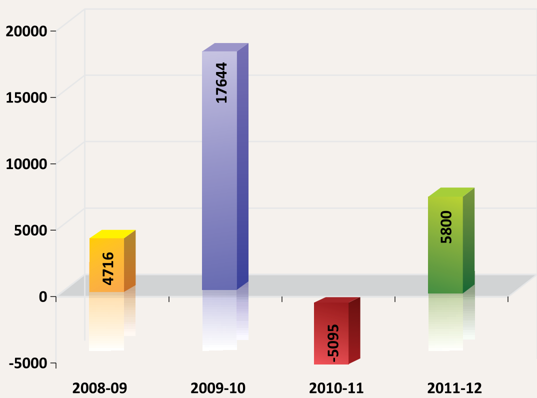
Sales quantity (MT)



Number of operating days



Profits (PBIT for Sugar, Cogen, Distillery) in Rs. Lakhs



CORPORATE INFORMATION

BOARD OF DIRECTORS	A. Vellayan, Chairman V.Ravichandran, Vice Chairman Ravindra S.Singhvi, Managing Director Anand Narain Bhatia V.Manickam M.B.N.Rao R.A.Savoor
COMPANY SECRETARY	Suresh Krishnan
CORPORATE MANAGEMENT TEAM	Ravindra S.Singhvi, Managing Director Sajiv K. Menon, Business Head - Bio & Nutraceuticals 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 Vice President & Company Secretary Tel: +91-044 -25306789 Fax:+91-044 -25341609 E-mail : investorservices@parry.murugappa.com

FINANCIAL HIGHLIGHTS - TEN YEARS AT A GLANCE

Rs. Lakhs except ratios

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 @	2011-12
Profitability Items										
Gross Income	137636	64145	81913	103044	73869	72932	170599	133526	147386	175364
Gross Profit (PBDIT)	11487	9119	15893	17766	20109	1898	96539	35536	18927	27447
Depreciation & Amortisation	4502	3037	2817	2915	3287	4403	5017	6933	7370	7397
Profit/(Loss) before Interest & Tax	6985	6082	13076	14851	16822	(2505)	91522	28603	11557	20050
Finance costs	3282	753	350	739	(211)	1345	2682	3857	4817	6443
Profit/(Loss) Before Tax	3703	5329	12726	14112	17033	(3850)	88840	24746	6740	13607
Tax	1020	1006	2300	2528	4291	(2192)	19644	4218	(1186)	(125)
Profit/(Loss) after Tax	2683	4323	10426	11584	12742	(1658)	69196	20528	7926	13732
Balance Sheet Items										
Net Fixed Assets	47978	29428	31460	33322	48256	61999	85942	84650	80986	80876
Investments	7663	11011	10126	11167	11736	18344	48561	68282	43414	68278
Net Current Assets and Advances	24803	19420	22680	33131	35616	33537	26584	27561	61572 #	63604 #
Total Capital Employed	**80444**	**59859**	**64266**	**77620**	**95608**	**113880**	**161087**	**180493**	**185972**	**212758**
Shareholders Funds	38573	32877	40850	47939	53005	50607	96346	109066	114474	121223
Borrowings	33469	22160	18340	24880	35236	58161	53853	57552	58809	78971
Deferred Tax Liability (Net)	8402	4822	5076	4801	7367	5112	10888	13875	12689	12564
Total	**80444**	**59859**	**64266**	**77620**	**95608**	**113880**	**161087**	**180493**	**185972**	**212758**
Ratios										
Book Value per share (Rs.)	216	184	234	54	60	57	113	127	66	70
EPS (Rs.)	15.03	24.22	58.41	12.98	14.28	(1.86)	77.80	23.81	4.58	7.92
Dividend on Equity %	60	75	125	225	295	25	1000	500	200	400

@ Regrouped based on revised Schedule VI to Companies Act, 1956
# Includes long term loans and advances and excludes current investments and short term borrowings.

Notes : -

1. The Farm Inputs Division was demerged into Coromandel International Limited with effect from April 1, 2003
2. The equity shares of Rs. 10 each were subdivided into shares of Rs. 2 each with effect from June 3, 2005
3. The Parryware Division was transferred on March 1,2006 to Parryware Glamourooms Private Ltd., then a wholly owned subsidiary.
4. Parry Nutraceuticals Ltd. was merged effective 1st September 2006.
5. The equity shares of Rs. 2 each were subdivided into shares of Re.1 each with effect from December 24, 2010.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report together with the audited accounts for the financial year ended 31st March, 2012.

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

FINANCIAL RESULTS

Rs.Lakhs

	2011-12	2010-11
Total Income	171,217	143,840
Profit Before Interest, Depreciation and Tax	27,447	18,927
Less : Interest	6,443	4,817
Depreciation	7,397	7,370
Profit Before Tax	13,607	6,740
Less: Provision for Tax :		
- Current	750	-
- MAT Credit entitlement	(750)	-
- Deferred	(125)	(1,186)
Profit After Tax	13,732	7,926
Add : Surplus brought forward	34,164	30,680
Amount available for Appropriation	**47,896**	**38,606**
APPROPRIATIONS		
Transfer to General Reserve	1,400	800
Transfer to Debenture Redemption Reserve	1,583	750
Dividend on Equity Capital :		
Interim paid	6,947	3,466
Dividend Distribution Tax (Net)	-	(574)
Surplus carried to Balance Sheet	37,966	34,164
TOTAL	**47,896**	**38,606**

PERFORMANCE

The Company posted an all-round improved performance with an impressive top line growth and earnings reflecting the robustness of its corporate strategy of creating multiple drivers of growth. This performance is particularly noteworthy when viewed against the backdrop of the extremely challenging business context resulting out of a regulated regime.

The Company recorded revenue of Rs. 171,217 Lakhs (including other income of Rs. 17,552 Lakhs) for the year ended 31st March, 2012. The total income of the company for the year 2011-12 grew by 19% to Rs. 171,217 Lakhs from Rs.143,840 Lakhs in the year 2010-11.

Other income for the year was Rs.17,552 Lakhs as against Rs. 16,699 Lakhs in 2010-11 which includes dividend income of Rs.12,561 Lakhs against Rs. 11,431 Lakhs in 2010-11. Interest income earned during the year was Rs. 2,247 Lakhs as against Rs. 1,689 Lakhs in 2010-11.

The Earnings before Interest, Depreciation, Tax and Amortization for the year was Rs. 27,447 Lakhs representing 18 % of total sales and showed a 45% rise over previous year's Rs. 18,927 Lakhs (including Profit on Sale of Investments of Rs. 2,214 Lakhs). Better performance of Bio Pesticides, other value added products of Sugar such as Cogeneration and Distillery and dividend income received have contributed towards EBIDTA during the year.

Sugar division's sales increased from Rs. 118,889 Lakhs in 2010-11 to Rs. 144,771 Lakhs in 2011-12 driven by increased Sugar and Alcohol sales.

Bio Pesticides division's sales has increased by 31% to Rs. 7,666 Lakhs as against Rs. 5,833 Lakhs in 2010-11.

Nutraceuticals division's sale has marginally reduced to Rs. 4,359 Lakhs as against Rs. 4,393 Lakhs in 2010-11.

BUSINESS SEGMENTS

SUGAR

The Company has nine sugar plants spread across South 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 its throughput sugarcane capacity to 34,750 TCD and cogeneration capacity to 146 MW across its sugar mills. The integrated Sugar Units have been designed to optimize process efficiencies, increase sugarcane recovery ratio, and increase energy efficiency through reduced steam and power consumption. The company during the year focused on removal of bottlenecks, improving process efficiencies, sugarcane recovery ratio and increasing energy efficiency through reduced steam and power consumption.

The Company crushed 48.02 LMT of sugar cane during the year 2011 - 12 and processed 3,818 MT of raw sugar. The recovery of sugar from sugar cane was at 9.04% as against 8.90% in the previous year owing to better quality of sugarcane crop and certain other favourable factors. The Company produced 434,107 MT Sugar from Sugarcane, 3,484 MT Sugar from raw sugar and 246,439

MT Molasses during the financial year 2011 - 12. This was possible due to increased usage of mechanical harvesters thereby reducing the dependence on manual labour, encouraging farmers to plant High Yielding Varieties of sugar cane, increased area under drip irrigation, soil fertility improvement activities etc.

The company sold 404,841 MT of Sugar as against 335,760 MT during the previous year, registering an increase of 21%. The Company also sold 90,373 MT of Molasses as against 32,035 MT in the previous year, registering an increase of 182%.

POWER

The operations of power generation were smooth in all of the four cogen plants. While most of the power generated by us continued to be used captively to run the plants, the surplus power was sold to TNEB.

Power generation was higher at 5,243 MW as compared to 4,474 MW in the previous year recording a growth of 17% largely due to higher quantum of bagasse available from the crushing of sugarcane. The Company exported 3,427 MW of power during the year as against 3,147 MW in the previous year reporting an increase of 8.89%.

DISTILLERY

During the year, Industrial Alcohol/ENA production was higher at 398 Lakh Litres as compared to 275 Lakh Litres during the previous year, resulting in an increase of over 45% over the previous year.

BIO PRODUCTS

Bio Pesticides

The Bio-Pesticides Division registered revenue of Rs. 7,666 Lakhs in 2011-12 as compared to Rs. 5,833 Lakhs of previous year and accounting for 5% of the Company's Revenue. PBIT for the year was Rs. 1,305 Lakhs against Rs. 1,151 Lakhs in 2010-11.

Nutraceuticals

The Nutraceuticals division's turnover was Rs. 4,359 Lakhs for the year ended 31st March, 2012 representing 3% of the Company's Revenue. About 78% of this represents exports.

Your company 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. Your company has added two new products during the year viz., "GreenT^{6}" and "Rejuveneyes" to its existing portfolio of Spirulina, Pro9, Pro9D and NBC9.

DIVIDEND

During the year, the Company had already paid an interim dividend of Rs. 4 (400 %) per equity share of Re.1 each in March, 2012. The Board has not recommended final dividend for the year ended March 31, 2012.

CORPORATE DEVELOPMENTS

INVESTMENT IN US NUTRACEUTICALS LLC

During the year, the company acquired 100% voting rights in its subsidiary company, US Nutraceuticals LLC (doing business as Valensa International), Florida, USA. Valensa International is a leading science-based developer and provider of high quality botanically sourced products for nutritional supplements and functional foods and has launched health condition specific formulations including for eye and joint health. This increase in holding provides the platform for your company to move up the value chain by manufacturing value added formulations from its ingredients, apart from cross selling opportunities in the US and in the rest of the world for both your company and Valensa.

APPROVAL OF SCHEME OF ARRANGEMENT - MERGER OF DEMERGED SUGAR UNDERTAKINGS OF PARRYS SUGAR INDUSTRIES LIMITED INTO E.I.D.-PARRY (INDIA) LIMITED

The Board of Directors at their meeting held on April 25, 2012 have approved a Scheme of Arrangement (Demerger) between the Company and Parrys Sugar Industries Limited (PSIL), a subsidiary of the Company, under Sections 391 to 394 of the Companies Act, 1956 pursuant to which the Sankili and Haliyal undertakings of PSIL would be merged into the Company with effect from 1st April, 2012. This is subject to the approval of the shareholders and various other statutory and regulatory approvals.

Upon this Scheme becoming effective, the Company shall issue equity shares of the Company to the shareholders of PSIL in the ratio of 5 (Five) equity shares of Re. 1/- each fully paid for every 19 (Nineteen) equity Shares of Rs.10/- each fully paid, held by them in PSIL.

DELISTING FROM MADRAS STOCK EXCHANGE (MSE)

During the year ended March 31, 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 for voluntary delisting of its Equity Shares. Madras Stock Exchange vide its letter dated April 4, 2012, informed of their decision to delist the company's shares from their Stock Exchange.

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 285,900 Options during the year ended 31st March, 2012. The details of the Options granted up to 31st March, 2012, 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.

CREDIT RATING

The Company continues to have "AA" rating from CRISIL for its various debt placements signifying Stable Outlook.

SOCIAL RESPONSIBILITY

The Company undertook a wide range of initiatives for the livelihood enhancement and for health and hygiene awareness in the rural community. The Company also worked towards the preservation of environment through various water and social conservation programs.

Towards utilising the scarce water resource, the Company promoted micro irrigation systems like Drip, Sprinklers and Group Lift Irrigation programs.

During the month of December'11, cyclone "Thane" struck parts of Tamil Nadu causing loss of property and crops. With the aid of cane teams, farmers were met and assistance was provided to them through food and other facilities. All their priorities were identified and steps were taken to bring the farming fraternity to normalcy at the earliest possible time.

SUBSIDIARY COMPANIES

Coromandel International Limited

Coromandel achieved a turnover of Rs. 982327 Lakhs for the year ended 31st March, 2012 and the profit after tax was Rs.69327 Lakhs. The Company's Board had 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 2012, the total dividend to be paid by Coromandel for the year ended 31st March, 2012 is Rs.7 per share. (700%)

Parrys Sugar Industries Limited

The company recorded a revenue of Rs. 59452 Lakhs for the 12 months period ended 31st March, 2012. After providing for Depreciation, Interest and Tax, the loss after tax was Rs.3343 Lakhs.

Sadashiva Sugars Limited

The Company recorded a revenue of Rs. 17580 Lakhs for the year ended 31st March, 2012. The Profit before Depreciation, Interest and Tax amounted to Rs. 1620 Lakhs. After providing for depreciation, interest and tax, the loss after tax was Rs. 2214 Lakhs.

Parry Infrastructure Company Private Limited

During the year under review the company earned an income of Rs. 5,721 Lakhs. After providing for interest, finance cost and other expenditure amounting to Rs. 5,387 Lakhs, the Profit Before Tax was Rs.334 Lakhs. After providing for tax provision of Rs. 108 Lakhs, the Profit after Tax was Rs. 226 Lakhs. With the brought forward amount of Rs. 89 lakhs, Rs. 315 Lakhs is carried to Balance sheet.

Parry America Inc.

Parry America Inc, the 100% subsidiary based in US, reported an income of US$ 6363 thousands for the year ended 31st March, 2012. The Profit After Tax was US$ 247 thousands. Including the carried forward profit of US$ 521 thousands for the previous year, the profit carried forward for the year was US$ 768 thousands.

Parry Phytoremedies Private Limited

The revenue for the year was Rs. 392 Lakhs. During the year ended 31st March, 2012 the company made a loss before tax of Rs. 299 Lakhs.

Parrys Sugar Limited

The Company during the year ended 31st March, 2012 earned an income of Rs. 16 Lakhs. After providing for tax of Rs. 4 Lakhs, the Profit after Tax was Rs. 12 Lakhs. With the brought forward amount of Rs. 45 Lakhs, Rs. 57 Lakhs is carried to Balance sheet.

Parrys Investments Limited

During the year ended 31st March, 2012 the company earned an income of Rs. 3 Lakhs and the Profit after Tax was Rs. 2 Lakhs.

US Nutraceuticals LLC

This overseas Subsidiary, during the year ended 31st March, 2012 earned an income of US$ 15,364 thousands and the Loss after Tax was US$ 677 thousands.

SUBSIDIARY ACCOUNTS

In terms of the direction under Section 212(8) of the Companies Act, 1956 vide General Circular No.2/2011, bearing No.51/12/2007-CL-III dated 8-2-2011 issued by Government of India, Ministry of Corporate Affairs, the Board of Directors have passed a Resolution according consent to the Company for not attaching the financial statements in respect of all the Subsidiary Companies for the year ended 31st March, 2012.

The annual accounts of the subsidiary companies and the related detailed information will be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned during working hours upto the date of the Annual General Meeting. A hard copy of details of accounts of subsidiaries will be furnished to any shareholder on demand.

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. V Ravichandran, Mr. M B N Rao and Mr. V Manickam, 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. V Ravichandran, Mr. M B N Rao and Mr. V. Manickam are provided in the Notice of the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

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

CEO/CFO CERTIFICATION

Mr. 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. 9.39 Lakhs being unclaimed dividend, interest on fixed deposit 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, 2012. 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, 2012 and the Balance Sheet as at that date ("financial statements"), applicable Accounting Standards have been followed;
- ❖ Appropriate accounting policies have been selected and applied consistently and such judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- ❖ Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and

other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognised. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit Committee meets at regular intervals to review the internal audit function;

- 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 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

Mr.D.Narayanan, Cost Accountant who was appointed as Cost Auditor for the year ended 31st March, 2011 has filed the following cost audit reports to the Government.

Sl. No.	Product	Due date of filing cost audit report	Actual date of filing cost audit report
1.	Sugar	30.09.2011	21.09.2011
2.	Industrial Alcohol	30.09.2011	21.09.2011 & 23.09.2011
3.	Neem based Pesticide	30.09.2011	26.09.2011

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 2011-12.

M/s. Geeyes & Co., Cost Accountants have been appointed as Cost Auditor to conduct cost audit relating to Sugar, Cogeneration Plants, Industrial Alcohol and Neem based Pesticide for the year ending 31st March, 2013.

SECRETARIAL AUDIT REPORT

As a measure of good corporate Governance practice, the Company appointed M/s. R. Sridharan & Associates, Practising Company Secretaries, to conduct Secretarial Audit.

For the year ended 31st March, 2012 M/s. R. Sridharan & Associates, Practising Company Secretaries have conducted the secretarial audit and the report has been reviewed by the Board.

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.

FORWARD LOOKING STATEMENTS

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words "anticipate", "believe", "estimate", "expect", "intend", "will" and other similar expressions as they relate to the Company and/or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statement that speak only as of their dates. This report should be read in conjunction with the financial statements included herein and the notes thereto.

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 — **A. VELLAYAN**
April 25, 2012 — Chairman

Annexure to the Directors' Report

Statement as at 31st March, 2012 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
	29.04.2011	75900
	27.07.2011	115000
	24.10.2011	95000
		4034000

(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	31.08.2007 Rs.64.80	29.10.2007 Rs.75.70	24.01.2008 Rs.94.15
For the Options granted from 31.08.2007 to 20.03.2009, each Option represents 1 Equity Share of Rs.2/- each.	24.04.2008 Rs. 103.60	28.07.2008 Rs.92.98	24.09.2008 Rs. 106.30
For the Options granted from 28.01.2011 to 24.10.2011, each Option represents 1 Equity Share of Re.1/- each.	29.10.2008 Rs. 74.95	20.03.2009 Rs. 69.13	28.01.2011 Rs. 225.15
	29.04.2011 Rs.240.90	27.07.2011 Rs.269.10	24.10.2011 Rs.220.90

(c) Total number of Options vested	1848054
(d) Total number of Options exercised	1434848
(e) Total number of Shares arising as a result of exercise of Options	1434848
(f) Total number of Options lapsed/cancelled	1445498
(g) Variation of terms of Options	Nil
(h) Money realized by exercise of options	Rs.365 Lakhs
(i) Total number of Options in force	1153654
(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 (Sr. 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)	18800

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
	11. Mr.N.Senthilkumar	20700
	12. Mr.V.Ramasubramanian	20700
	13. Mr.N.Ramakrishnan	20700
	14. Ms.Swati Thomas	13800
	15. Dr.S.Balaji	23000
	16. Mr.Rajiv Yagnik	23000
	17. Mr.S.Radhakrishnan	23000
	18. Mr.Tyron Doll	23000
	19. Mr.S.Karunakar	23000
	20. Mr.M.Ramamoorthy	19300
	21. Mr.M.Balaji	24200
	22. Mr.A.V.Ramaraju	19300
	23. Mr.S.Rangaprasad	19300
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.7.91	
(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 2011-12 is Nil.	
(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options	Rs. 273 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 — 13732 Add: Intrinsic Value Compensation Cost — Nil Less: Fair Value Compensation Cost (Black Scholes model) — 273 **Adjusted Net Income** — **13459** **Earnings per Share** — **Basic (Rs.)** — **Diluted (Rs.)** As reported — 7.92 — 7.91 As adjusted — 7.76 — 7.75	

Annexure to the Directors' Report (Contd..)

(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. 102.84 Weighted average fair value Per Option : Rs. 37.22
(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 tranche X : 4 years, 2 years tranche XI : 4 years tranche XII : 4 years, 1 year (iii) Expected volatility : tranches I to III : 0.5264 tranches IV to VIII : 0.5055 tranche IX : 0.5088 tranche X : 0.4852 & 0.3919 tranche XI : 0.4856 tranche XII : 0.4672 & 0.3046 (iv) Expected dividends : 400 % (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
X	29-04-2011	Rs.240.90
XI	27-07-2011	Rs.269.10
XII	24.10.2011	Rs.220.90

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

Nellikuppam plant:

1. At Nellikuppam, energy saving measures like Variable Frequency Drive for boiler over air fan, condensate extraction pump have been installed to have reduction in captive power below 10%.

2. As a steam saving measure, erected additional 2.5 Ata steam line to sugar to reduce the pressure drop from 0.6 kg/cm2 to 0.3 kg/cm2 for having better steam conservation.

Annexure to the Directors' Report (Contd..)

3. Additional 8 Ata to 2.5 Ata Pressure Reducing Dee Super heating (PRDS) provided in the turbine extraction line to avoid PRDS bleeding and to generate the incidental power of 0.3 MW/ hr.

Pettavaithalai plant:

1. Installation of Variable Frequency Drives for Cane carrier, Air compressor, Wash water pump, and Condensate Extraction Pumps (CEP).
2. Using II body condensate for superheated water wash.
3. Plate type heat exchanger for clear juice for reliability and energy savings.
4. Radial type evaporator has been installed for Ist stage to reduce steam consumption.

Pudukottai plant:

1. 1st vapour to melter, transient heater & hot air blower. For B-seed & C-seed melter 1st vapour line provided instead of 9 ata steam. The total steam saving would be around 0.5 t/hr.
2. Clear juice to melter & mingler.
   For B-seed & C-seed melting -instead of hot water the plant uses clear juice. So approximately 5-6 tons water usage is reduced, resulting in steam saving of around 0.3 t/hr.
3. Proposal given for Plate Heat Exchangers (PHE) for raw juice heating using condensate water.
   The total condensate going from process is having sufficient heat energy. Accordingly, it has been planned to utilize the heat from the hot water for raw juice heating. Resulting 3rd vapour would be used for sulphured juice heating. The steam saving will be around 1.5% on cane.
4. Electric heater for sulphur melting & waste heat recovery system for furnace.
   For sulphur melting instead of 9 ata steam it has been proposed to install electric heater for initial start up & erecting waste heat recovery boiler for further melting. The steam saving will be around 0.5-1 t/hr.

Pugalur plant:

1. Provided Variable Frequency Drive for Cogen instrument air compressor, Auxiliary cooling tower water pumps, Sugar plant instrument air compressor, SO2 gas air blower, Clear juice pumps and Mono vertical crystalliser drive two numbers.
2. Erection and commissioning of Fanless cooling tower for Mono vertical crystalliser C-massecuite cooling.
3. Provided flash steam recovery system for evaporator first body condensate.
4. Elimination of 9 ata steam for all steam ejectors to reduce power consumption and steam consumption to achieve better energy efficiency parameters.

Pondicherry plant:

1. Installation of 3MW Alternator for Elimination of EB power consumption during crushing by completely utilizing captive power generation to save purchased power 180000 Units / Month.
2. Planetary Gear Box for Crystallizers for Energy saving by 16560 KW/month.
3. Introduction of Belt Conveyor instead of chain & Slat type Conveyor for excess bagasse handling to reducing energy consumption 3600 kw/month.
4. First and second effect flash heat recovery system introduced.
5. Usage of clear juice for A side pan washing instead of hot water.
6. First body condensate for Super Heated Wash Water (SHWW) and minimising the usage of live steam.

Bio-Thyagavalli:

1. Forced draft fan cooling tower replaced by natural draft cooling tower thereby saving power 264 units/ day.
2. Increasing power factor from 0.95 to 0.99 by introducing capacitor bank thereby saving power 250 units/day.
3. For oil S3 vacuum filtration Steam jet ejector was replaced by vacuum pump thereby saving furnace oil 90 lits/day.

Nutra-Oonaiyur:

1. Inefficient motors replaced by Energy savings EFF-1 motors in Harvest pumps.
2. Electronics Ballast provided in the place of Conventional Ballast.

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(i) Automation of Crystalliser Vacuum Pump and Automation of Air Coolers Condenser fans implemented in some of the factories.
(ii) Flash Steam recovery system for pan condensate and 3rd effect evaporator.
(iii) Direct contact heating to syrup heaters.

III. During the year an amount of Rs. 327 Lakhs has been incurred on account of revenue expenditure towards Research and Development activities in the various divisions.

Annexure to the Directors' Report (Contd..)

IV.FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	**2011-12 (Rs. Lakhs)**
(a) Earnings	40355
(b) Outgo	557

V. ENERGY CONSUMPTION

A.	**Power & fuel consumption**	**2011-12**	2010-11
1	**Electricity:**		
	(a) Purchased		
	Units (KWH)	7,892,848	9,192,111
	Total amount (Rs.in lakhs)	524	575
	Rate per unit (Rs.)	7	6
	(b) Own generation		
	(i) Through Emergency Diesel Generator		
	Units (KWH)	2,300,542	2,320,563
	Units per litre of Diesel oil	3	3
	Cost per unit (Rs.)	14	13
	(ii) Generated through Steam turbine		
	Out of Own bagasse (KWH)	486,490,303	344,565,536
	Out of outside fuel (KWH)	59,661,035	115,202,438
2.	**Furnace oil**		
	Quantity (K.Litres)	566	534
	Value (Rs.in lakhs)	209	130
	Average rate / K.Ltr. (Rs.)	36,910	24,367
3.	**Others / Internal Generation**		
	HSD:		
	Quantity (KL)	577	849
	Total amount (Rs.in lakhs)	246	335
	Rate per KL (Rs.)	42,545	39,499
B.	**Consumption per unit of production (KWH) - Electricity**		
	Consumption per unit of production (sugar)	313	412

On behalf of the Board

Chennai
April 25, 2012

A.Vellayan
Chairman

Annexure to the Directors' Report (Contd..)

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, 2012

(A) EMPLOYED THROUGHOUT THE YEAR ENDED 31ST MARCH, 2012 AND WERE IN RECEIPT OF REMUNERATION AGGREGATING NOT LESS THAN Rs. 60,00,000

Name/(Age)	Designation of the Employee/Duties	Remuneration (Rs.)	Qualification/ Experience (Years)	Date of Commencement of Employment	Previous Employment
Ravindra S Singhvi (54)	Managing Director	Rs.14,689,355	B.Com, FCA, FCS,LLB (31)	03.12.2010	Indo Rama Synthetics (India) Ltd.
Raghunandan K (54)	Executive under deputation	Rs.10,682,266	MS Chem. Engg. (31)	11.07.1988	IEL Ltd.
Manoj Kumar Jaiswal (48)	Senior Vice President & Head-Management Development Centre	Rs.6,308,958	M.Sc., MBA(22)	19.08.2008	Infosys Technologies Ltd.
Ranganathan K E (49)	Executive under deputation	Rs. 10,586,552	B.Com, ACA, ACS (28)	10.10.1994	TVS Electronics Ltd.

(B) EMPLOYED FOR PART OF THE YEAR ENDED 31ST MARCH, 2012 AND WAS IN RECEIPT OF REMUNERATION AGGREGATING NOT LESS THAN Rs. 5,00,000 PER MONTH - NIL

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 25, 2012

A.Vellayan
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2011-12

Review of E.I.D. - Parry's business

E.I.D. - Parry (India) Limited, a part of the USD 4.4 Billion Murugappa Group, is the largest sugar producer in South India and one of the top five sugar producers in the country.

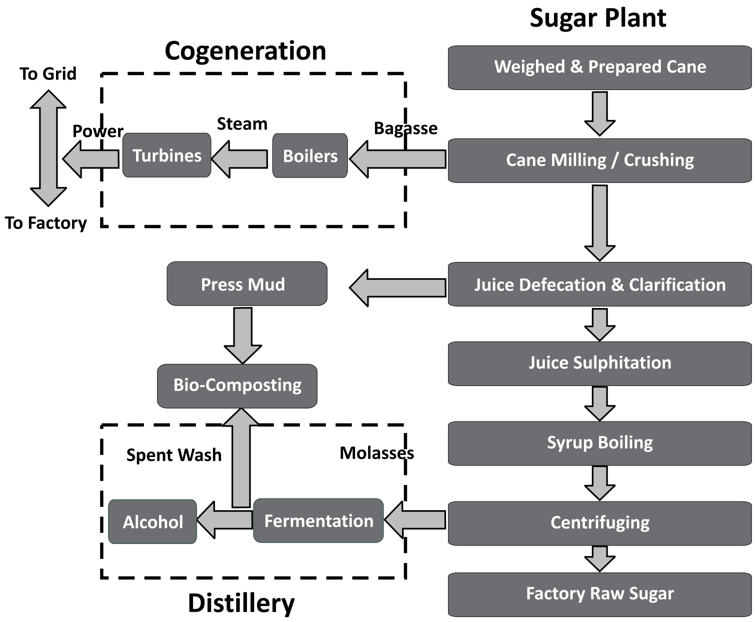
The Sugar factories of E.I.D. - Parry including its subsidiaries are spread across South India of which four are in Tamil Nadu, one in Puducherry, one in Andhra Pradesh and three in Karnataka.

E.I.D. - Parry has sugarcane crushing capacity of 34,750 TCD, co-generation capacity of 146 MW and Distillery capacity of 230 KLPD across its sugar mills. The company, during the year, focused on removal of bottlenecks, improving process efficiencies, sugarcane recovery ratio and increasing energy efficiency through reduced steam and power consumption.

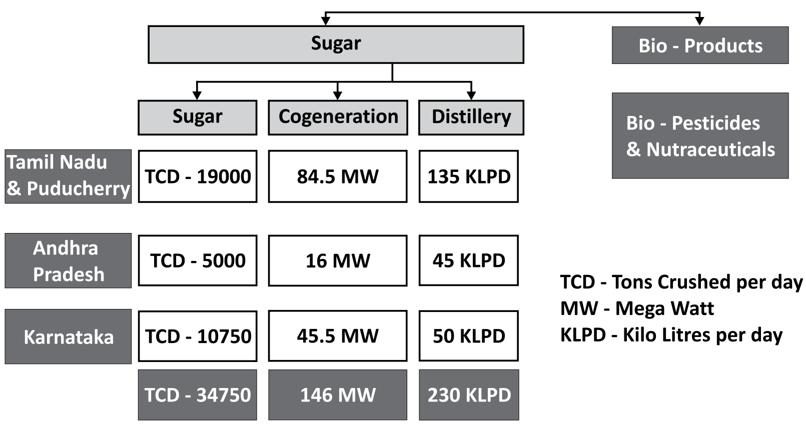
Sugar facilities

The company's sugar facilities are at Nellikuppam, Puducherry, Pettavaithalai, Pudukottai and Pugalur in Tamil Nadu. Sugar factories of subsidiary companies are at Haliyal, Ramdurg, Bagalkot & Sankili locations.

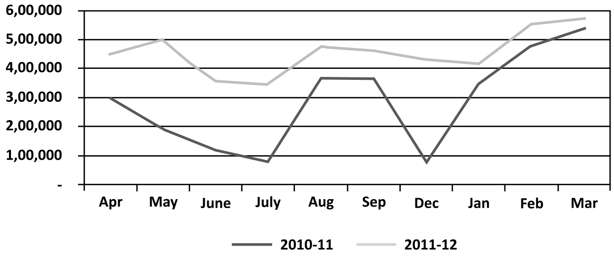
Sugar Process Flow Chart



E.I.D.- Parry Business Overview



The company achieved a crushing of 48.02 lakh MT of sugarcane in FY 2011-12, an increase of 69% over 28.35 lakh MT crushed in FY 2010-11 which was enabled due to 296 days of operations. A month on month comparison of the cane crushed is given below:



Note: 'Y' axis represents MT crushed by the company

With the aid of a strong cane team, additional acreage was brought under sugar cultivation which aided in the running of the plant beyond the normal season. Comparative information year on year is given below:

(Acres under cultivation)

2009-10	2010-11	**2011-12**
89,214	105,061	**137,999**

In FY 2011-12, recovery of 9.04% on an average was achieved as against 8.90% in the last year. With respect to sales, in comparison to 2010-11 the company achieved a growth of 24% by selling 4.04 lakh MT of sugar over 3.36 lakh MT.

The Sugar Division grew in turnover from Rs. 1,189 crores in 2010-11 to Rs. 1,448 crores in 2011-12 with CAGR of 30% over FY 2007 to FY 2011.

E.I.D. - Parry's core principles has been in ensuring revenue growth by utilizing capacity to the optimum, working towards a better recovery and exploring new markets of opportunities.

Cane related activities

The Group has always believed in the principle of Arthashastra being -The fundamental principle of economic activity is that no man you transact with will lose; then you shall not transact.

The company has ensured that the farmers are paid their dues within 14 days, are provided agronomic support through its cane extension activities, train them on better farming practices which ultimately helps them as well as the company grow more cane profitably.

Services to Farmers

Through its cane extension team with focus on applications of appropriate technologies for the cane growers, following initiatives were taken:

a. Increasing the usage of mechanical harvesters to reduce dependence on farm labour and to achieve the same, farmers were encouraged to go for 4 feet and 5 feet planting during the year. Further, farmers were given awareness about the capabilities of mechanical farming & harvester to do land preparation, ridging, intercultural operations (weeding, earthing up) & cane harvesting operations.

b. Encouraging the farmers to plant High Yielding Varieties of sugarcane by educating them about the disease resistance properties, availability of better returns to them etc.

c. Increased areas under drip irrigation (both surface & non-surface) were achieved through farmer awareness and financial support. The drip facility is being used by the farmers to save water and power usage at the same time addressing yield improvements.

d. Sustainable sugar initiative was popularized this year amongst the farmers which would help them to get better yield and quality of cane.

e. Toll free access system was extended across all the factories to cater to farmers queries and infuse confidence in them in relation to sugarcane cultivation.

f. Continuous soil fertility improvement activities (including cane trash mulching) were promoted during the year.

g. Provision of generators on free of rent to enable farmers to plant cane in power starved situations.

h. Concept of usage of cell phones to reach out to farmers in respect of cane supply and cane payments and other common messages for their benefit was initiated.

During the month of December'11, cyclone "Thane" struck parts of Tamil Nadu causing loss of property and crops. With the aid of cane teams, farmers were met and assistance was provided to them, priorities identified and steps were taken to bring the farming activities to normalcy.

Namadhu Parry Mayyam (NPM)

NPM is a concept wherein a local entrepreneur (usually a sugarcane farmer) is trained to become an operator. The company supplies agri-inputs as well as extends interest free loans to these operators for buying farm equipment, which in turn are hired out to small farmers who are unable to afford such sophisticated equipments. This helps mechanize farm services, accelerate sugarcane harvesting and save costs as manual labour is becoming increasingly expensive. The Mayyams also assume a multi dimensional role of Information and Knowledge Centre, and a nodal centre for bank transactions besides being an agri clinic disseminating information on improving soil health, increasing yield and profitability of the cane growers. NPM services were rejuvenated during the year, enabling them to do more services by giving financial support.

Manufacturing

All the company's sugar plants in Tamil Nadu are integrated with cogeneration facility while Nellikuppam plant is also fully integrated with distillery. Distillery in Sivaganga is converting molasses received from Pugalur, Pettavaithalai and Pudukkottai plants.

The Company is continuously working on improving operational efficiencies, techniques for bench marking cost as against competitors and is also planning to establish dedicated facility for production of differentiated sugars to increase its penetration in high value industrial and pharmaceutical customer segments.

Leveraging Co-products

The company also converts bagasse into electricity in its cogeneration units and processes molasses into various types of alcohol, thus completing the value chain. The Company further converts Press mud into a value added product by establishing necessary infrastructure and facilities.

Marketing

E.I.D. - Parry has developed several alternate channels to market in order to avoid dependence on the wholesaler network and provide a degree of independence from the commodity cycles governing sugar prices. Customer centric innovations and retail sales form an integral part of this strategy.

The current surplus of sugar production in India has opened a window of opportunity for exports and E.I.D. - Parry emerged as one of the larger sugar exporters from India in the last year. Exports will continue into the first half of fiscal 2012-13 and the company will continue to leverage such opportunities by virtue of the geographical location of its factories close to major ports apart from being one of the vendors choice for several multinational trading companies.

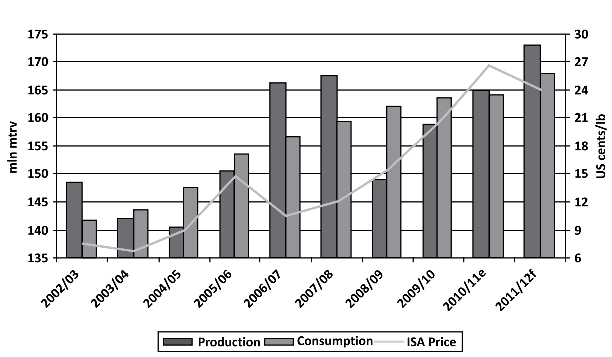
The company is continuing its quality journey and has secured ISO 22000 PAS 220 certification which denotes complete compliance to the highest food safety standards for the Refinery at Nellikuppam.

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 attract Institutional customers.

International Sugar Scenario

The second revision of the world sugar balance in the October'11 to September'12 crop cycle by ISO puts world production at a record 173 Million MT. World consumption is expected to reach 167.82 million MT. The net result is an anticipated significant trade surplus leading to a likely bearish market during 2012. The same is depicted in the chart given below:

World Production, Consumption and ISA Prices



Source: MECAS, Quarterly Market outlook

(Note: "ISA" refers to International Sugar Agreement price)

A summary of the world sugar balance in 2011-12 is given below:

World Sugar Balance (Million tonnes, Raw value)				
	2011/12	2010/11	Change	
			in Mln t	in %
Production	173.001	164.967	8.034	4.87
Consumption	167.827	164.028	3.799	2.32
Surplus/ Deficit	5.174	0.939		
Import demand	49.151	52.765	-3.614	-6.85
Export availability	53.275	53.224	0.051	0.10
End Stocks	57.575	56.525	1.050	1.86
Stocks / Consumption ratio in %	34.31	34.46		

Source: MECAS, Quarterly Market outlook

Significant events affecting Sugar

- Global warming, related climate changes raise the risk of weather instability in the form of extreme weather and an increase in magnitude, frequency of such events. In early February 2012, cyclone “Yasi” destroyed up to 25% of Australia’s sugar cane crop.

- Supply tightness as a result of such weather events, increasing world population and rising demand for ethanol leading to sugar cane, particularly in Brazil, being diverted to ethanol production potentially provides sugar with price support.

- Rising oil prices make biofuels, including ethanol from sugar cane, viable and more competitive, but higher biofuels demand potentially decreases sugar supply and removes agricultural land from food production to the growing of crops for biofuel production.

- The expected losses in the export availability in Brazil are likely to be counter balanced by higher deliveries from EU, India and Thailand. Further, import demand is also projected to decline due to higher output by the importing countries themselves.

Geographical distribution of World Sugar Consumption

	2011/12	2010/11	2009/10	2008/09	2007/08	
Total consumption (in 1000 mtrv)						
Western and Central Europe	19502	19362	19835	18522	18753	
Eastern Europe and FSU	11321	11083	10962	10840	11627	
North America	16045	15965	16113	16220	15919	
Central America	3551	3455	3415	3323	3264	
South America	21342	20888	20397	20397	19804	
Middle East & North Africa	17525	17057	16948	16186	15896	
Far East and Oceania	34983	34195	34338	33591	33051	
Indian Subcontinent	31567	30662	30155	30673	28446	
Equatorial and Southern Africa	9229	8973	8554	8352	8304	
Others	2762	2388	2762	3866	4267	
WORLD	**167827**	**164028**	**163479**	**161970**	**159331**	
Annual Growth rate in %						**10 Year average**
Western & Central Europe	0.72	-2.38	7.09	-1.23	-5.97	0.43
Eastern Europe and FSU	2.15	1.1	1.13	-6.77	-2.16	0.11
North America	0.5	-0.92	-0.66	1.89	5.03	0.59
Central America	2.78	1.17	2.77	1.81	-0.18	0.57
South America	2.17	2.41	0	2.99	0.68	2.86
Middle East & North Africa	2.74	0.64	4.71	1.82	2.34	2.97
Far East and Oceania	2.3	-0.42	2.22	1.63	5.29	3.07
Indian Subcontinent	2.95	1.68	-1.69	7.83	4.65	3.67
Equatorial and Southern Africa	2.85	4.9	2.42	0.58	5.39	3.7
WORLD	**2.32**	**0.34**	**0.93**	**1.66**	**1.77**	**2.17**

Source : MECAS, Quarterly Market outlook

Indian Scenario

Sugar Industry- A Rural Reformer

Sugar Industry in India is the second largest agro-based industry in the country next to cotton textiles. The Indian Sugar Industry is playing a pivotal role in rural development, supporting over 50 million sugarcane farmers, their dependents and a large mass of agricultural labourers. About 7.5% of the rural population get employed through sugarcane cultivation, harvesting, machine manufacturing, etc.

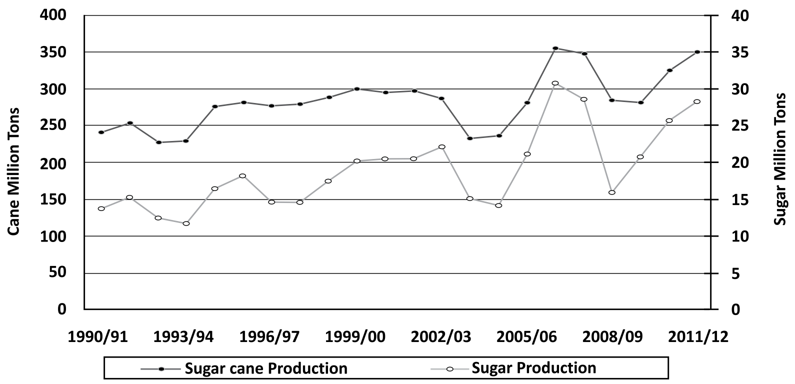
Thus, the sugar industry has been a focal point for socio-economic development in the rural areas by mobilizing rural resources, generating employment & higher income, besides giving a fillip to transport and communication facilities.

Demographics

As India's population is set to exceed China's in the next ten years, with current population of 1.2 billion, total consumption in India looks set to continue to rise. It has been observed that India's per capita consumption of sugar exceeds that of China by 60%, however compared to world average of per capita consumption of 24 kg, India's averages to just 18 to 20 kg. This gives high scope for the Indian sugar mills to find markets and grow.

Sugar production

As per ISMA, sugar production for the country was 23.2 million MT in Sugar Season (SS) 2011-12 upto March 2012, a rise of 13 per cent as compared to the production in corresponding period in SS 2010-11; on account of higher cane area and recovery. According to ISMA, Maharashtra, the country's largest sugar producer, produced 8.01 million MT sugar till March '12, followed by UP at 6.63 million MT and Karnataka at 3.8 million MT.



Source:Global Agricultural Information network

The following table shows the stock balance for India:

Million MT/SY	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12E
Opening Stock - 1st Oct	11.61	8.5	4	3.7	10.2	9.9	3.5*	5.0*	5.8
Production (Oct-Sept)	14	12.69	19.27	28.3	26.3	14.6	18.92	24.37	26
Imports	0.4	2.14	0	0	0	1.3*	6.0*	0	0
Total Availability	26.01	23.33	23.27	32	36.5	28.1	28.42	29.37	31.8
Domestic Consumption	17.29	18.5	18.5	20.2	21.7	22.3	23.42	21	23
Exports	0.22	0	1.13	1.7	4.9	0	0	2.6	3
Closing Stock as on Sept 30	8.5	4.83	3.64	10.2	9.9	3.5*	5.0*	5.77	5.8
Closing Stock as Months of Consumption	5.9	3.13	2.36	6.1	5.5	2.7	2.6	2.9	2.9

Source : ISMA

Sugar releases

The 'free sugar' release by the Government showed an increase of 16% from 157.4 lakh MT in FY 2010-11 to 182.7 lakh MT in 2011-12. The quarterly pattern of release for 2011-12 was as follows:

(Qty in Lakh MT)

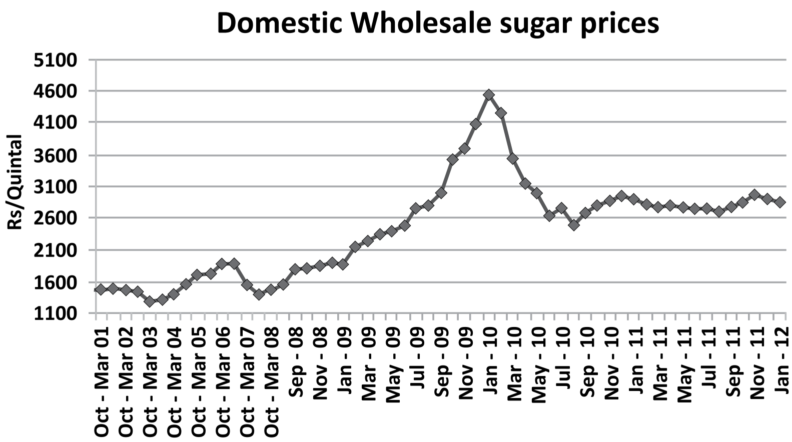
April to June Quarter	July to Sep Quarter	Oct to Dec Quarter	Jan to March Quarter	Total
47.7	44.5	51.5	39.00	182.70

In addition, the government allowed export of 2 million MT during the year with the last tranche of 1 million MT being announced on February 23, 2012.

Sugar Prices

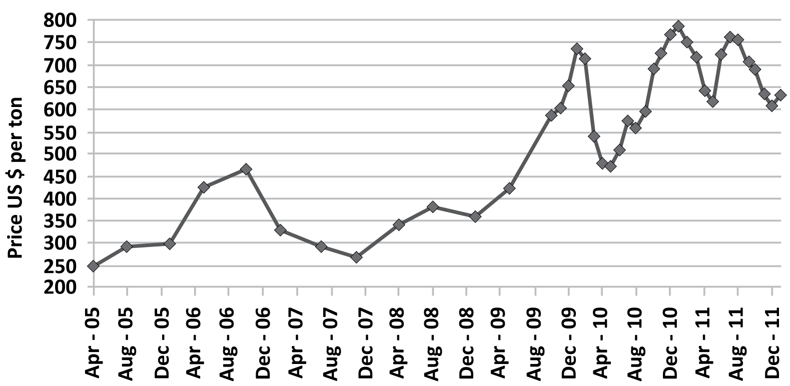
Domestic scenario

Domestic sugar wholesale prices during 2011-12 did not increase sharply and ranged between Rs. 29 to Rs. 31 per kg due to an expected rise in sugar production and more than sufficient availability of stocks.



International prices

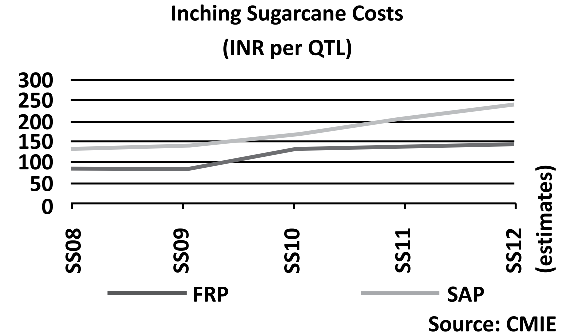
As per ICRA report, world sugar prices witnessed significant volatility as its clear from the below mentioned graph due to tight demand supply situation in the earlier part of the year.



Appreciation of rupee coupled with other factors has reduced the margins in sugar exports. Yet the mills feel the exports help in maintaining cash flow to make cane payments and reduce the carrying costs of surplus sugar.

Higher Sugarcane Costs put Sugar Margins under Pressure

Over the three years (2010-2012), State Advised Prices has risen by nearly 45% while the sugar output prices have not risen in direct proportion of the same. As a result, gross sugar margins have been under pressure.

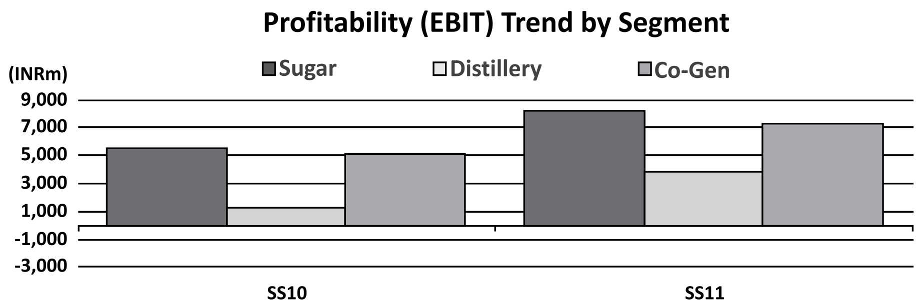


(Note: "SS" refers to sugar season, "FRP" refers to Fair & Remunerative Prices & "SAP" refers to State Advised Prices)

Allied Products provide a cushion to Cash Flow

Despite cost pressures, increased profitability (EBIT) has been due to high margin allied products which provide a cushion to cash flow. During the year 2011 - 12 because of increased sugarcane availability, allied products profitability increased compared with the previous season.

In general across the country, the following trend has been observed:



Source: FITCH report-Outlook Sugar 2012 ("SS" refers to sugar season)

Government Policies & Regulations

Sugar industry is regulated in India. On the raw material front regulations are established by the Central and the State Governments by setting a price support for sugarcane. The Central Government advises Fair & Remunerative Price (F&RP) which the State Governments raise to account for differences notably in productivity and transportation cost.

The second area of intervention is through restrictions on sugar quantities to be sold on the market, as well as imposing on the sugar factories "sugar levy", by which they are required to sell at below market price to the public distribution centers. In addition, the Government regulates sugar trade via export limitations and marketing restrictions. The Government introduced these policies to sustain the income of sugarcane farmers while at the same time protecting consumers from sugar price inflation.

On 28th March, 2012, the Government relaxed the rules of export by scrapping the system of allocating export quota to every mill based on its production during the previous three years and instead making it "shipment on first come first basis".

EID Performance Review

The company crushed 48.02 Lakh MT (28.36 Lakh MT in 2010-11) of cane with sugar production (including rawsugar) of 4.37 Lakh MT (2.89 Lakh MT). The company continued to make substantial revenues from co-products, its exports to grid were at 3,427 Lakh units (3,147 Lakh units) and total alcohol sales were at 398 lakh litres (275.05 lakh litres).

Sugar Score Card **Rs.Lakhs**

	2007-08	2008-09	2009-10	2010-11	**2011-12**
Revenue	64,158	75,957	113,439	118,889	144,771
EBIDT	(2,211)	9,099	23,892	1,578	12,528
EBIT	(5,958)	4,716	17,644	(5,095)	5,800
Shareholder's Funds	74,663	96,802	91,590	99,274	111,866
Operating Margin (%)	(4%)	12%	21%	1%	5 %

Rs.Lakhs

Particulars	**Sugar**		**Cogen**		**Distillery**		**Total**	
	2011-12	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Revenue	120,199	97,099	13,064	13,189	11,508	8,601	144,771	118,889
EBIDTA	(309)	(5,423)	8,886	5,075	3,951	1,926	12,528	1,578
EBIT	(3,809)	(8,809)	6,750	2,746	2,859	968	5,800	(5,095)
Shareholder's Funds	63,195	53,263	33,142	29,843	15,529	16,168	111,866	99,274

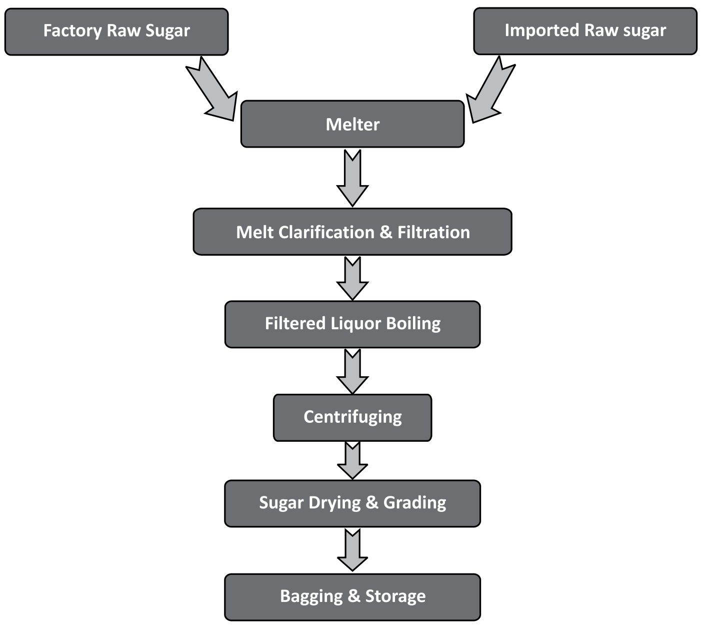
The change in the product mix lends greater stability and predictability to the financial performance of the company. With the completion of new investments in co-products, the share of profitability from co-products is slated to increase substantially in the coming years, thus de-risking from Sugar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

Refinery

During 2011-12, refined sugar of various grades like institutional and Parrys pure were produced and sales totalling to 25,278 MT against 19,524 MT for 2010-11 was made.

The process for making refined sugar is given below:

Sugar Refinery



Source:ISMA site

Bio-Products

A. Bio-Pesticides

The Bio-Pesticides Division registered revenue of Rs. 7,666 lakhs in 2011-12 accounting for 5% of the Company's Revenue.

Highlights

- The sales of Azadirachtin in US Home & Garden segments continued to register an impressive growth. The total sale clocked in USA is 3099 Kg of Aza which was 32% growth over last year, accounting for 59% of total Export Aza sales for the year 2011-12.

Sales to the South East Asian and Pacific markets also witnessed considerable growth registering 207% growth over last year.

- The domestic business had recorded an impressive growth of 42% over last year. In the non-Aza product category, Abda and its variants sales grew by 63% over last year, with the rice markets of Tamil Nadu, Karnataka, Maharashtra, West Bengal and maize market in Orissa contributing to the growth. Other non-Aza products viz., Spreadmax and Yieldsmor were received well by the farmers across crops and zones registering 29% growth while the new “Abda Foliar” clocked a sale of Rs. 1 Crore in the first year of its launch.

Divisional Performance

- Revenue for the year was Rs.7,666 lakhs as compared to Rs.5833 lakhs of previous year. PBIT for the year was Rs. 1,305 lakhs against Rs. 1151 lakhs in 2010-11.

Financial performance:

Rs in Lakhs

Details	2009-10	2010-11	2011-12
Revenue	3,626	5,833	7,666
EBIDTA	737	1,328	1,488
PBIT	561	1,151	1,305

Industry Scenario and Development

Biopesticides represent a strong growth area 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. Due to increasing demand for high quality organic agriculture produce, Azadirachtin based biopesticides continue to enjoy reasonable market demand in US and Europe. Thanks to the long usage history coupled with the capacity to extend product life for the expensive new chemistry molecule and to provide economical and effective integrated pest management, Azadirachtin products have highest growth potential in specialty agriculture, greenhouse, indoor gardens and consumer garden segments. Overall Government policies overseas, especially in the USA favour biochemical and biological pesticides with far fewer data requirements for regulatory clearances.

Acceptance of slow acting new chemistry molecules by farmers and recommendation from Government agencies to integrate natural with synthetic agri inputs provide a wider platform for Biopesticide business in India. 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 application.

Operating Results

Sales	2009-10	2010-11	2011-12
100% technical (In Kgs)			
Domestic	2,137	2,476	2,490
Exports	2,691	4,301	5,240
Total	**4,828**	**6,777**	**7,730**

Outlook

While the outlook for biopesticides is promising due to many residue regulations on food commodities, current global economic slow down in the USA and Europe slowed growth in 2011-12. Overall, organic produce market across the globe is growing back to its peak of 2006-07. Market assessment for plant based extracts indicates that share of Azadirachtin/Neem products in the global bio pesticides business is growing. Azadirachtin products have highest potential to grow in Agriculture segment besides, greenhouse, indoor gardens and consumer garden segments.

Markets for Bioproducts and IPM segments are gaining momentum. Major Store chains like Wal-Mart and Target are adding more variety of organic foods taking organic products closer to mass consumers. US Organic insecticide market continues to grow at 10% 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.

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 bio pesticides for increasing agricultural production, sustaining the health of farmers and environment.

Parrys Bio’s mission is to emerge as a leading ecofriendly agri input company providing safe and sustainable crop protection and crop production solutions with global presence by maintaining leadership on Aza based products through market expansion, product deliveries and IPRs, moving up the value chain through improved direct market access; expanding to new markets, new crops, new products & applications and launching new products with defined timeliness.

B. Nutraceuticals

The Nutraceutical Division's turnover was Rs. 4,359 lakhs for the year ended 31st March, 2012 representing 3% of the Company's Revenue. About 78% of this represents exports. Nutraceuticals products continued to grow in all markets and are currently exported to over 31 countries. Certified Organic Spirulina continues to outperform competition in its segment. The sales of Organic Spirulina during the year had grown at 28% 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 holds 5 quality certifications (ISO 9001, ISO 14001, ISO 22000 - Food Safety, Kosher and Halal) for its facility and entire algal product range in addition to US Pharmacopeia certification for its Organic Spirulina. Organic Spirulina has also received GRAS (Generally Recognised As Safe) status in the US market opening up its increased use in functional foods and beverages.

The company has initiated an effort 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 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. Your company has added two new products during the year viz., "GreenT[6]" and "Rejuveneyes" to its existing portfolio of Spirulina, Pro9, Pro9D and NBC9. GreenT[6] is a GreenTea antioxidant capsule to address stress related ageing within human body. "Rejuveneyes" intends to reduce the tiredness and fatigue of eyes due to invariable exposure to harmful high energy bluelight from computer screens, laptops, televisions, sun rays etc. The Company has plans to introduce more new products in next financial year.

During the year, the company has obtained 100% voting rights in its subsidiary company, US Nutraceuticals LLC (doing business as Valensa International), Florida, USA. Valensa International is a leading science-based developer and provider of high quality botanically sourced products for nutritional supplements and functional foods and has launched health condition specific formulations including for eye and joint health. This acquisition provides the platform for your company to move up the value chain by manufacturing value added formulations from its ingredients apart from cross selling opportunities in the US and in the rest of the world for both your company and Valensa.

The company launched Galactomannan, a soluble fibre extracted from Fenugreek known to have major benefits in diabetes management. Clinical trials are underway to test the product efficacy. For potential functional food application, technical evaluation is underway with various food domestic companies.

Divisional performance

- Revenue for the year was Rs. 4,359 lakhs as compared to Rs. 4393 lakhs of previous year. PBIT for the year was Rs. (100) lakhs against Rs. 119 lakhs in 2010-11.

Financial performance:

Rs in Lakhs

Details	2009-10	2010-11	2011-12
Revenue	3,700	4,393	4,359
EBIDTA	373	77	130
PBIT	205	119	(100)

Industry Scenario and Development

The size of the global Nutraceuticals industry is estimated well over US $ 151 billion growing at 6.5% per annum (Source: BCC 2011). The Indian Nutraceuticals market in 2010 was pegged at $ 2 Billion and is expected to reach $ 5 Billion by 2015 (Frost & Sullivan industry report). 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 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. Our investment in Valensa opens up opportunities for moving up the value chain as also for cross-selling opportunities in the US and in India.

Your company is moving towards shifting its focus to value added opportunities in Spirulina. The company has enhanced the Phycocyanin content in Spirulina to position it as a phycocyanin rich product to the natural food colour industry, as an economic source for natural blue food colour extraction.

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 division is committed to provide complete manufacturing solutions to its customers from carrying out formulation development to carry out private labelling for customers both in India and overseas.

Financial Analysis and Review 2011-12

During the year 2011-12, Sugar division reported Earnings Before Interest and Depreciation of Rs. 12,528 Lakhs.

Bio pesticides sale increased due to higher demand in Home and Garden Segments in US and considerable growth in South East Asian and Pacific markets. Introduction of new products and expansion to new markets had contributed to increased sale in domestic market.

Detailed analysis of the operations is given:

I) Results of Operations

Turnover

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

SEGMENTS	Unit	2011-12			2010-11		
		Qty	Value Rs.Lakhs	Realisation Rs./Unit	Qty	Value Rs.Lakhs	Realisation Rs./Unit
Sugar	Tonnes	404,841	119,830	29,599	335,760	96,922	28,866
Alcohol	Lakh Ltrs	398	11,508	28.91	275	8,601	31.27
Power	Lakh units	3427	13,064	3.81	3,147	13,189	4.19
Bio-Pesticides			7,666			5,833	
Nutraceuticals			4,359			4,393	
Others			369			177	
Total			**156,796**			**129,115**	

The total Turnover of the company grew by 21% from Rs. 129,115 Lakhs in the year 2010-11 to Rs. 156,796 Lakhs in the year 2011 - 12. The increment was the result of the following:

- Sugar division's sales increased from Rs. 118,889 Lakhs in 2010-11 to Rs. 144,471 Lakhs in 2011-12 mainly driven by increased Power export and Alcohol sales.
- Bio Pesticides division's sales has increased by 31% to Rs. 7,666 Lakhs.
- Nutraceuticals division's sales has marginally reduced to Rs. 4,359 Lakhs.

Other Income

Other income for the year was Rs. 17,552 Lakhs as against Rs. 16,699 Lakhs in the year 2010-11 which includes dividend income of Rs. 12,561 Lakhs against Rs. 11,431 Lakhs in 2010-11. Interest income earned during the year was Rs. 2,247 Lakhs as against Rs.1,689 Lakhs in the year 2010-11.

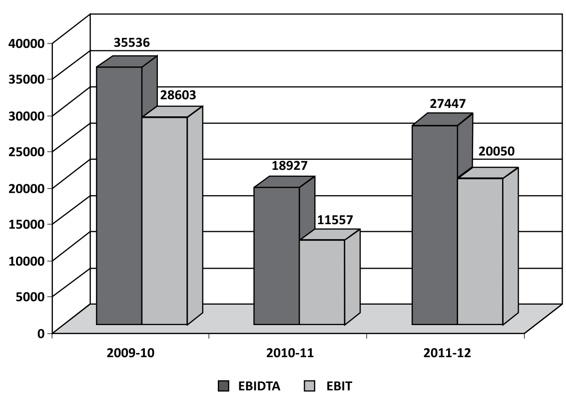
EBIDTA

The Earnings before Interest, Depreciation, Tax and Amortization for the year was Rs. 27,447 Lakhs representing 16% of total revenues and showed an increase of 45% over previous year's Rs. 18,927 Lakhs. Increased Profitability of Sugar division has mainly contributed to the increase in EBIDTA.

EBIT

EBIT for the year 2011 - 12 was Rs. 20,050 Lakhs as against Rs. 11,557 Lakhs of 2010-11, up by 73%.

EBIDTA & EBIT (Rs. Lakhs)



Finance Charges

The Company incurred finance charges of Rs. 6,443 Lakhs for the year 2011-12 as compared to Rs. 4,817 Lakhs for the year 2010-11. Term loan interest was Rs. 3,016 Lakhs as against Rs. 2,871 Lakhs in 2010-11. Other Interest cost was Rs. 3,427 Lakhs compared to cost of Rs. 1,946 Lakhs in 2010-11.

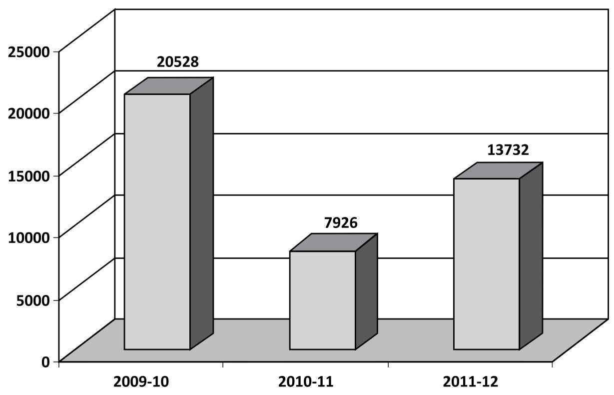
Depreciation

Depreciation was Rs. 7,397 Lakhs for the year 2011-12, as compared to Rs. 7,370 Lakhs for the year 2010-11 which was marginally higher. There is no change in the method of depreciation.

PAT

PAT for the year 2011 - 12 stood at Rs. 13,732 Lakhs as against Rs.7,926 Lakhs of previous year. This represents 8 % and 6% of total revenue for the year ended March 31, 2012 and 2011 respectively.

PAT (Rs. Lakhs)

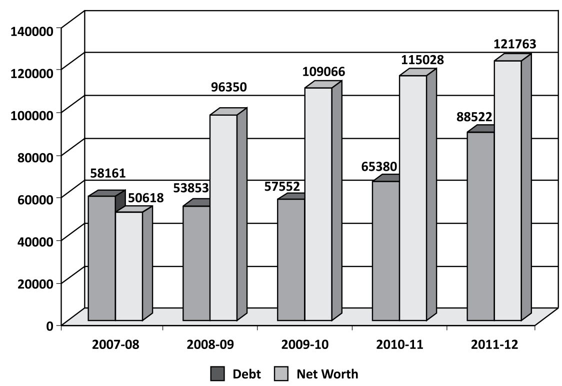


II) Financial Condition

Networth

The Networth as on 31st March 2012 was Rs. 121,223 Lakhs (net of fixed assets revaluation reserve of Rs. 540 Lakhs) as against Rs. 114,474 Lakhs (net of fixed assets revaluation reserve of Rs. 554 Lakhs) in 2010-11 contributed by profit made during the year and premium received on issue of shares under ESOP. During the year, 464,276 Equity shares were issued to the employees on exercise of Employee Stock options for an aggregated premium of Rs. 360 Lakhs as against Rs.365 Lakhs in 2010-11 and the total number of outstanding shares as on 31st March, 2012 were 173,662,476. Capital Redemption Reserve and Capital Reserve remain unchanged. Amount transferred to Debenture Redemption Reserve from Profit and Loss Account during the year was Rs. 1,583 Lakhs.

Debt & Net Worth (Rs. Lakhs)



Borrowing

The loan fund of the company increased by 35% from Rs. 65,380 Lakhs in 2010-11 to Rs. 88,522 Lakhs in 2011-12. Long Term Debt/equity is 0.35 times against 0.40 times in 2010-11.

During the year, the company issued 400 - 10.25% and 600 - 10.40% Secured Redeemable Non- convertible Debentures aggregating to Rs.10,000 Lakhs and availed from HSBC Bank (Mauritius) Ltd. Rs.1,989 Lakhs as ECB.

Short term borrowing outstanding was Rs. 45,644 Lakhs on 31st March, 2012 as against Rs. 27,921 Lakhs in previous year end.

Fixed Assets and Depreciation

The company has spent Rs. 7,554 Lakhs (Rs.3,797 Lakhs during 2010-11) of Capital expenditure during the year. The Company is focusing on de-bottlenecking of the machines in the factories. The increase in capital expenditure is mainly on account of this.

Investments

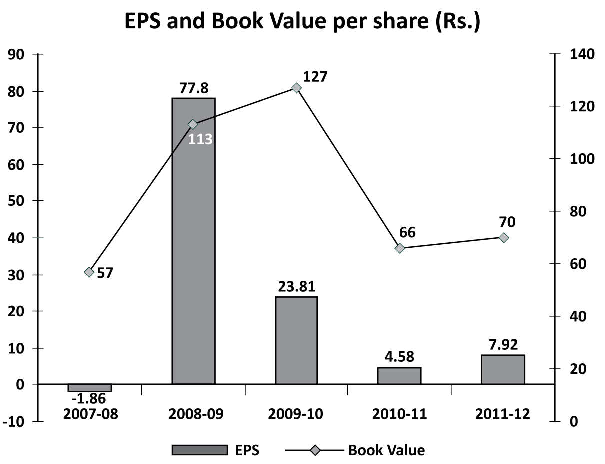
The total investment of the company as at 31st March, 2012 was Rs. 68,278 Lakhs against Rs. 43,414 Lakhs in 2010-11. During the year the Company made investment in equity shares of Silkroad Sugar Private Ltd. for Rs.11,250 Lakhs and equity shares of Sadashiva Sugars Ltd. for Rs.1,834 Lakhs. Loan given to a subsidiary Parrys Sugar Industries Limited has been converted into preference share investment to the extent of Rs.10,000 lakhs. Other investments include amount of Rs.2,230 Lakhs in US Nutraceuticals LLC, an overseas subsidiary of the company.

Rating

During the year, rating agency CRISIL has maintained Long term Debt rating of AA/Stable outlook. It has maintained A1+ 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. 66 per share to Rs. 70 per share on account of increase in profits.
Earnings per share increased by 73% to Rs. 7.92 per share for the year ended 31st March, 2012.



Ratios

Particulars	2011-12	2010-11
Key Profitability Ratios		
EBIDTA (excl. Profit on Sale of investments)/Sales %	17.86%	13.15%
PAT (excl. Profit on Sale of investments)/Sales %	8.94%	6.23%
PAT/ Networth % (ROE)	11.28%	6.89%
Key Capital structure Ratios		
Debt/Equity ratio	0.73	0.57
Long Term Debt/Equity ratio	0.35	0.40
Outside liabilities / Networth	0.90	0.70
Net Fixed Assets/Networth	0.67	0.71
Debt Service coverage Ratio (Excl. profit on sale of investments)	2.79	0.74
Liquidity Ratios		
Current Ratio	1.41	1.83
Inventory Turnover (days)	59	53
Receivables (day gross sales)	53	36
Earnings and Dividend Ratios		
Dividend %	400%	200%
Dividend Payout %	50%	44%
Earnings Per share	7.92	4.58
Book Value Per share	70	66
P/E Multiple (Excl. profit on sale of Investments)	23.92	65.01

Risk Management

The company has a Risk Management Committee in place which systematically evaluates the Environmental, operational, business and legal risks on an ongoing basis. The identified risks are presented to Board with its impact, likelihood of occurrence and the mitigation strategies adopted by management for de-risking. The Board reviews the Risk document on regular intervals.

Overview of the Risks

SUGAR	Cane availability
	Government Regulations
	Spread
	Capacity utilization
BIO	Availability of Neem seed at viable price
	Currency Risks
NUTRA	Climatic conditions
	Water availability
	Currency Risks

Business Risks- Sugar

The major risks affecting the sugar business are cane availability, Government Regulations and Spread (Difference of Sugar and Sugar cane price).

Cane Availability

Sugarcane is the key raw material and any scarcity shall have an adverse impact on production.

The various factors which determine cane availability are:-

1) **Yield:** Yield affects the availability of sugarcane. Yield generally depends on the climatic conditions, water availability, soil fertility, power cuts hindering water supply to cane and quality of seeds. The risk is being addressed by focusing on drip irrigation in drought areas, providing genset in areas encountering longer power cuts, nursery seeds and application of nutrients to enrich the organic content in the soil.

2) **Cane Harvesting Labour:** Availability of cane harvesting labour has become challenge in recent scenario. The shortage of labour has been due to various reasons including availability of lesser effort jobs elsewhere. To mitigate the risk, more focus is given on mechanical harvesting and company has successfully found out entrepreneurs who were able to invest on harvesting machines. Demo plots were also laid in all divisions to create awareness among farmers about wider row planting (favourable for mechanical harvesting) and hassle free cultivation

is provided by improving extension services at door steps of the farmers through Namadhu Parry Mayyam.

3) **Government Regulations:** The following policies of both central and state governments have an effect on the sugar industry.

- Import Export Policy- Export release order based on the surplus availability of sugar

- Levy Quota- Levy quota remains at 10% same as last year and price has increased by Rs. 650 per Ton of sugar.

- Free release order Mechanism- Monthly Free sugar release order is not sufficient to meet our bulk production. However, temporary court order is obtained for unlimited sales thereby addressing the risk of free sugar release order.

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

4) **Spread (Difference between Sugar price and Sugarcane price)** - Fluctuating sugar prices and increase in sugarcane prices have an effect on profitability. Sugarcane prices have been increased from Rs. 1901 per MT to 2001 per MT. Sugar prices dropped to Rs. 27.50 per kg in the month of February 2012 from Rs. 28.03 per kg in the month of November 2011.

   Reducing fixed cost and production losses, generating more profits from Cogen and Distillery by sweating assets for extended period (more than 275 days) and increasing the sales to institutional and retail customers are the de-risking strategies adopted for mitigating the risk.

5) **Capacity Utilization:** Utilization of plant depends on cane availability. Non availability of cane leads to under utilization of sugar plant and co-generation plant. The risk is mitigated by running the plant for extended period. In FY 2012-13 we are planning to run the plant for 275 days keeping in mind higher cane registration and expanded crushing capacity in some of the plants. Unregistered cane will be drawn when ever required to ensure 100% capacity utilization.

Business Risks- Bio Pesticides

The major risks faced by Bio- Pesticides division are availability of neem seed at viable price and currency risks.

1. **Availability of Neem seed at viable price:** Neem seed is an unorganized market and procurement of neem seed at viable price is a real concern. The risk is mitigated by exploring new areas for procurement and buying small quantity of neem fruits as an alternate strategy. It is proposed to form a dedicated team to contact pickers and motivate them by providing incentives, schemes etc.

2. **Currency risks:** Part of the bio pesticide sales is exported and hence currency fluctuations shall have an impact on the income. The risk is mitigated by implementing hedging policies.

Business Risks- Nutraceuticals

The major risks in Nutraceuticals division are depending on climatic conditions, availability of water and currency risks.

1. **Dependence on Climatic Conditions:** The micro algae production is weather dependant 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.

2. **Availability of Water:** Water is very critical and any scarcity of the same shall have an impact on the production. The risk is mitigated by storing the required water in water lagoons. It is proposed to install water treatment facility.

3. **Currency risks:** The Nutraceuticals business is largely export oriented. The division operates in multiple locations and in multiple currencies hence prone to exchange fluctuations. The risk is mitigated by taking cover and through hedging instruments.

Internal Control and Systems

Internal control is an essential part of corporate governance and any weakness or inadequacy can have a greater impact on the profits of the company. 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, authorization guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses.

The Internal Audit department 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 9001:2000 quality standards for its processes.

Information Technology

Information Technology is significant to ensure scalability of the business and smooth functioning of business. Tremendous emphasis has been laid on improving the ERP and the Web based cane management system.

Disaster Recovery Planning

The company emphasizes on protection of information assets and in ensuring that the business operations are not affected. During the year, Mock Drill was done in June 2011 which reinforced the fact that disaster recovery mechanism is in place.

Internal Controls

Systems audit was conducted in all modules of SAP and the Cane management system. Based on the recommendations, internal controls and process improvements have been implemented in finance, materials, sales and cane management system.

Reaching out to farmers through cane staff

During the year, 147 Net books were provided to Cane Staff with the facility to access the Web CMS and capture the details of the cane planting, cane supply, yield.

This would improve farmer-company relationship as it ensures capturing data at source, monitoring of the plot and supply management practices.

Toll Free System

Toll free system was introduced to cater to the farmers queries which would reduce their time to visit the cane offices.

Non cane Material Capturing

In order to ensure the factories get the clean cane, a system was developed in the Web based cane management system. The following benefits would accrue:

- ❖ Reduction in non cane material leading to improvement in quality of cane
- ❖ Reduction in cost since actual non cane is weighed and payment is made
- ❖ Cost of chemicals used will reduce due to lesser non cane material
- ❖ Robust system to monitor non cane

ProMIS: (Shop floor information system)

The shop floor information system was implemented in the following locations.

- ❖ Cogeneration plant at Nellikuppam, Pugalur, Pettavaithalai and Pudukottai
- ❖ Refinery plant at Nellikuppam
- ❖ Distillery plants at Sivaganga and Nellikuppam

ERP

In order to have a robust system for inventory monitoring the following steps were taken :

- ❖ Implementing the ERTOP analysis (Essential, Regular, Temporary and Project classification) and classifying the materials accordingly.
- ❖ Identification of duplicates and blocking them
- ❖ Identified Re order levels and assigned the same for "A" Category materials
- ❖ Evaluated the MRP (Materials requirement planning)

To improve the monitoring of the inventory, following early warning alerts were generated and sent to all relevant executives and the Managing Director.

- ❖ Daily inventory of Stores and spares, Raw materials and chemicals and packing materials
- ❖ Inventory levels of finished goods
- ❖ Inventory levels for Molasses with designed storage capacity and actual storage capacity
- ❖ Details of Coal Purchase orders , GRN and Invoice verification
- ❖ Consumable chemicals consumption budget vs actual with norms is being generated for all plants

Sales and Distribution

1. To improve the sales and capture the best possible realization the following systems were implemented during the year
   - ❖ A separate distribution channel created for Private label sales
   - ❖ Release approvals have been implemented for Power and Alcohol sales in order to ensure that there is no mismatch in the revenue.

2. To improve the working capital and to reduce the risk of bad debts, implemented Credit management for the Neemazal and Nutraceuticals business.

Finance

The year witnessed increase in interest rates due to which the working capital management was given tremendous importance. Systems were developed to monitor working capital on a weekly basis by generating inventory alerts, working capital alerts, repairs and maintenance budget vs. actual etc.

Further e- collections was implemented for improving the collections and to reduce the transaction costs.

Plant maintenance

In order to facilitate the operations during the year, the Plant maintenance module was implemented in all the sugar factories which would help the operations in planning the maintenance schedule and in reducing the cost of maintenance. The linkage with assets and materials will facilitate the reduction of stores inventory.

The company has been providing adequate impetus on leveraging information technology at the same time in a judicious manner in order to ensure business benefits are derived and stakeholders are satisfied.

Human Resources

E.I.D. - Parry is a value based organization with a culture that promotes empowerment and freedom. In a challenging and competitive environment, the organization 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. Our Human Resources strategy is closely aligned to its key businesses and stems from the organization purpose which is to “Enrich Life by Creating Value from Agriculture”.

The Company had a total employee strength of 2,096 as on 31st March, 2012.

The Human Resources vision, “Building Organizational Capability to deliver superior business performance”, 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 & Cost and HR Excellence.

Capability Development

To create a world class organization it is a prerequisite to have world class employees who are masters in their particular function and role. This requires each employee to have a common foundation of knowledge in their function and stay updated on recent developments, techniques, etc. and implement them in the work they do. We had concentrated on developing functional mastery in sugarcane and sugar related areas by tying up with institutes like Sugarcane Breeding Institute, Coimbatore and National Sugar Institute, Kanpur. Towards building effective leaders, we also had been developing leaders as coaches since 2010, with an aim to inculcate the characteristics of people management in the leaders and in turn develop the middle management to become effective future leaders. This year, 7 new internal coaches have been developed with 14 future leaders currently being coached.

Talent Management

The company has acquired units and has further plans to grow through acquisitions as part of its business strategy. In order to meet the needs of the business in its acquisition phase and to achieve the aggressive growth target set – talent acquisition, development and retention were identified as crucial areas.

In our attempt to retain and develop talent, we have defined talent and further identified key positions for the business. Talent required for occupying these key positions were assessed through a series of Development Centers. The identified gaps in the required competencies discovered thus, would be bridged through a variety of development inputs like training programs, experiential projects, enhanced roles, coaching inputs etc. To have leaders ready to takeover and continue the best practices built in the organization over the years, we have planned for succession of leaders in Band 1 positions for up to 2 levels down.

Employee Engagement

We have continued to create excitement in the workplace by inspiring, engaging and empowering employees through a series of activities at the workplace. The focus of engagement is primarily on involvement, team work and motivation with elements of fun, knowledge and appreciation. We have also celebrated significant occasions (like Christmas, new year, women’s day etc) and provided the business leaders an opportunity to address the employees directly. A suggestion scheme titled “Parry Excel & Exceed awards” had been launched for all employees at all locations across the organization.

Productivity & Cost

To run an efficient organization, it is required to optimize the resources in order to make the organization thinner, leaner and fitter. This would include relooking and redefining the organization structure, work practices, manning structures, role allocation, work timing and productivity levels. This year we had restructured the cane team into Cane production & Cane supply to give focused attention and infuse efficiencies into the cane function. We have also created new departments of Agri Business Development and Quality Assurance. In order to de-risk the talent acquisition from markets and to ensure higher levels of productivity of our front–liners at cane function, we have recruited non-agri graduates and have run them through a scheme which enhances their sugar related technical knowledge at par with B.Sc. agri graduates.

HR Excellence

In our quest for HR Excellence, we had embarked on this journey in earnest in 2009-10. We have adopted the CII HR excellence model to give direction to our efforts in this area. Our commitment continued in this year as we moved up the maturity scale from "Strong commitment to HR Excellence" to "Significant Achievement in HR Excellence" by improving our people processes (enablers) and thereby impacting business results. Last year, we also received a 'Highly commended' Award for best overseas HR strategy in the HR Excellence Awards 2011 conducted by HR Magazine, UK.

Cautionary Statement

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

On behalf of the Board

Chennai **A.Vellayan**
April 25, 2012 **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 maximise value for all its stakeholders. E.I.D.- 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 Non Executive Directors, 2 are Non – Executive Non Independent Directors and 1 Executive Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement.

- The day to day management of the company rests with the Managing Director.

- None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees across all the companies in which he is a Director.

- The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the listing agreements.

Profile of the Board

- Mr. A. Vellayan (59) the Non Executive Chairman is a Promoter Director. He is the Executive Chairman of the Murugappa Corporate Board. 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 E.I.D. - Parry Board in the year 1999. He has 31 years of industrial experience. He has been the Chairman of the Company since 2006.

- Mr. V. Ravichandran (55) is a non Independent Director and Vice Chairman. 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 32 years of experience including 27 years in the Murugappa Group. He is the Lead Director for Fertilisers and Sugar businesses. He joined the E.I.D. - Parry Board in the year 2009.

- Mr. Ravindra S.Singhvi (54) 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 (65) 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 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 Caribbean and successfully established Unilever business in the Caribbean.

  He joined the E.I.D. - Parry Board in the year 2004. He has 41 years of industrial experience. He is the Chairman of the Shares & Shareholders/Investors Grievance Committee.

- Mr. V. Manickam (60) 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 retired as the Managing Director and Chief Executive Officer of LIC Pension Fund Ltd., Mumbai on 31st March, 2012. He joined the E.I.D. - Parry Board in the year 2008.

- Mr.M.B.N.Rao (63) 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 E.I.D. - Parry Board in the year 2009. He is the Chairman of the Risk Management Committee.

- Mr.R.A.Savoor (68) 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 E.I.D. - Parry Board in the year 2002. He has 42 years of industrial experience. He is the Chairman of Audit Committee and Compensation & Nomination Committee.

Reappointments

- Mr.V.Manickam, Mr. M.B.N.Rao and Mr.V.Ravichandran, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Relevant details relating to them are furnished in the Notice convening the Annual General Meeting to be held on 31st July, 2012 sent along with the Annual Report.

Board Meetings

- The Board of Directors met 6 times during the financial year 2011–12. i.e. 29.04.2011, 30.06.2011, 27.07.2011, 24.10.2011, 30.01.2012 and 19.03.2012. 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	No. of Board Meetings attended during the year 2011-12	Whether attended last AGM held on July 27, 2011	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	6	Yes	3	2	-	1
2)	Mr.V.Ravichandran Vice Chairman	Non-Independent, Non-Executive	6	Yes	-	4	-	2
3)	Mr. Ravindra S.Singhvi Managing Director	Non-Independent, Executive	6	Yes	1	1	1	1
4)	Mr. Anand Narain Bhatia	Independent, Non-Executive	6	Yes	-	1	1	1
5)	Mr. V. Manickam	Independent, Non-Executive	6	Yes	-	2	-	-
6)	Mr.M.B.N.Rao	Independent, Non-Executive	5	Yes	1	13	4	5
7)	Mr. R. A. Savoor	Independent, Non-Executive	5	Yes	-	5	3	2

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

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 2011 – 12. The dates on which the said meetings were held are as follows: 29.04.2011, 27.07.2011, 24.10.2011 and 30.01.2012.

- 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 2011-12
1)	Mr. R. A. Savoor Independent Non- Executive	Chairman	3
2)	Mr. Anand Narain Bhatia Independent Non- Executive	Member	4
3)	Mr.M.B.N.Rao Independent Non- Executive	Member	3
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

- Three committee meetings were held during the financial year 2011 – 12. The dates on which the said meetings were held are as follows: 29.04.2011, 27.07.2011 and 24.10.2011.

- 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 2011-12
1)	Mr. R. A. Savoor Independent Non- Executive	Chairman	2
2)	Mr. Anand Narain Bhatia Independent Non- Executive	Member	3
3)	Mr.V.Ravichandran Non - Independent Non- Executive	Member	3

Remuneration Policy

The Company, while deciding the remuneration package of the Managing Director, 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. Depending on the time and efforts put in by the directors towards the affairs of the Company, the directors are also paid a differential remuneration. 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, 2012 the Company has granted to various employees 2,85,900 Employee Stock Options.

Remuneration for the year

- During the financial year 2011-2012, 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, 2012 are as follows:

Non - Executive Directors

(Rs. in Lakhs)

Name	Sitting Fees paid for Board and Committee Meetings	Commission payable
Mr.A.Vellayan	0.90	100.00
Mr.V.Ravichandran	2.20	5.00
Mr.Anand Narain Bhatia	2.20	5.00
Mr.V.Manickam (paid/payable to L.I.C.)	0.90	5.00
Mr.M.B.N.Rao	1.40	5.00
Mr.R.A.Savoor	1.40	5.00
	9.00	**125.00**

Non - Executive Directors Shareholding

1. Mr. A. Vellayan, Chairman - 344540 equity shares of Re.1 each;
2. Mr. V. Ravichandran, Vice Chairman – Nil

3. Mr. Anand Narain Bhatia, Director – Nil
4. Mr. V. Manickam, Director – Nil
5. Mr. M. B. N. Rao, Director – Nil
6. Mr. R. A. Savoor, Director – Nil

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

(Rupees)

Name	Salary/ Allowances	Contribution to funds *	Value of perquisites	Incentive Paid
Mr.Ravindra S. Singhvi Managing Director	93,77,415	11,89,269	6,67,245	6,55,628

* 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 1,97,100 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.

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 2011 –12. The dates on which the said meetings were held are as follows: 29.04.2011, 27.07.2011, 24.10.2011 and 30.01.2012.

- 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 2011-12
1)	Mr. Anand Narain Bhatia Independent, Non- Executive	Chairman	4
2)	Mr.V.Ravichandran Non - Independent, Non- Executive	Member	4
3)	Mr. Ravindra S. Singhvi Non-Independent, Executive	Member	4

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

Opening Balance	Received during the financial year 2011-12	Resolved during the financial year 2011-12	Closing Balance
Nil	2	2	Nil

Loans & Investments Committee (2009)

Terms of reference

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

- The Committee passed Resolutions by circulation and no Committee Meetings were held during the financial year 2011 –12.

- The composition of the Loans & Investments Committee is given below. The Committee elects a Chairman for each meeting.

Sl. No	Name & Category	Whether Chairman/ Member
1	Mr.A.Vellayan Non – Independent Non – Executive Promoter	Member
2	Mr. Anand Narain Bhatia Independent Non- Executive	Member
3	Mr. Ravindra S. Singhvi Non – Independent Executive	Member

Risk Management Committee (2011)

Terms of reference

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".

1) The Risk Management Committee is a committee constituted by the Board delegated with tasks as stipulated in this Terms of Reference.

2) The Risk Management Committee exists to protect the interest of stake holders and assist the Board in discharging its responsibilities in the Corporate Governance Process.

3) Specifically, the Risk Management Committee will

   a) Review the Risk Management Strategy developed by the Management for approval by the Board
   b) Advise the Board on the prioritisation of Risk Management issues
   c) Report on the effectiveness of the Company's Risk Management Systems
   d) Carry out additional functions and adopt additional policies and procedures as may be appropriate in the light of changes in business, legislative, regulatory, legal and other conditions.

Composition & Meetings

- Two Committee meetings were held during the financial year 2011 –12. The dates on which the said meetings were held are as follows: 29.04.2011 and 24.10.2011.

- The composition of the Risk Management 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 2011-12
1)	Mr.M.B.N.Rao Independent Non – Executive	Chairman	2
2)	Mr.Ravindra S. Singhvi Non - Independent Executive	Member	2

Certain senior officials of the Company are invited to attend each meeting of the Committee as permanent invitees.

General Body Meetings

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

Year ended 31st March	Day and date	Time	Venue
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
2011	Wednesday 27.07.2011	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
29.07.2009	No	Not Applicable
28.07.2010	No	Not Applicable
27.07.2011	No	Not Applicable

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

Code of Conduct

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

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. 44 of Notes on 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, 2011, September 30, 2011, December 31, 2011 and March 31, 2012.

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 27th July, 2011.

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.

3. **Whistle Blower Policy**

   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

4. **Shareholder Rights**

   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 **A.Vellayan**
April 25, 2012 **Chairman**

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by **E.I.D.- Parry (India) Limited** ("the Company") for the year ended 31st March, 2012 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 has been limited to review of 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 by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of 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 25, 2012

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, 2012 as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

Chennai
April 20, 2012

RAVINDRA S SINGHVI
Managing Director

GENERAL SHAREHOLDER INFORMATION

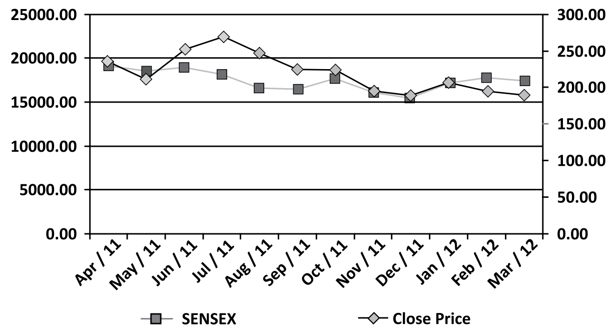
i. Annual General Meeting Day, Date and Time Venue	 Tuesday, 31st July 2012 at 4.00 p.m. Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai – 600 108.
ii. Financial Year	1st April 2011 to 31st March 2012
iii. Date of Book closure	17th July, 2012 to 31st July, 2012 (Both days inclusive)
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 2011-2012 were paid to all the above Stock Exchanges. ❖ Madras Stock Exchange Ltd., - The Company has received a confirmation letter dated 4th April, 2012 from Madras Stock Exchange Ltd. informing that the name of the Company has been removed from the list of listed securities of the exchange with effect from 4th April, 2012.
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- 2011	244.90	211.00	577513	246.80	212.10	1264046	1841559
May-2011	250.00	205.10	593271	244.80	203.50	1031811	1625082
Jun- 2011	253.95	211.05	523376	254.50	210.00	1597183	2120559
Jul-2011	279.00	248.85	1195745	279.00	247.55	2996513	4192258
Aug-2011	270.80	235.00	1446023	283.00	235.00	2881582	4327605
Sep-2011	254.80	215.60	145464	254.95	214.30	869256	1014720
Oct-2011	230.50	216.00	445226	230.85	215.40	577861	1023087
Nov-2011	229.00	191.00	556161	228.00	189.00	1742123	2298284
Dec-2011	201.90	176.00	130199	203.40	175.55	1078762	1208961
Jan-2012	213.60	187.15	1384903	218.80	186.40	775248	2160151
Feb-2012	227.05	188.15	599590	229.70	187.10	820564	1420154
Mar-2012	204.25	187.50	2410250	225.00	187.35	3607092	6017342

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, Vice President & 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 shares (Face value of Re.1/- each) 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 and non receipt of dividend	2	2

There were no complaints remaining pending both at the beginning and end of the financial year 2011-12.

xi. Distribution of shareholding as on March 31, 2012

No. of equity shares held	No. of share holders	%	No. of shares	%
1 - 5000	26130	96.00	11035950	6.35
5001 - 10000	518	1.90	3837208	2.20
10001 - 20000	250	0.92	3623229	2.09
20001 - 30000	87	0.32	2111098	1.22
30001 - 40000	42	0.15	1505680	0.87
40001 - 50000	23	0.08	1057759	0.61
50001 - 100000	54	0.20	3991805	2.30
100001 above	116	0.43	146499747	84.36
TOTAL	**27220**	**100.00**	**173662476**	**100.00**

Shareholding Mode	No. of share holders	%	No. of shares	%
Physical	5344	19.63	5473942	3.15
Demat / Electronic	21876	80.37	168188534	96.85
TOTAL	**27220**	**100.00**	**173662476**	**100.00**
NSDL	16604	61.00	160748882	92.56
CDSL	5272	19.37	7439652	4.29

Shareholding Pattern as on March 31, 2012

Category	No.of share holders	No. of shares	% to paid-up Capital
Promoters	52	79366264	45.70
Indian Public/HUF/Clearing Members	25993	31869174	18.35
Mutual Funds	24	15279522	8.80
Banks/Financial Institutions/Insurance Co.'s	28	14368223	8.27
Foreign Institutional Investors/GDR's	71	21917192	12.62
Private Corporate Bodies	576	8195582	4.72
NRI/OCB/ Foreign Nationals	467	2620451	1.51
Trusts	9	46068	0.03
Total	**27220**	**173662476**	**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 96.85% of the Company's share capital are dematerialised as on March 31, 2012. 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, 2012, 71930 (0.04%) 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

Bio Products

7 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

R & D Facility

9 145, 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 Registrar 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
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
2011-12	Interim	4.00	26.04.2019

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

3.15% 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

In accordance with Clause 5A of the amended Equity Listing Agreement with the Stock Exchanges the Company after sending three reminders to the shareholders to claim their respective shares, has dematted all physical shares which remained unclaimed by shareholders to an "Unclaimed Suspense Account" which was opened by the Company for this purpose. 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 are requested to write to the RTA and provide the correct details to enable the Company to transfer the unclaimed share certificate directly to the Shareholders demat account.

The following disclosures are made in pursuance of Clause 5A of the Listing Agreement with the Stock Exchanges.

Sl.No.	Particulars	Remarks
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	Nil
(ii)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	Nil
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year;	Nil
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	2576 1474160 shares

FINANCIAL STATEMENTS OF E.I.D.-PARRY (INDIA) LIMITED

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, 2012, the Statement of Profit and Loss 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. Without qualifying our opinion, attention is drawn to Note No. 11.4 regarding an investment of Rs.21,183.46 lakhs in a Joint venture company, whose networth has eroded partially as on the balance sheet date and whose operations have been suspended for the reasons mentioned therein. Considering the steps taken by the company towards reviving its operations as mentioned in the said note, the diminution in value is not considered as other than temporary in nature.

4. 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.

5. Further to our comments in paragraph 3 above and in the Annexure referred to in paragraph 4 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012;

      (ii) in the case of the Statement of Profit and Loss, 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.

6. On the basis of the written representations received from the Directors as on 31st March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 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 25, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 4 of our report of even date)

(i) Having regard to the nature of the Company's business/activities, clauses 4(vi), 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) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 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, 2012 on account of disputes are given below:

Name of the Statute	Nature of Dues	March 31, 2012 Rs. Lakhs	Forum where the dispute is pending	Period to which the dues belong
Central Excise Act, 1944	Excise Duty	961	Assistant Commissioner/ Deputy Commissioner, Commissioner, CESTAT, High Court	Assessment Year 2002-03 to 2007-08
Finance Act, 1994 (Service Tax)	Service Tax dues	117	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	12	Assistant Commissioner / Deputy Commissioner, Tribunal, High Court	2001-02 and 2002-03
Customs Act, 1962	Customs Duty	4,302	CESTAT	2006-07
Income Tax Act, 1961	Income Tax	676	Income Tax Appellate Tribunal/ High court/CIT Appeals	2003-04 to 2006-07

(x) The Company does not have any accumulated losses at the end of the year. The Company has not incurred cash losses during the current year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

(xii) 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.

(xiii) 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.

(xiv) 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.

(xv) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 1,000 debentures of Rs.1,000,000 each. The Company has created security in respect of the debentures issued.

(xvi) 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 25, 2012

BALANCE SHEET AS AT MARCH 31, 2012

Rupees in lakhs

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	2	1,737	1,732
(b) Reserves and Surplus	3	120,026	113,296
		121,763	**115,028**
2. Non-Current Liabilities			
(a) Long Term Borrowings	4	33,327	30,888
(b) Deferred Tax Liabilities (Net)	5	12,564	12,689
		45,891	**43,577**
3. Current Liabilities			
(a) Short Term Borrowings	6	45,644	27,921
(b) Trade Payables	7	12,228	9,511
(c) Other Current Liabilities	8	17,723	11,156
(d) Short Term Provisions	9	1,190	1,028
		76,785	**49,616**
TOTAL		**244,439**	**208,221**
B. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		76,494	78,272
(ii) Intangible Assets		5	18
(iii) Capital Work in Progress		4,917	3,250
(b) Non Current Investments	11	67,978	42,714
(c) Long Term Loans & Advances	12	21,020	7,408
		170,414	**131,662**
2. Current Assets			
(a) Current Investments	13	300	700
(b) Inventories	14	25,543	19,046
(c) Trade Receivables	15	22,999	12,910
(d) Cash and Cash Equivalents	16	3,457	4,940
(e) Short Term Loans & Advances	12	21,700	38,866
(f) Other Current Assets	17	26	97
		74,025	**76,559**
TOTAL		**244,439**	**208,221**
See accompanying notes forming part of the financial statements	1-46		

In terms of our report attached

For and on behalf of the Board of Directors

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 25, 2012

Chennai
April 25, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Rupees in lakhs

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
1. Income			
Revenue from Operations (Gross)	18	157,812	130,687
Less: Excise Duty		4,147	3,546
Revenues from Operations (Net)		153,665	127,141
Other Income	19	17,552	16,699
Total Revenue		**171,217**	**143,840**
2. Expenses			
Cost of materials consumed	20	109,598	72,592
Purchases of Stock-in-Trade	21	1,213	16,763
Changes in Inventories of finished goods, work-in-process and stock in trade	22	(7,207)	577
Employee benefits expense	23	8,297	6,785
Finance costs	24	6,443	4,817
Depreciation and amortisation expense net of transfer from fixed assets revaluation reserve for Rs.14 Lakhs (2011 : Rs.14 Lakhs)		7,397	7,370
Other expenses	25	31,869	28,196
Total Expenses		**157,610**	**137,100**
3. Profit before tax (1-2)		**13,607**	**6,740**
4. Tax Expense			
(1) Current Tax		750	-
(2) MAT Credit entitlement		(750)	-
(3) Deferred Tax	5	(125)	(1,186)
Total		**(125)**	**(1,186)**
5. Profit for the year (3-4)		**13,732**	**7,926**
6. Earnings Per Equity Share (Nominal value per share Re. 1)	43		
(a) Basic (Rs.)		7.92	4.58
(b) Diluted (Rs.)		7.91	4.56
See accompanying notes forming part of the financial statements	1-46		

In terms of our report attached

For and on behalf of the Board of Directors

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 25, 2012

Chennai
April 25, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Rupees in lakhs

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
A. Cash flow from operating activities				
Net profit before tax		**13,607**		**6,740**
Adjustments for :				
Depreciation and Amortisation	7,397		7,370	
Finance costs	6,443		4,817	
Dividend Income	(12,561)		(11,431)	
Profit on sale of fixed assets (net)	(344)		(344)	
Profit on sale of investments	-		(2,214)	
Interest Income	(2,247)		(1,689)	
Liabilities/ Provisions no longer required written back	(320)		(662)	
Bad debts written off and provision for doubtful debts	1,352		67	
Other non cash items	5	(275)	(295)	(4,381)
Operating profit before working capital changes		**13,332**		**2,359**
Changes in working capital				
Adjustments for increase/(decrease) in				
Trade and other receivables	(13,577)		(550)	
Inventories	(6,497)		13	
Current liabilities	6,765	(13,309)	(11,820)	(12,357)
Cash generated from / (used in) operations		23		(9,998)
Direct taxes paid net of refund		(721)		(842)
Net cash flow used in operations		**(698)**		**(10,840)**
B. Cash flow from investing activities				
Purchase of fixed assets including capital advances	(7,371)		(3,862)	
Proceeds from sale of fixed assets	592		408	
Purchase of investments	-		(14)	
Investments in subsidiary companies (Refer note below)	(15,314)		(12,134)	
Loans and Advances given to subsidiary companies (Refer note below)	(5,220)		(25,526)	
Proceeds from Sale of investments	50		39,230	
Interest received	2,318		1,788	
Proceeds from Fixed Deposit	4,051		2,449	
Dividend income received	12,561		11,431	
Net cash flow (used in) / from investing activities		**(8,333)**		**13,770**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	366		370	
Proceeds from long term borrowings	10,000		10,877	
Repayment of long term borrowings	(10,751)		(17,000)	
Proceeds from other term borrowings (net)	23,233		10,811	
Net increase / (Decrease) in working capital borrowing	659		3,140	
Finance costs	(5,429)		(4,222)	
Dividends paid including dividend tax	(6,947)		(6,919)	
Net cash flow from / (used in) financing activities		**11,131**		**(2,943)**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Rupees in lakhs

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**2,100**		**(13)**
Reconciliation				
Cash and cash equivalents as at 1st April 2011		1,010		1,023
Cash and cash equivalents as at 31st, March 2012		**3,110**		**1,010**
Net increase / (decrease) in cash and cash equivalents		**2,100**		**(13)**
Cash and Cash equivalents as per Balance Sheet Note 16		3,457		4,940
Add: Current Investments considered as Cash and Cash Equivalents		300		700
Less: Deposits not considered as Cash and Cash equivalents as defined in Accounting Standard 3 Cash Flow Statements		134		4,185
Less : Balance in earmarked accounts - In Dividend account		513		445
Cash and Cash equivalents as per AS 3		**3,110**		**1,010**
Note : Investment in subsidiary companies does not include Rs. 10,000 Lakhs being loan granted in earlier years converted into preference shares during the year.				

In terms of our report attached

For and on behalf of the Board of Directors

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 25, 2012

Chennai
April 25, 2012

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Corporate information

E.I.D. Parry is a significant player in Sugar with interests in promising areas of Bio Pesticides and Nutraceuticals. The company also has a significant presence in Farm Inputs business through its subsidiary, Coromandel International Limited.

EID Parry together with its subsidiaries has nine sugar factories having a capacity to crush 34,750 Tonnes of Cane per day, generate 146 MW of power and four distilleries having a capacity of 230 KLPD. In the Bio Pesticides business, the Company offers a unique neem extract, Azadirachtin, having a good demand in the developed countries' bio pesticide markets. In the Nutraceuticals business, it holds a strong position in the growing wellness segment mainly catering to the world markets with its organic products.

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except for certain fixed assets that are carried at revalued amounts.

1.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

1.3 Inventories

(i) Inventories other than by-products are valued at 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.

(iv) Inventories of by-products are valued at estimated net realisable value.

1.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.6 Depreciation and amortisation

(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 are 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, 1956 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 Equipment	:	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.

1.7 Revenue Recognition

i) Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

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 income is accounted on accrual basis.

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

1.8 Fixed Assets

Tangible 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.

1.9 Foreign Currency Transactions

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Refer Notes 1.21 and 1.22 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

1.10 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.

1.11 Employee Benefits

a. Short Term Employee Benefits

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

b. Long Term Employee Benefits

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

(i) Defined Contribution Plans

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

(ii) Defined Benefit Plans

Employees pension scheme and provident fund scheme managed by Trust are the company's defined benefit plans. The company also makes annual contribution to a Gratuity fund administered by Life Insurance Corporation of India. 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.

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.

(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 recognized 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 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.13 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

1.14 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the revenue account as per the lease terms.

1.15 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

1.16 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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 recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such Deferred Tax assets. Other Deferred Tax assets are recognized if there is a reasonable certainty that there will be sufficient future taxable income available to realise such Deferred Tax assets.

1.17 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

1.18 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

1.19 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

1.20 Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized 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 recognized nor disclosed in the financial statements.

1.21 Hedge Accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

1.22 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2

SHARE CAPITAL

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
AUTHORISED		
Preference Shares		
5,000,000 Redeemable Preference Shares of Rs.100 each	5,000	5,000
Equity Shares		
5,150,00,000 Equity Shares of Re.1 each (2011 - 515,000,000 Equity Shares of Re. 1 each)	5,150	5,150
	10,150	**10,150**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
173,662,476 Equity Shares of Re.1 each (2011 - 173,198,200 Equity Shares of Re. 1 each)	1,737	1,732
	1,737	**1,732**

2.1 The above equity share capital is net off 6,269,402 Equity Shares of Re.1 each, bought back by the company during the year 2008-09.

2.2 Under the Employee Stock Option Plan – ESOP 2007, options not exceeding 8,924,850 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.

Total options outstanding as at March 2012 - 1,153,654 (March 2011- 1,733,120) equity shares of Re.1 each. Refer Note No. 41 for other details about the scheme.

2.3 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Share holder	No. of shares held as at 31st March 2012		No. of shares held as at 31st March 2011	
	Nos.	%	Nos.	%
Murugappa Holdings Limited (Previously known as Parry Agro Industries Limited) (Associate - Investing Party)	5,87,35,204	33.82	5,87,35,204	33.91
Ambadi Investments Private Ltd (Previously known as New Ambadi Estates Private Limited)	93,23,240	5.37	93,23,240	5.38
Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	33,80,148	1.95	1,04,41,846	6.03

2.4 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Reconciliation	2011-12		2010-11	
	No. of Shares	Rs. Lakhs	No. of Shares	Rs. Lakhs
Equity Shares of Re.1 each fully paid up				
At the beginning of the period	173,198,200	1,732	172,716,940	1,727
Allotment of shares on exercise of Employee Stock Option	464,276	5	481,260	5
At the end of the period	173,662,476	1,737	173,198,200	1,732

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.5 Terms attached to Equity shares

The Company has only one class of equity share having a par value of Re.1 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

During the year ended 31st March 2012, the amount of dividend recognized as distributions to equity shareholders is Rs. 4 per share (2011- Rs. 2 per share).

NOTE 3

RESERVES AND SURPLUS

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
I. CAPITAL RESERVES		
(a) Capital Reserve		
Opening balance	1,348	1,348
Add :Addition during the year	-	-
Less : Utilised during the year	-	-
Closing balance	**1,348**	**1,348**
(b) Capital Redemption Reserve		
Opening balance	3,113	3,113
Add :Addition during the year	-	-
Less : Utilised during the year	-	-
Closing balance	**3,113**	**3,113**
(c) Securities Premium Account (Note 3.1 below)		
Opening balance	4,469	4,104
Add :Addition during the year	360	365
Less : Utilised during the year	-	-
Closing balance	**4,829**	**4,469**
(d) Debenture Redemption Reserve (Note 3.2 below)		
Opening balance	1,167	417
Add :Addition during the year	1,583	750
Less : Utilised during the year	-	-
Closing balance	**2,750**	**1,167**
(e) Fixed Asset Revaluation Reserve (Note 3.3 below)		
Opening balance	554	568
Add :Addition during the year	-	-
Less : Utilised during the year	14	14
Closing balance	**540**	**554**
CLOSING BALANCE OF CAPITAL RESERVES (A)	**12,580**	**10,651**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3

RESERVES AND SURPLUS (Continued)

Rupees in lakhs

Particulars		As at 31st March 2012	As at 31st March 2011
II. REVENUE RESERVES			
(a) General Reserves			
Opening balance		68,477	67,677
Add :Addition during the year		1400	800
Less : Utilised during the year		-	-
Closing balance		**69,877**	**68,477**
(b) Hedging Reserves			
Opening balance		4	-
Add :Addition during the year		(401)	4
Less : Utilised /reversed during the year		**-**	**-**
Closing balance		**(397)**	**4**
(c) Profit and Loss account			
Opening Balance		34,164	30,680
Profit for the year		13,732	7,926
		47,896	**38,606**
Less : Appropriations			
Interim Dividend on Equity Shares -Rs.4 per share (2011 : Rs. 2 per share)		6,947	3,466
Dividend Distribution Tax		-	(574)
Transfer to Debenture Redemption Reserve		1,583	750
Transfer to General Reserves		1,400	800
Closing Balance		**37,966**	**34,164**
CLOSING BALANCE OF REVENUE RESERVES	**(B)**	**107,446**	**102,645**
TOTAL RESERVES AND SURPLUS	**(A) + (B)**	**120,026**	**113,296**

Note

3.1 During the year 464,276 equity shares of Re.1 each were issued to the employees on exercise of Employees Stock Option for an aggregate premium of Rs. 360 Lakhs (2011 : Rs. 365 Lakhs)

3.2 Debenture Redemption Reserve account has been created for Rs.1,583 Lakhs (2011 - Rs. 750 Lakhs) by transfer from statement of profit and loss for Non-convertible Debentures of Rs. 19,000 Lakhs (2011 - 9,000 Lakhs).

3.3 Deduction during the year represents Rs. 14 Lakhs (2011 - Rs. 14 Lakhs) transferred to Statement of profit and loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 4
LONG TERM BORROWINGS

Rupees in lakhs

Particulars	Non-Current Portion		Current Maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
(a) Privately placed Secured, Redeemable Non-convertible debenture				
10.40% Secured Redeemable non-convertible debentures 2011-12 series (Refer note 4.1)	6,000	-	-	-
10.25% Secured Redeemable non-convertible debentures 2011-12 series (Refer note 4.2)	4,000	-	-	-
9.40% Secured Redeemable non-convertible debentures 2010-11 series (Refer note 4.3)	4,000	4,000	-	-
8.65% Secured Redeemable non-convertible debentures 2009-10 series (Refer note 4.4)	-	5,000	5,000	-
(b) Secured Term Loans from:				
Banks (Refer note 4.5.1 to 4.5.7)	9,183	10,613	3,420	5,703
Government of India - Sugar Development Fund (Refer note 4.6)	7,644	8,775	1,131	868
(c) Other loans and advances				
Unsecured loan from others (Refer note 4.7)	2,500	2,500	-	-
	33,327	**30,888**	**9,551**	**6,571**
The above amount includes				
Secured Borrowings	30,827	28,388	9,551	6,571
Unsecured Borrowings	2,500	2,500	-	-
Amount disclosed under the head "other current liabilities" (Note 8)	-	-	(9,551)	(6,571)
Net amount	**33,327**	**30,888**	**-**	**-**

4.1 600 - 10.40% Secured Redeemable Non-convertible Debentures of Rs.10 Lakhs each aggregating to Rs.6,000 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 Pettavaithalai and 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 on 4th January 2015.

4.2 400 - 10.25% Secured Redeemable Non-convertible Debentures of Rs.10 Lakhs each aggregating to Rs.4,000 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 Pettavaithalai 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 on 12th July 2014.

4.3 400 - 9.40% Secured Redeemable Non-convertible Debentures of Rs.10 Lakhs each aggregating to Rs.4,000 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 Pettavaithalai and further secured by a *pari pass*u first charge on the immovable properties situated at Nellikuppam, Pugalur, Pudukottai, and Thyagavalli. Debentures are redeemable in full at par on 27th January 2014.

4.4 500 - 8.65% Secured Redeemable Non-convertible Debentures of Rs.10 Lakhs each 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 on 4th September 2012.

4.5.1 The Rupee term loan from HDFC Bank Limited amounting to Rs. 13 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.

4.5.2 The Rupee term loans from State Bank of India amounting to Rs. 1,200 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.

4.5.3 The Rupee term loan from Canara Bank amounting to Rs. 1,250 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.

4.5.4 The Rupee term loans from State Bank of India amounting to Rs. 3,151 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.

4.5.5 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 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.

4.5.6 The External Commercial Borrowings (ECB) Loan from HSBC Bank (Mauritius) Ltd. Mauritius amounting to Rs. 1,989 Lakhs (USD 4 Million) is secured by a pari passu first charge on the immovable properties situated at Nellikuppam, Pugalur, Pudukottai, and Thyagavalli and to be further 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, Pettavaitalai, Pudukottai, Thyagavalli and Ariyur. The company has entered into currency swap arrangement for hedging principal and interest payments.These arrangements have been recognized and the amount of borrowings has been stated in the books in Rupee values as per the said arrangement.

4.5.7 The summary of Bank loan is as follows:

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011	Terms of repayment
HDFC Bank (Refer Note 4.5.1)	13	37	Repayable over seven years
State Bank of India (Refer Note 4.5.2)	1,200	2,400	Repayable over five years
State Bank of India	-	2,250	Not Applicable
Canara Bank (Refer Note 4.5.3)	1,250	2,500	Repayable over five years
State Bank of India (Refer Note 4.5.4)	3,151	4,129	Repayable over seven years
IndusInd Bank Limited (Refer Note 4.5.5)	5,000	5,000	Repayable over five years
ECB - HSBC Bank (Mauritius) Ltd. (Refer Note 4.5.6)	1,989	-	Repayable over four years
	12,603	**16,316**	

The above loans carry interest rates ranging 8% - 11.50% per annum.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4.6 Loan from Sugar Development Fund (Government of India) for modernisation/expansion/ cogeneration amounting to Rs. 8,775 Lakhs is secured by way of a Bank Guarantee from State Bank of India. It carries interest rate of 4% and repayable over 7 to 14 years.

4.7 The Interest free loan is repayable after 13 years.

4.8 There is no default in repayment of the loans and interest thereon.

NOTE 5
DEFERRED TAX LIABILITY

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	13,309	14,307
Tax effect of items constituting deferred tax assets		
Unabsorbed Depreciation and Business Loss	-	(1,326)
Provision for Doubtful Debts, Provision for compensated absences and others	(745)	(292)
Net Deferred Tax liability	**12,564**	**12,689**

NOTE 6
SHORT TERM BORROWINGS

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Loans repayable on demand		
From Banks		
(i) Secured (Refer Note 6.1)	11,380	10,721
(ii) Unsecured (Refer Note 6.2)	30,228	17,169
(b) Commercial Papers - Unsecured	4,000	-
(c) Security Deposits - Unsecured	36	31
	45,644	**27,921**

6.1 Working Capital facilities from State Bank 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.

6.2. Packing credit facility on the basis of letter of credit or confirmed and irrevocable order for the export of goods / services.

NOTE 7
TRADE PAYABLES

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Dues to Micro Enterprises and Medium Enterprises (Refer Note 7.1 below)	-	-
(b) Trade Payables	12,228	9,511
	12,228	**9,511**

7.1 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2012 which is on the basis of such parties having been identified by the management.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8
OTHER CURRENT LIABILITIES

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Current maturities of long-term debt	9,551	6,571
(b) Interest accrued but not due on borrowings	692	418
(c) Unpaid dividends	513	445
(d) Other Liabilities		
ED on undespatched stock	942	661
Mark to Market Provision (Forex)	400	(20)
Other Miscellaneous Liabilities (Refer note 8.1 below)	4,922	2,641
Advances and Deposits from Customers/Others	512	385
Due to Directors	191	55
	17,723	**11,156**

8.1 Other Miscellaneous Liabilities includes liability towards cane differential price, capital goods, payroll deductions and statutory dues such as property tax, purchase tax, withholding taxes, service tax, VAT, excise duty etc.,

NOTE 9
SHORT - TERM PROVISIONS

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Provision for compensated absences	827	725
(b) Provision for Bonus and Incentives	285	211
(c) Provision for Property taxes	78	92
	1,190	**1,028**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 10
FIXED ASSETS

Rupees in lakhs

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost/Value As at 01-04-2011	Additions	Deletions	Cost/Value As at 31-03-2012	As at 01-04-2011	For the year	Deletions	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
Tangible assets (A)										
Freehold Land	3,849	-	-	3,849	-	-	-	-	3,849	3,849
Leasehold Land (Note 10.1)	4	-	-	4	1	-	-	1	3	3
Buildings										
a) R&D (Note 10.4)	180	-	-	180	76	5	-	81	99	104
b) Others (Notes 10.2 and 10.3)	13,196	505	11	13,690	3,472	462	7	3,927	9,763	9,724
Plant and Machinery										
a) R&D (Note 10.4)	630	8	4	634	537	15	4	548	86	93
b) Others	103,906	4,746	1,413	107,239	40,817	6,514	1,192	46,139	61,100	63,089
Furniture & Fixtures										
a) R&D (Note 10.4)	59	3	-	62	51	1	-	52	10	8
b) Others	1,342	80	4	1,418	859	101	3	957	461	483
Office Equipments										
a) R&D (Note 10.4)	77	4	-	81	53	4	-	57	24	24
b) Others	2,136	175	56	2,255	1,679	150	53	1,776	479	457
Vehicles	1,010	366	110	1,266	572	146	72	646	620	438
Total (A)	**126,389**	**5,887**	**1,598**	**130,678**	**48,117**	**7,398**	**1,331**	**54,184**	**76,494**	**78,272**
Intangible Assets (B)										
Patent	271	-	-	271	253	13	-	266	5	18
Total (A) + (B)	**126,660**	**5,887**	**1,598**	**130,949**	**48,370**	**7,411**	**1,331**	**54,450**	**76,499**	**78,290**
Previous Year	122,905	4,125	370	126,660	41,265	7,384	279	48,370		
Capital Work - in Progress									4,917	3,250
									81,416	**81,540**

Notes:

10.1. Amortisation of Leasehold land for the year is Rs.0.08 Lakhs (2011 - 0.08 Lakhs).

10.2 Includes cost of Rs.31 Lakhs (2011 - Rs.31 Lakhs) for which title deeds are yet to be received from the Registrar.

10.3 Includes Building on Leasehold land : Cost : Rs. 884.41 Lakhs (2011 - Rs. 884.41 Lakhs) and Accumulated Depreciation : Rs.229.27 Lakhs (2011 - Rs. 214.54 Lakhs).

10.4 Additions for the year 2012 includes Rs.14.87 Lakhs (2011 - Rs. 28 Lakhs) of Fixed Assets additions made in the Approved In-house R & D Centres.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11

NON-CURRENT INVESTMENTS

(At Cost)

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
I. Quoted Investments		
(A) Trade Investments		
(a) Investments in Equity Instruments		
(i) Subsidiary Companies		
17,71,55,580 (2011 - 17,71,55,580) shares of Re. 1 each fully paid up in Coromandel International Limited	11,989	11,989
1,29,75,110 (2011 - 1,29,75,110) shares of Rs.10 each fully paid up in Parrys Sugar Industries Limited	8,475	8,475
(B) Other Investments		
(a) Investments in Equity Instruments		
(i) Other companies		
23,600 (2011 - 23,600) shares of Rs. 10 each fully paid up in Kartik Investments Limited	4	4
100 (2011 - 100) shares of Rs. 10 each fully paid up in Travancore Sugars and Chemicals Limited	-	-
8,244 (2011 - 8,244) shares of Rs. 10 each fully paid up in State Bank of India	25	25
393 (2011 - 393) shares of Rs. 10 each fully paid up in Cholamandalam Investment and Finance Company Limited	-	-
42,938 (2011 - 42,938) shares of Rs.10 each fully paid up in Coromandel Engineering Company Limited	4	4
2,000 (2011 - 1,000) shares of Re.1 each fully paid up in Carborundum Universal Limited	-	-
Total Quoted Investments	**20,497**	**20,497**
Market Value of Quoted Investments	**511,732**	**532,610**
II. Unquoted Investments		
(A) Trade Investments		
(a) Investments in Equity Instruments		
(i) Subsidiary Companies		
776 (2011 - 776) shares of USD 100 each fully paid up in Parry America Inc	24	24
15,00,000 (2011 - 15,00,000) shares of Rs.10 each fully paid up in Parrys Sugar Limited	150	150
2,50,150 (2011 - 2,50,150) shares of Rs.10 each fully paid up in Parrys Investments Limited	37	37
50,00,000 (2011 - 50,00,000) shares of Rs.10 each fully paid up in Parry Infrastructure Company Private Limited	500	500
1,06,600 (2011 - 1,06,600) shares of Rs.100 each fully paid up in Parry Phytoremedies Private Limited	213	213
6,02,70,018 (2011 - 4,58,03,418) shares of Rs.10 each fully paid up in Sadashiva Sugars Ltd - Refer Note 11.5 below	6,796	4,962
US Nutraceuticals LLC - Refer Note 11.2 below	7,040	4,810
(ii) Joint Ventures		
5,81,40,614 (2011 - 2,72,67,438) shares of Rs.10 each fully paid up in Silkroad Sugar Private Limited - Refer Note 11.4 below	21,184	9,934
(iii) Other companies		
18,270 (2011 - 18,270) shares of Rs. 100 each fully paid up in Murugappa Management Services Limited	18	18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11

NON-CURRENT INVESTMENTS (Continued)

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
b) Investments in Preference shares		
(i) Subsidiary Companies		
1,28,31,880 (2011 - 1,28,31,880) 8% Redeemable Non Cumulative shares of Rs.11 each fully paid up in Parrys Sugar Industries Limited	1,412	1,412
10,00,00,000 (2011 - Nil) 8% Redeemable Cumulative shares of Rs.10 each fully paid up in Parrys Sugar Industries Limited	10,000	-
(B) Other Investments		
(a) Investments in Equity Instruments		
(i) Subsidiary Companies		
9,500 (2011 - 9,500) shares of Rs.10 each fully paid up in Parry Agrochem Exports Limited	-	-
(ii) Other companies		
125 (2011 - 125) shares of 25 pence each fully paid up in Hawker Siddley Group Limited (Refer note 11.1 below)	-	-
10,000 (2011 - 10,000) shares of Re.1 each fully paid up in Indian Dairy Entrepreneur and Agricultural Co Limited (At cost less amount written off Rs 0.90 Lakh)	-	-
266 (2011 - 266) shares of Rs.10 each fully paid up in Chennai Wellingdon Corporate Foundation	-	-
6,37,200 (2011 - 6,37,200) shares of Rs. 10 each fully paid up in Indian Potash Limited	32	32
1,00,000 (2011 - 1,00,000) shares of Rs.10 each fully paid up in Bio Tech Consortium (India) Limited	10	10
2 (2011 - 2) shares of Rs.10 each fully paid up in Murugappa Morgan Thermal Ceramics Limited	-	-
20 (2011 - 20) shares of Rs.100 each fully paid up in Kulittalai Cane Farms Private Limited (Refer note 11.1 below)	-	-
(b) Investments in Government or trust securities		
Government Securities (Lodged as Security deposit)	1	1
(c) Investments in debentures or bonds		
Rural Electrification Corporation 5 Year 5.5% Redeemable Bonds	64	114
Total Unquoted Investments	**47,481**	**22,217**
Total Non-Current Investments	**67,978**	**42,714**

Notes

11.1 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.

11.2 The company has acquired additional stake of 42.52% in US Nutraceuticals LLC, for a consideration of Rs. 2,230 Lakhs during October 2011. The company has thereby obtained 100% voting rights in that company.

11.3 Refer note 1.10 for valuation of investments.

11.4 The Joint Venture company Silkroad Sugar Private Limited had set up a sugar refinery and a power plant (project) in a Special Economic Zone at Kakinada, Andhra Pradesh. The Joint Venture Company commenced commercial production from October 1, 2010.The project envisaged that the gas for operations will be available in adequate quantities for its operations and would give good returns on capital employed. The operations were commenced with the partial availability of gas with an expectation that there will be an increased availability. However due to inadequate supply of gas, the operations had to be discontinued from 2nd November 2011. In order to meet minimum fixed expense and to service working capital loans, the Joint Venture partner Cargill Asia Pacific Holdings Pte Limited and the company have made further investments aggregating to Rs.22,500 Lakhs in equity shares of Joint Venture Company during the year . Considering the uncertainty in availability of gas as a fuel, coal is being considered as an alternative fuel. The Joint Venture company has initiated appropriate steps for procurement / installation of coal fired boiler and the operations are expected to be re-commenced by the end of 2013.

Further the Joint Venture Company has submitted proposals to its lenders for restructuring of the loan facilities which is under active consideration of respective lenders.

In view of the Joint Venture Company's efforts to revive its operation, the erosion in Net Worth of the company which is at 60% as at March 31, 2012 is considered by the management not other than of temporary in nature and accordingly no provision is considered necessary for the diminution in the value of investment.

11.5 The company has increased its stake in Sadashiva Sugars Limited (SSL), subsidiary company from 76% to 100% by acquiring 1,44,66,600 equity shares of Rs. 10 each for Rs. 1,834 Lakhs during September 2011.

11.6 The Board of Directors approved a Scheme of Arrangement (Demerger) pursuant to which some of the undertakings of Parrys Sugar Industries Limited (PSIL), a Subsidiary of E.I.D.-Parry (India) Limited, will be merged with the company effective 1st April 2012. This is subject to various statutory and regulatory approvals.

NOTE 12

LOANS AND ADVANCES

Rupees in lakhs

Particulars	Long-Term		Short-Term	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Unsecured and considered good unless otherwise stated				
(a) Capital Advances	1,480	1,659	-	-
(b) Loans and advances to related parties	13,831	334	7,250	25,526
(c) Advance Income Tax Net of Provision for Tax (Rs.31,149 Lakhs (2011- Rs. 30,399 Lakhs))	3,285	3,314	-	-
(d) Balance with Customs and Central Excise Authorities	-	-	436	526
(e) MAT Credit Entitlement	-	-	2,180	1,430
(f) Advance recoverable in cash or in kind or for value to be received				
(i) Unsecured and Considered Good (Refer Note 12.1)	2,424	2,101	11,834	11,384
(ii) Considered Doubtful	138	118	-	-
Less: Provision for Doubtful Advances	(138)	(118)	-	-
	21,020	**7,408**	**21,700**	**38,866**

12.1 Includes Interest on loan receivable from related parties : Short Term Rs. 1,977 Lakhs (2011 - Rs. 551 Lakhs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 13
CURRENT INVESTMENTS
(At lower of cost and fair value, unless otherwise stated) *Rupees in lakhs*

Particulars	As at 31st March 2012	As at 31st March 2011
I. Quoted Investments		
(a) Investments in Mutual Funds - Valued at Net Asset Value		
(i) 6,978,734 units of Nominal value of Rs. 10 each in SBI Premier Liquid Fund- Institutional- Daily Dividend	-	700
(ii) 981,433 units of Nominal value of Rs. 10 each in Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend	150	-
(iii) 14,958 units of Nominal value of Rs. 1000 each in SBI Premier Liquid Fund - Super Institutional - Daily Dividend	150	-
	300	**700**

NOTE 14
INVENTORIES
(At lower of cost and net realisable value)

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Raw materials	1,166	1,835
(b) Work-in-process	1,089	1,674
(c) Finished goods	21,033	12,353
(d) Stock-in-trade (goods acquired for trading)	195	1,083
(e) Stores and spares	2,060	2,101
	25,543	**19,046**

14.1 Mode of valuation of Inventories - Refer Note No 1.3
14.2 Refer Note 35 for details of work-in-process, finished goods and stock-in-trade.

NOTE 15
TRADE RECEIVABLES (UNSECURED)

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Considered good	8,112	2,383
(ii) Considered doubtful	1,324	336
Less: Provision for doubtful debts	(1,324)	(336)
	8,112	**2,383**
(b) Other Trade Receivables - Considered good (Refer Note 15.1 below)	14,037	9,864
(c) Other receivables - Considered good (Refer Note No. 15.2)	850	663
	22,999	**12,910**

15.1 The above amount includes due from related parties - Rs.2,038 Lakhs (2011 - Rs.1,350 Lakhs)
15.2 The above amount includes Insurance claim receivable : Rs. 472 Lakhs (2011 - NIL)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 16
CASH AND CASH EQUIVALENTS

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Cash on hand	7	7
(b) Cheques, drafts on hand	1,690	61
(c) Balances with banks		
(i) In Current account	262	242
(ii) In Deposit account (Refer note 16.2 below)	985	4,185
(iii) In earmarked accounts		
- In Dividend account	513	445
	3,457	**4,940**

16.1 Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is Rs. 2,810 Lakhs (2011 - Rs. 310 Lakhs)

16.2 Balances with banks include deposits amounting to Rs. 15 Lakhs (2011 - 2,118 Lakhs) which have an original maturity of more than 12 months.

NOTE 17
OTHER CURRENT ASSETS

Particulars	As at 31st March 2012	As at 31st March 2011
Income Accrued on Deposits etc.	26	97
	26	**97**

NOTE 18
REVENUE FROM OPERATIONS

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Sales of Products (Refer note no 18.1 for details)	156,796	129,115
(b) Other operating revenues		
Sundry Income	696	910
Liabilities/ Provisions no longer required written back	320	662
	157,812	**130,687**

NOTE 18.1
Details of Products Sold

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
Classes of Goods		
Sugar	106,825	92,749
Raw sugar	13,005	4,173
Bio and Nutra products	12,025	10,226
Power	13,064	13,189
Distillery	11,508	8,601
Organic Manure	369	177
	156,796	**129,115**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 19
OTHER INCOME

Rupees in lakhs

Particulars	For the year Ended 31st March 2012		For the year Ended 31st March 2011	
(a) Interest Income				
From bank deposits	403		739	
On loans and advances to subsidiaries	1,844	2,247	950	1,689
(b) Dividend Income				
(i) Current investments	141		709	
(ii) Long term investments				
Subsidiaries	12,401		10,707	
Others	19	12,561	15	11,431
(c) Profit on sale of long term Investments		-		2,214
(d) Profit on sale of fixed assets (Net)		344		344
(e) Net gain on foreign currency transaction and translation (other than considered in finance cost) - (Refer Note 29)		8		290
(f) Other non-operating income		2,392		731
		17,552		**16,699**

NOTE 20
COST OF MATERIALS CONSUMED

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Sugarcane (Refer note 20.1 and 20.2)	96,901	52,296
(b) Raw Sugar	795	9,979
(c) Others	11,902	10,317
	109,598	**72,592**

20.1 The above raw material consumption includes Rates and Taxes of Rs. 2,851 Lakhs (2011 - Rs. 1,760 Lakhs).
20.2 Includes liability relating to earlier years Rs. 826 lakhs (2011 - Nil)

NOTE 21
PURCHASES OF STOCK-IN-TRADE

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
Classes of Goods		
(a) Sugar	-	9,826
(b) Raw Sugar	-	4,922
(c) Bio Products	77	10
(d) Nutra Products	1,136	2,005
	1,213	**16,763**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 22
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK IN TRADE

Rupees in lakhs

Particulars	For the year Ended 31st March 2012		For the year Ended 31st March 2011	
(Increase)/Decrease in Stocks				
Opening Stock:				
Work-in-process	1,674		1,096	
Finished goods	12,353		13,902	
Stock-in-trade	1,083		689	
	15,110		15,687	
Closing Stock:				
Work-in-process	1,089		1,674	
Finished goods	21,033		12,353	
Stock-in-trade	195		1,083	
	22,317	(7,207)	15,110	577
		(7,207)		**577**

NOTE 23
EMPLOYEE BENEFITS EXPENSE

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Salaries, Wages and Bonus	6,492	5,295
(b) Contribution to Provident and Other Funds	744	607
(c) Workmen and Staff Welfare Expenses	1,061	883
	8,297	**6,785**

NOTE 24
FINANCE COSTS

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Debentures	1,273	505
(b) Other term loans	1,743	2,366
(c) Other borrowing costs (Refer note 24.1 below)	2,687	1,372
(d) Exchange difference to the extent considered as an adjustment to borrowing costs	740	574
	6,443	**4,817**

24.1 Other borrowing costs include interest and finance charges relating to working capital loan, commercial papers, commitment charges, loan processing charges, loan facilitation charges, discounts /premiums on borrowings and other ancillary costs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 25
OTHER EXPENSES

Rupees in lakhs

Particulars	For the year Ended 31st March 2012		For the year Ended 31st March 2011	
(a) Consumption of Stores, Spares and Consumables		4,820		7,178
(b) Power and Fuel		2,427		2,206
(c) Rent		181		346
(d) Repairs and Maintenance (Refer note 37)				
- Buildings	143		188	
- Plant and Machinery	2,626		2,317	
- Others	1,732	4,501	1,494	3,999
(e) Insurance		328		308
(f) Rates and Taxes		915		401
(g) Packing, Despatching and Freight		7,629		4,775
(h) Commission to Selling Agents		123		128
(i) Rebates and Discounts		9		81
(j) Auditors' Remuneration (Refer note 33)		35		32
(k) Directors' Fees and Commission (Refer note 34)		172		63
(l) Sales Promotion and Publicity		1,839		1,165
(m) Fixed Assets scrapped		13		25
(n) Professional Charges		1,740		1,857
(o) Provision for Doubtful Debts and Advances		1,026		32
(p) Bad Debts/Advances written off		326		35
(q) Investments written off			68	
Provision for Diminution of Investments (adjusted)/made		-	(68)	-
(r) Cane Development Expenditure		3,665		3,835
(s) General Manufacturing, Selling and Administration Expenses		2,120		1,730
		31,869		**28,196**

25.1 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 other expenses.

NOTE 26
COMMITMENTS

Particulars	2011 - 2012	2010 - 2011
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,688	547
b) Uncalled liability on shares and other investments partly paid	Nil	Nil
c) Other commitments - Purchase order given for items such as raw materials, services etc.,	985	2,706

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 27
OTHER MONIES FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE

Rupees in lakhs

Particulars	2011 - 2012	2010 - 2011
(a) Letters of Credit and Bank Guarantees established for Purchases of Raw Materials, Spares and Capital Goods	7,165	5,741
(b) Letter of comfort given to ICICI Bank in connection with the rupee term loan granted by them to Parrys Sugar Industries Limited, a subsidiary company	18,000	-
(c) Income Tax demands contested for which no Provision has been made	2,189	3,404
(d) Claims against the Company for Sales Tax, Excise Duty and others including Industrial Disputes not acknowledged as Debt and not provided for.	6,708	6,073
(e) 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.		
(f) 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. 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, it is provided in the books. (Refer Note No. 20.2)	-	826

NOTE 28
DISPUTED STATUTORY DUES

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

Rupees in lakhs

Name of the Statute	Nature of Dues	2011-2012	2010-2011	Forum where the dispute is pending
(a) Central Excise Act, 1944	Excise Duty	961	631	Assistant Commissioner/ Deputy Commissioner, Commissioner, CESTAT, High Court
(b) Finance Act, 1994 (Service Tax)	Service Tax dues	117	48	Commissioner (Appeals)
(c) Various States Sales Tax Acts	Sales Tax – Local	114	114	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	12	122	Assistant Commissioner /Deputy Commissioner, Tribunal, High Court
(f) Customs Act, 1962	Customs Duty	4,302	4,302	CESTAT
(g) Income Tax Act, 1961	Income Tax	676	1,595	Income Tax Appellate Tribunal /High Court/CIT Appeals

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 29

Rupees in lakhs

Particulars	**2011-2012**	**2010-2011**
(i) Net exchange difference dealt with in the Statement of Profit and Loss on foreign currency monetary items	12	290
(ii) Charge to the Statement of Profit and Loss in respect of premium on forward exchange contracts and other instruments that are in substance a forward exchange contract	(4)	-
Net gain to Statement of Profit and Loss	**8**	**290**

(iii) **Derivative transactions**

The Company uses forward exchange contracts, interest rate swap, currency swap 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, 2012

Particulars	**Currency**	**Amount (Foreign Currency Lakhs)**	**Buy/Sell**	**Amount (Rs. In Lakhs)**
(i) Forward exchange contracts (net)	USD/INR	611.62	Sell	31,292
	EURO/INR	35.02	Sell	2,406
(ii) ECB	USD/INR	50.00	Buy	2,488

(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, 2012 - Nil (March 2011 - Nil)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. (a) The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Profit and Loss Account.

Rupees in lakhs

Particulars	Gratuity (Funded)	
	2011-2012	2010-2011
Present Value of obligations at the beginning of the year	1,053	856
Current service cost	99	58
Interest Cost	78	68
Actuarial loss/(gain)	68	171
Benefits paid	(148)	(100)
Present Value of obligations at the end of the period	1,150	1,053
Changes in the Fair value of plan assets		
Fair value of plan assets at beginning of year	1,089	929
Expected return on plan assets	103	83
Contributions	198	177
Benefits Paid	(148)	(100)
Actuarial gain/(Loss) on plan assets	-	-
Fair Value of plan assets at the end of the year	1,242	1,089
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the period	1,150	1,053
Fair value of plan assets at end of the period	1,242	1,089
Funded status of the plans - (asset)/Liability recognised in the balance sheet	(92)	(36)
Cost for the period		
Current service cost	99	58
Interest Cost	78	68
Expected return on plan assets	(103)	(83)
Net actuarial (gain)/loss recognised in the period	68	171
Net Cost	142	214
Assumptions		
Discount rate	8%	8%
Expected rate of plan 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.

30(b) Long Term Compensated Absence

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

Assumptions	2011-2012	2010-2011
Discount rate	8%	8%
Attrition Rate	3%	3%
Expected rate of salary increases	5%	5%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. Research and Development expenditure incurred by the Approved Inhouse R & D Centres during the year 2011-12

Rupees in lakhs

Description	2011-2012	2010-2011
(i) Revenue Expenses		
a) Revenue expenses on Research and Development included under various heads of accounts (excluding depreciation and fixed assets scrapped)	413	440
b) Other Income relating to Research and Development	(86)	(65)
Net Revenue expenses on Research and Development	**327**	**375**
(ii) Fixed Assets additions in R & D Centre made during the year	**15**	**28**

32. Repairs and maintenance includes Stores and spare parts consumed	**1,847**	**1,591**
33. Auditors' remuneration and Expenses:		
(i) Audit Fees	17	15
(ii) Tax Audit	3	3
(iii) Company Law matters	-	-
(iv) Management Services	-	-
(v) Fees for other services	14	13
(vi) Reimbursement of out of pocket expenses	1	1
Total	**35**	**32**
34. Director's Remuneration:		
34.1 Whole time Directors remuneration:	**2011-2012**	**2010-2011**
Salaries and Allowances	92	97
Contribution to Provident and Other Funds	10	7
Other Benefits	7	1
Commission	38	25
	147	**130**

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.

34.2 Non Whole time Directors remuneration :	**2011-2012**	**2010-2011**
Commission to Non Whole Time Directors	125	30
Directors' sitting Fees	9	8
	134	**38**

35. PARTICULARS IN RESPECT OF STOCK		
Classes of Goods	**2011-2012**	**2010-2011**
Finished Stock		
Sugar	17,465	9,631
Others	3,568	2,722
	21,033	**12,353**
Trading Stock		
Sugar	-	-
Others	195	1,083
	195	**1,083**
Work-in-Process		
Sugar	892	1,451
Others	197	223
	1,089	**1,674**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36. 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:

Rupees in lakhs

Description	2011-12		2010-11	
	Rs. Lakhs	%	Rs. Lakhs	%
Imported	982	1	10,346	14
Indigenous	112,972	99	65,591	86
	113,954	**100**	**75,937**	**100**
Raw Materials	109,598		72,592	
Stores and Spare parts	4,356		3,345	
	113,954		**75,937**	

Description	2011-2012	2010-2011
37. Value of Imports on C.I.F basis		
Raw Materials	218	12,344
Components, Stores and Spare parts	4	1
Traded Goods	21	10,310
Capital Goods	-	355
	243	**23,010**
38. Expenditure in Foreign Currency		
Travel	4	1
Professional Fee	35	6
Others	275	154
	314	**161**
39. Earnings in Foreign Exchange		
FOB Value of exports	40,333	23,979
Other Income- Despatch Money	22	9
	40,355	**23,988**
40. Remittances in foreign currencies of dividends to non resident shareholders of the Company		
Equity Shares :		
40.1. Interim dividend		
No. of shareholders	39	41
Interim Dividend for the fiscal year (Rs Lakhs)	60	34
No. of shares held	1,490,180	1,687,110
40.2. Final dividend		
No. of shareholders	-	41
Final Dividend for the fiscal year 2009-10 (Rs Lakhs)	-	36
No. of shares held	-	897,805 *

* Equity Shares of Rs. 2 each

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

41. 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 8,924,850 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 2012, granted 4,034,000 options vesting over a period of four years commencing from the respective dates of grant. The exercise price being equal to the closing market price prevailing on the date prior to the date of grant, there is no deferred compensation cost to be amortised in this regard. The company has granted 285,900 stock options during the year 2011-12.

e) The details of the grants under the aforesaid schemes are summarized below : -

Description	Date of grant	Number of Options granted	Date of vesting
1. Details of options granted	31.08.2007	1,858,200	31.08.2008
	29.10.2007	232,400	29.10.2008
	24.01.2008	460,600	24.01.2009
	24.04.2008	152,200	24.04.2009
	28.07.2008	130,000	28.07.2009
	24.09.2008	387,000	24.09.2009
	29.10.2008	113,600	29.10.2009
	20.03.2009	47,800	20.03.2010
	28.01.2011	366,300	28.01.2012
	29.04.2011	75,900	29.04.2012
	27.07.2011	115,000	27.07.2012
	24.10.2011	95,000	24.10.2012
	Total	**4,034,000**	

2. Options granted and outstanding at the beginning of the year	Options vested and exercisable	372,720
	Options unvested	1,360,400
	Total	1,733,120
3. Options granted during the year		285,900
4. Options exercised during the year		464,276
5. Options lapsed/cancelled during the year		401,090
6. Options outstanding at the end of the year	Options vested and exercisable	415,814
	Options unvested	737,840
	Total	**1,153,654**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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
29.04.2011	41400	92.46
29.04.2011	34500	58.18
27.07.2011	115000	105.80
24.10.2011	75700	80.86
24.10.2011	19300	30.21
Total	**4,034,000**	

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.1,470 Lakhs (2011 - Rs. 1,250 Lakhs) and the impact on the financial statements would be

Increase in employee compensation cost : Rs. 273 Lakhs
Decrease in Profit After Tax : Rs. 273 Lakhs
Decrease in Earning per share : (Basic) : Rs. 0.16
Decrease in Earning per share : (Diluted) : Rs. 0.16

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 : 0.4560
Expected Dividend Yield : 400%

42. Segment Reporting as at March 31, 2012

Composition of Business Segments
Primary Segment

Sugar	Cogeneration	Distillery	Bio Products	Others
Sugar	Power	Spirits	Neem	Corporate
			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.

42.Segment Reporting as at 31st March 2012

Composition of Business Segments :

Rupees in lakhs

Particulars	PRIMARY SEGMENTS													
	Sugar		Cogeneration		Distillery		Bio Products		Others		Elimination		Overall	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue (Sales/Income) :														
(Gross of Excise Duty)														
External Customers	120,199	97,099	13,064	13,189	11,508	8,601	12,025	10,226	-	-	-	-	156,796	129,115
Inter-segmental Sales			2,124	1,253							(2,124)	(1,253)	-	-
Total	120,199	97,099	15,188	14,442	11,508	8,601	12,025	10,226	-	-	(2,124)	(1,253)	156,796	129,115
Results :														
Operating Profit/(Loss)	(3,809)	(8,809)	6,750	2,745	2,859	968	1,205	1,266	(1,763)	53			5,242	(3,777)
Profit on Sale of Investment													-	2,214
Interest Income													2,247	1,689
Dividend Income													12,561	11,431
Interest Expenses													(6,443)	(4,817)
Profit before Tax													**13,607**	**6,740**
Income Tax - Current													(750)	-
- MAT Credit Entitlement													750	-
- Deferred													125	1,186
Net Profit After Tax													**13,732**	**7,926**
Other Information :														
Segment Assets	76,475	60,765	34,508	31,582	16,247	17,519	13,457	12,431	796	6,966			141,483	129,263
Unallocated Corporate Assets													102,956	78,958
Total Assets													**244,439**	**208,221**
Segment Liabilities	16,073	7,709	1,366	1,740	726	1,352	2,449	1,825	65	2,498			20,679	15,124
Unallocated Corporate Liabilities													101,997	78,069
Total Liabilities													**122,676**	**93,193**
Capital Expenditure	5,551	2,748	978	566	366	50	517	338	142	95			7,554	3,797
Depreciation	3,500	3,385	2,136	2,330	1,092	958	415	363	254	334			7,397	7,370
Non-cash expenditure (excluding Depreciation)	143	45	302	-	-	-	157	34	806	15			1,408	94

Particulars	SECONDARY SEGMENTS									
	North America		Europe		Rest of the World		India		Total	
	2011-12	2010-11	2011-12	2010- 11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Revenue	3,467	2,783	24,532	7,676	9,075	10,921	119,722	107,735	156,796	129,115
Carrying Amounts of :										
Segment Assets	929	1,367	3,837	890	2,287	244	237,386	205,720	244,439	208,221
Segment Liabilities	460	48	-	543	3,229	51	118,987	92,551	122,676	93,193
Capital Expenditure							7,554	3,797	7,554	3,797

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

43. Earnings per Share

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(A) Profit after Taxation (Rs.in Lakhs)	13,732	7,926
Number of equity shares of Re. 1 each outstanding at the beginning of the year	173,198,200	172,716,940
Add : Number of shares issued pursuant to exercise of Employees Stock option	464,276	481,260
(a) Number of equity Shares of Re. 1 each outstanding at the end of the year	173,662,476	173,198,200
(b) Weighted Average number of Equity Shares	173,444,175	172,938,693
(c) Diluted shares on account of issue of ESOP granted	238,986	916,266
(d) Number of potential equity shares of Re. 1 each outstanding at the end of the year	173,683,161	173,854,959
Earnings per Share		
– Basic (Rs.) (A)/(b)	7.92	4.58
– Diluted (Rs.) (A)/(d)	7.91	4.56

44. Related Party Disclosure for the year ended 31st March 2012

44.1. Subsidiary Companies/ Entities

1. Coromandel International Ltd.,
2. Parry Chemicals Ltd.,
3. CFL Mauritius Limited
4. Coromandel Brasil Limitada – Partnership.
5. Sabero Organics Gujarat Limited
6. Sabero Europe BV
7. Sabero Australia Pty.Ltd.,
8. Sabero Organics America SA
9. Sabero Argentina SA
10. Parrys Sugar Industries Ltd.,
11. Alagwadi Bireshwar Sugars Private Limited
12. Sadashiva Sugars Ltd.,
13. Parry America Inc.,
14. Parrys Investments Limited
15. Parrys Sugar Limited
16. Parry Infrastructure Company Private Limited
17. Parry Phytoremedies Private Limited
18. US Nutraceuticals LLC.,
19. Parry Agrochem Exports Limited
20. Valensa Europe AG
21. La Belle Botanics LLC.,

Joint Venture Company

1. Silkroad Sugar Private Limited

Associate Company (Investing Party)

1. Murugappa Holdings Limited (Previously known as Parry Agro Industries Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44.2 Key Management Personnel (KMP)
Mr. Ravindra S Singhvi, Managing Director

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

44.3 Transactions with related parties

Rupees in lakhs

Particulars	2011-2012			2010-2011		
	Subsidiary Companies	Joint venture	KMP	Subsidiary Companies	Joint venture	KMP
Sale of Goods						
a. Parry America Inc.,	2,105	-	-	1,477	-	-
b. Parry Phytoremedies Private Limited	246	-	-	306	-	-
c. U.S. Nutraceuticals L.L.C	258	-	-	566	-	-
d. Coromandel International Limited	725	-	-	-	-	-
e. Parrys Sugar Industries Limited	3	-	-			
Rendering of services						
a. Coromandel International Limited	70	-	-	46	-	-
b. Silkroad Sugar Private Limited	-	3	-	-	30	-
c. Sadashiva Sugars Ltd	-	-	-	71	-	-
d. Parry Infrastructure Company Private Limited	318	-	-			
Dividend Income						
a. Coromandel International Limited	12,401	-	-	10,618	-	-
b. Parry Agrochem Exports Ltd.,	-	-	-	22	-	-
c. Parrys Investments Limited	-	-	-	68	-	-
Deputation Charges Received						
a. Coromandel International Limited	44	-	-	11	-	-
b. Silkroad Sugar Private Limited	-	65	-	-	43	-
c. Sadashiva Sugars Ltd.,	14	-	-	24	-	-
d. Parrys Sugar Industries Limited	460	-	-	181	-	-
e. Parry Infrastructure Company Private Limited	8	-	-	-	-	-
Purchase/Receipt of Goods						
a. Coromandel International Limited	48	-	-	8	-	-
b. Parry Phytoremedies Private Limited	329	-	-	1,035	-	-
c. U.S. Nutraceuticals L.L.C	6	-	-	13	-	-
d. Sadashiva Sugars Ltd.,	-	-	-	400	-	-
e. Parrys Sugar Industries Limited	-	-	-	24	-	-
Receipt of services						
U.S. Nutraceuticals L.L.C	85	-	-	36	-	-
Sale of fixed assets						
Parry Infrastructure Company Private Limited	-	-	-	356	-	-
Interest Income on Loans						
a. Sadashiva Sugars Limited	218	-	-	23	-	-
b. Parry Infrastructure Company Private Limited	242	-	-	321	-	-
c. Parrys Sugar Industries Limited	1,334	-	-	605	-	-
d. U.S. Nutraceuticals L.L.C	19	-	-	1	-	-
e. Parry Phytoremedies Private Limited	31	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44.3 Transactions with related parties (Continued)

Rupees in lakhs

Particulars	2011-2012			2010-2011		
	Subsidiary Companies	Joint venture	KMP	Subsidiary Companies	Joint venture	KMP
Subscription to Equity Shares						
a. Silkroad Sugar Private Limited	-	11,250	-	-	-	-
b. Parrys Sugar Industries Limited	-	-	-	8,475	-	-
c. Investment in U.S. Nutraceuticals L.L.C.	2,230	-	-	291	-	-
d. Sadashiva Sugars Limited	1,834	-	-	-	-	-
e. Coromandel International Limited	-	-	-	1,956	-	
Subscription to Preference Shares						
a. Parrys Sugar Industries Limited- Refer note 44.2.1	10,000	-	-	1,412	-	-
Loans and Advances to Subsidiaries						
a. Parrys Sugar Industries Limited - Refer note 44.2.1 - (Repaid)	(8,335)	-	-	21,832	-	-
b. Parry Infrastructure Company Private Limited - (Repaid)	(614)	-	-	2,186	-	-
c. Sadashiva Sugars Limited- Given	4,172	-	-	306	-	-
d. Parry Phytoremedies Private Limited	10	-	-	51		
e. U.S. Nutraceuticals L.L.C - (Repaid)	(12)	-	-	277		
Closing Balance - Debit /(credit)						
a. Coromandel International Limited	198	-	-	1	-	-
b. Parry America Inc.	745	-	-	881	-	-
c. Parry Phytoremedies Private Limited	1,221	-	-	981	-	-
d. U.S. Nutraceuticals LLC	299	-	-	329	-	-
e. Silkroad Sugar Private Limited	-	245	-	-	123	-
f. Sadashiva Sugars Ltd	4,767	-	-	405	-	-
g. Parry Infrastructure Company Private Limited	2,921	-	-	3,065	-	-
h.Parry Agrochem Exports Ltd	2	-	-	-	-	-
i. Parrys Sugar Industries Limited	16,039	-	-	22,691	-	-
Guarantees given						
Parry America Inc.,	514	-	-	446	-	-

For remuneration to KMP refer Note 34.1 above

44.2.1 - During the year Rs.10,000 Lakhs has been converted into Preference shares out of the loans given to Parrys Sugar Industries Limited

44.2.2 - During the year, dividend paid to Murugappa Holdings Limited (Investing Party) amounts to Rs. 2,349.41 Lakhs (2011 - Rs. 1,174.70 Lakhs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. 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. In Lakhs) : Rs. 21,184 Lakhs (2011 - Rs. 9,934 Lakhs)

The company's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended 31st March 2012 are as follows;

Rupees in lakhs

Descriptions	2011-12	2010-11
Current Assets	954	17,936
Non-current assets	22,789	22,912
Current liabilities	(5,559)	(27,241)
Non-current liabilities	(9,830)	(10,314)
Equity	**8,354**	**3,293**
Revenue	16,285	11,095
Cost of material consumed	(15,699)	(10,006)
Depreciation	(1,062)	(525)
Employee benefit expenses	(221)	(196)
Other expenses	(5,490)	(6,566)
Profit before tax	**(6,187)**	**(6,198)**
Income tax expense	-	-
Profit after tax	**(6,187)**	**(6,198)**
Capital Commitments	-	29
Other Commitments	-	-
Contingent Liabilities	-	796

46. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Ravindra S Singhvi
Managing Director

A. Vellayan
Chairman

Chennai
April 25, 2012

Suresh Krishnan
Secretary

P.Gopalakrishnan
Vice - President (Finance)

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, 2012, the Consolidated Statement of Profit and Loss 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 (JCE) 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., Parry America Inc., Parry Phytoremedies Private Limited, Parry Infrastructure Company Private Limited, Parrys Investments Limited, Parry Sugar Industries Limited and its subsidiary, US Nutraceuticals LLC and its subsidiaries, Parrys Sugar Limited, Sadashiva Sugars Limited, and certain subsidiaries and a jointly controlled entity of Coromandel International Limited whose financial statements reflect total assets (net) of Rs. 97,926 Lakhs as at 31st March, 2012, total revenues (net) of Rs.80,582 Lakhs and net cash inflows of Rs.1,908 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. (i) In respect of certain subsidiaries and a jointly controlled entity of a subsidiary Coromandel International Limited having total assets (net) of Rs.15,165 Lakhs as at 31st March 2012, total revenue (net) of Rs.344 Lakhs and net cash outflows of Rs.4,759 lakhs for the year then ended, the figures used for consolidation are based on management's accounts and are not audited by their auditors.

   (ii) In respect of a jointly controlled entity (JCE) of a subsidiary Coromandel International Limited, whose financial statements reflect total assets (net) of Rs.39,389 Lakhs as at 31st December 2011, total revenue (net) of Rs.69 Lakhs and net cash inflow of Rs.3,127 lakhs for the year then ended, the management has not made adjustments for the intervening period ending 31st March 2012, as the financial statements of the said entity are not readily available. The financial statements of the JCE were audited last for the year ended 31st December 2010.

5. Without qualifying our opinion, attention is drawn to Note No. 11.4 regarding an investment of Rs.21,183.46 lakhs in a Joint venture company, whose networth has eroded partially as on the balance sheet date and whose operations have been suspended for the reasons mentioned therein. Considering the steps taken by the company towards reviving its operations as mentioned in the said note, the diminution in value is not considered as other than temporary in nature.

6. 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.

7. 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, read with our comments in paragraph 3 and subject to our comments in paragraph 4 and 5 above, in our opinion and to the best of our information and according to the explanations given to us, 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, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, 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 25, 2012

CONSOLIDATED BALANCE SHEET OF E.I.D.-PARRY (INDIA) LIMITED AS AT MARCH 31, 2012

Rupees in lakhs

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	2	1,737	1,732
(b) Reserves and Surplus	3	240,648	222,425
		242,385	**224,157**
2. Minority Interest		92,772	73,120
3. Non-Current Liabilities			
(a) Long Term Borrowings	4	139,637	89,881
(b) Deferred Tax Liabilities (Net)	35	18,708	21,280
(c) Other Long Term Liabilities	5.1	1,252	664
(d) Long Term Provisions	5.2	1,768	1,472
		161,365	**113,297**
4. Current Liabilities			
(a) Short Term Borrowings	6	298,143	217,650
(b) Trade Payables	7	236,699	176,589
(c) Other Current Liabilities	8	75,324	51,400
(d) Short Term Provisions	9	3,036	1,505
		613,202	**447,144**
TOTAL		**1,109,724**	**857,718**
B. ASSETS			
1. Non-Current Assets			
(a) Goodwill on Consolidation		47,605	10,675
(b) Fixed Assets	10		
(i) Tangible Assets		260,059	247,209
(ii) Intangible Assets		3,106	352
(iii) Capital Work in Progress		60,506	34,348
(c) Non Current Investments	11	15,113	13,553
(d) Long Term Loans and Advances	12	12,845	11,645
(e) Trade Receivables	15	526	583
(f) Other Non-Current Assets	17	299	93
		352,454	**307,783**
2. Current Assets			
(a) Current Investments	13	484	4,774
(b) Inventories	14	247,265	219,401
(c) Trade Receivables	15	128,514	39,038
(d) Cash and Cash Equivalents	16	104,711	102,816
(e) Short Term Loans and Advances	12	227,392	129,311
(f) Other Current Assets	17	1,299	43,920
		709,665	**539,260**
TOTAL		**1,109,724**	**857,718**
See accompanying notes forming part of the financial statements	1-37		

In terms of our report attached

For and on behalf of the Board of Directors

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 25, 2012

Chennai
April 25, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS OF E.I.D.-PARRY (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2012

Rupees in lakhs

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
1. Income			
Revenue from Operations (Gross)	18	1,264,562	946,480
Less: Excise Duty		(15,907)	(10,463)
Revenues from Operations (Net)		**1,248,655**	**936,017**
Other Income	19	11,215	12,441
Total Revenue		**1,259,870**	**948,458**
2. Expenses:			
Cost of materials consumed	20	774,779	627,730
Purchases of Stock-in-Trade	21	194,876	105,332
Changes in Inventories of finished goods, work-in-process and stock in trade	22	(25,979)	(46,369)
Employee benefits expense	23	32,368	25,674
Finance costs	24	29,363	20,941
Depreciation and amortisation expense net of transfer from fixed assets revaluation reserve for Rs.14 Lakhs (2011 : Rs.14 Lakhs)		18,961	17,419
Other expenses	25	152,616	115,399
Total Expenses		**1,176,984**	**866,126**
3. Profit before exceptional and extraordinary items and tax (1-2)		82,886	82,332
4. Exceptional items	26.2	3,553	-
5. Profit before tax (3-4)		**79,333**	**82,332**
6. Tax Expense:			
(1) Current Tax		29,995	29,758
(2) MAT Credit entitlement		(750)	(125)
(3) Deferred Tax	35	(2,572)	(2,805)
Total		**26,673**	**26,828**
7. Profit after tax before minority interest (5-6)		**52,660**	**55,504**
8. Minority Interest		(21,390)	(24,276)
9. Profit for the year (7-8)		**31,270**	**31,228**
10. Earnings Per Equity Share (Nominal value per share Re.1)	33		
(a) Basic (Rs.)		18.03	18.06
(b) Diluted (Rs.)		18.00	17.96
See accompanying notes forming part of the financial statements	1-37		

In terms of our report attached

For and on behalf of the Board of Directors

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 25, 2012

Chennai
April 25, 2012

CONSOLIDATED CASH FLOW STATEMENT OF E.I.D.- PARRY (INDIA) LTD FOR THE YEAR ENDED 31ST MARCH 2012

Rupees in lakhs

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
A. Cash flow from operating activities				
Net profit before tax		**79,333**		**82,332**
Adjustments for :				
Depreciation and Amortisation	18,961		17,419	
Finance costs	29,363		20,146	
Interest Income	(5,745)		(7,290)	
Investment income	(2,729)		(2,000)	
Profit on sale of fixed assets (net)	(338)		(289)	
Profit on sale of investments (net)	5,275		1,329	
Other non cash items	9,736	54,523	(10,859)	18,456
Operating profit before working capital changes		**133,856**		**100,788**
Changes in working capital				
Adjustments for increase/ (decrease) in				
Trade and other receivables	(88,303)		(40,188)	
Inventories	(20,418)		(82,173)	
Current liabilities	40,209		79,317	
		(68,512)		(43,044)
Cash generated from operations		**65,344**		**57,744**
Interest Paid		(6,036)		(5,097)
Interest Received		-		7,580
Direct taxes paid net of refund		(28,352)		(30,164)
Net cash flow from operations		**30,956**		**30,063**
B. Cash flow from investing activities				
Purchase of fixed assets including capital advances	(45,245)		(33,086)	
Proceeds from sale of fixed assets	1,012		576	
Proceeds from sale of business	-		3	
Purchase of investments	(841,401)		(520,944)	
Investments in subsidiary companies	(15,314)		(12,134)	
Proceeds from Sale of investments	780,994		556,029	
Interest received	7,473		524	
Investment income	2,716		12,790	
Net cash (used in) / from investing activities		**(109,765)**		**3,758**
C. Cash flow from financing activities				
Proceeds from issue of share capital	11,983		968	
Proceeds from long term borrowings	55,835		47,191	
Repayment of long term borrowings	(20,937)		(32,058)	
Proceeds from other term borrowings (net)	7,247		26,276	
Net increase / (Decrease) in working capital borrowing	69,099		(39,590)	
Finance costs	(22,956)		(16,610)	
Dividends paid including dividend tax	(17,807)		(27,899)	
Net cash flow from / (used in) financing activities		**82,464**		**(41,722)**
Net increase in cash and cash equivalents (A+B+C)		**3,655**		**(7,901)**
Cash and cash equivalents as at 1st April 2011		97,984		105,020
Add: On consolidation of subsidiary		-		865
Cash and cash equivalents as at 31st March 2012		**101,639**		**97,984**

CONSOLIDATED CASH FLOW STATEMENT OF E.I.D.- PARRY (INDIA) LTD FOR THE YEAR ENDED 31ST MARCH 2012

Rupees in lakhs

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Cash and Cash equivalents as per Balance Sheet Note 16		104,711		102,816
Add: Current Investments considered as Cash and Cash Equivalents		300		700
Less: Deposits not considered as Cash and Cash equivalents as defined in Accounting Standard 3 Cash Flow Statements		134		4,185
Less : Balance in earmarked accounts				
Dividend account		1,681		1,321
Margin money accounts		1,557		26
Cash and Cash equivalents as per AS 3		**101,639**		**97,984**

Note:

Cash and Cash equivalents on consolidation includes - Nil (Rs. 382 Lakhs of subsidiary - US Nutraceuticals LLC and Rs. 483 Lakhs of Subsidiary - Parrys Sugar Industries Limited acquired during 2010-11).

In terms of our report attached

For and on behalf of the Board of Directors

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 25, 2012

Chennai
April 25, 2012

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Corporate information

E.I.D. Parry is a significant player in Sugar with interests in promising areas of Bio Pesticides and Nutraceuticals. E.I.D Parry was incorporated in 1975 and having a registered office at Chennai. The company also has a significant presence in Farm Inputs business through its subsidiary, Coromandel International Limited. EID Parry has a 50% stake in Silkroad Sugar Private Limited, a joint venture with Cargill, 93.52% stake in US Nutraceuticals LLC, USA with 100% voting rights, a 100% stake in Sadashiva Sugars Limited and a 65% stake in Parrys Sugar Industries Limited.

EID Parry together with its subsidiaries has nine sugar factories having a capacity to crush 34,750 Tonnes of Cane per day, generate 146 MW of power and four distilleries having a capacity of 230 KLPD. In the Bio Pesticides business, the Company offers a unique neem extract, Azadirachtin, having a good demand in the developed countries' bio pesticide markets. In the Nutraceuticals business, it holds a strong position in the growing wellness segment mainly catering to the world markets with its organic products.

1.1 Basis of accounting and preparation of consolidated financial statements

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 subsidiaries, 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 subsidiaries, and Joint Venture Company Silkroad Sugar Private Limited all together referred to as 'the Group'.

1.2 Principles of consolidation

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

(i) The consolidated 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 unrealized 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 subsidiary - Parry America Inc is considered as integral operations and US Nutraceuticals LLC as non-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 consolidated 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;

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.

1.3 The Subsidiary Companies considered in the consolidated financial statements are :

Name of the company	Country of incorporation	% of voting power held on 31st March 2012		% of voting power held on 31st March 2011	
		Direct	Indirect	Direct	Indirect
Parry Chemicals Limited (PCHL)	India		62.69		62.94
Parry America Inc. (PAI)	USA	100.00		100.00	
Coromandel International Limited (CIL)	India	62.69		62.86	
Sabero Organics Gujarat Limited (SOGL)	India		62.69		-
Sabero Europe BV (Sabero Europe)	Netherlands		62.69		-
Sabero Australia Pty.Ltd (Sabero Australia)	Australia		62.69		-
Sabero Organics America SA (SOAL)	Brazil		62.69		-
Sabero Argentina SA (Sabero Argentina)	Argentina		62.69		-
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 (CML)	Mauritius		62.69		62.94
Coromandel Brasil Limitada (CBL)	Brazil		62.69		62.94
Sadashiva Sugars Limited (SSL)	India	100.00		76.00	
US Nutraceuticals LLC (USN)	USA	100.00		51.00	
Parrys Sugar Industries Limited (PSIL)	India	65.00		65.00	
Alagwadi Bireshwar Sugars Private Limited (ABSPL)	India		65.00		65.00
Parry Agrochem Exports Limited (PAEL)	India	19.00	81.00	19.00	81.00
Valensa Europe AG (VEAG)	Switzerland		100.00		51.00
La Belle Botanics LLC (LBBL)	USA		100.00		51.00

1.4 In respect of SOAL, Sabero Australia, CML and CBL the financial year is from 1st January 2011 to 31st December 2011 and accordingly audited financial statements are available up to 31 December 2011. These consolidated financial statements have been adjusted by the management for significant transactions between 1st January 2012 and 31st March 2012.

1.5 In respect of Sabero Europe the financial year is from 1st May 2011 to 31st May 2012 and accordingly un-audited financial statements for the period 1st April 2011 to 31st March 2012 has been considered for the purpose of preparation of consolidated financial statements.

In respect of consolidation of a jointly controlled entity, Tunisian Indian Fertilisers SA (TIFERT), of a subsidiary Coromandel, the audit has not yet been completed. Unaudited financial results up to 31st December 2011 have been used. However, management does not expect any significant variance on completion of the audit. Financials for the period from 1st January 2012 to 31st March 2012 were not available and hence have not been considered for consolidation. Any differences arising based on audited financials will be adjusted in the subsequent year.

1.6 Details of Interest in Joint Venture Company

Name of the company	Country of Incorporation	% of voting power held on 31st March 2012	% of voting power held on 31st March 2011
Silkroad Sugar Private Limited (SSPL)	India	50%	50%

1.7 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 and Joint Venture company.

1.8 Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for certain fixed assets that are carried at revalued amounts.

1.9 Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

1.10 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 realizable 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 2012 aggregates to Rs. 1,00,341 Lakhs. (2011 – Rs. 89,833 Lakhs).

1.11 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.13 Revenue Recognition

i) Revenue from sale is recognized when risks and rewards of ownership are transferred to the buyer under the terms of the contract.
ii) Sales include Excise duty recovered and are stated net of trade discounts and sales returns.
iii) Export Incentive under Duty Entitlement Pass Book Scheme are treated as income in the year of export at the estimated realisable value.
iv) Dividend income is accounted for in year in which the right to receive payment is established.
v) Subsidy is recognized on the basis of the concession scheme announced by the Government of India from time to time. Subsidy is accounted for on the basis of sale made by the company.
vi) Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.
vii) Income from services rendered is booked based on agreements/arrangements with the concerned parties.
viii) Revenue recognition for property development is recognised when the Company enters into an agreement for sale with the buyer and all significant risks and rewards have been transferred to the buyer. Revenue from real estate projects

is recognized on the "Percentage of Completion Method" of accounting.

1.14 Fixed Assets

Tangible 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. In respect of EID Parry (India) Ltd, the revalued fixed assets are restated at their estimated current replacement values as on 30th June 1987 as determined by the valuers.

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

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

1.15 Expenditure during construction period/Pre-operative Expenses

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized 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.

1.16 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.

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 5,000 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.

1.17 Foreign Currency Transactions

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

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

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

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

1.18 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.

1.19 Employee Benefits

a. Short Term Employee Benefits

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

b. Long Term Employee Benefits

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

(i) Defined Contribution Plans

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

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

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

(ii) Defined Benefit Plans

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

(iii) Deferred Compensation cost

In respect of stock options, Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognized 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.

1.20 Miscellaneous Expenditure

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

1.21 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.22 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

1.23 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the revenue account as per the lease terms.

1.24 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

1.25 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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 recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such Deferred Tax assets. Other Deferred Tax assets are recognized if there is a reasonable certainty that there will be sufficient future taxable income available to realise such Deferred Tax assets.

1.26 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

1.27 Provision, Contingent Liabilities and Contingent Assets

Provisions are recognized 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 recognized nor disclosed in the consolidated financial statements.

1.28 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”.

1.29 Derivative Instruments and Hedge Accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in “Accounting Standard 30 Financial Instruments: Recognition and Measurement”. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in “Hedging reserve account” under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the “Hedging reserve account” are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in “Hedging reserve account” is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in “Hedging reserve account” is immediately transferred to the Statement of Profit and Loss.

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence."

NOTE 2
SHARE CAPITAL

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
AUTHORISED		
Preference Shares		
5,000,000 Redeemable Preference Shares of Rs.100 each	5,000	5,000
Equity Shares		
515,000,000 Equity Shares of Re.1 each (2011 - 515,000,000 Equity Shares of Re 1 each)	5,150	5,150
	10,150	**10,150**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
173,662,476 Equity Shares of Re.1 each (2011 - 173,198,200 Equity Shares of Re 1 each)	1,737	1,732
	1,737	**1,732**

2.1 The above equity share capital is net off 6,269,402 Equity Shares of Re.1 each, bought back by the company during the year 2008-09.

2.2 Under the Employee Stock Option Plan – ESOP 2007, options not exceeding 8,924,850 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.

Total options outstanding as at March 2012 - 1,153,654 (March 2011- 1,733,120) equity shares of Re.1 each.

2.3 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Share holder	No. of shares held as at March 31, 2012		No. of shares held as at March 31, 2011	
	Nos.	%	Nos.	%
Murugappa Holdings Limited (Previously known as Parry Agro Industries Limited) (Associate - Investing Party)	58,735,204	33.82	58,735,204	33.91
Ambadi Investments Private Ltd (Previously known as New Ambadi Estates Private Limited)	9,323,240	5.37	9,323,240	5.38
Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	3,380,148	1.95	10,441,846	6.03

2.4 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Reconciliation	2011-12		2010-11	
	No. of Shares	Rs. Lakhs	No. of Shares	Rs. Lakhs
Equity Shares of Re.1 each fully paid up				
At the beginning of the period	173,198,200	1,732	172,716,940	1,727
Allotment of shares on exercise of Employee Stock Option	464,276	5	481,260	5
At the end of the period	173,662,476	1,737	173,198,200	1,732

2.5 Terms attached to Equity shares

The Company has only one class of Equity share having a par value of Re.1 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

During the year ended 31st March 2012, the amount of dividend recognized as distributions to equity shareholders is Rs. 4 per share (2011- Rs. 2 per share).

NOTE 3
RESERVES AND SURPLUS

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
A. CAPITAL RESERVES		
(i) Capital Subsidy (as per last balance sheet)	11	11
(ii) Capital Reserve (as per last balance sheet)	14,984	14,984
(iii) Capital reserve on consolidation (as per last balance sheet)	3,488	3,488
(iv) Capital Redemption Reserves		
Opening balance	4,774	3,599
Add :Additions during the year	-	1,175
Less : Utilised during the year	-	-
Closing balance	**4,774**	**4,774**
(v) Securities Premium Account		
Opening balance	21,067	26,333
Add :Premium on shares issued during the year	719	1,942
Less : Utilised during the year	-	7,208
Closing balance	**21,786**	**21,067**
(vi) Debenture Redemption Reserves		
Opening balance	1,167	417
Add :Additions during the year (Note 3.1 below)	1,583	750
Less : Utilised during the year	-	-
Closing balance	**2,750**	**1,167**
(vii) Fixed Asset Revaluation Reserves		
Opening balance	554	568
Add :Additions during the year on revaluations	-	-
Less : Utilised during the year for setoff against depreciation (Note 3.2 below)	14	14
Closing balance	**540**	**554**
CLOSING BALANCE OF CAPITAL RESERVES (3A (i) to (vii))	**48,333**	**46,045**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 : RESERVES AND SURPLUS (Continued)

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
(B) REVENUE RESERVES		
(i) Statutory Reserves (as per last balance sheet)	3	3
(ii) Pre acquisition reserves (as per last balance sheet)	6,889	6,889
(iii) General Reserves		
Opening balance	110,052	107,842
Add :Additions during the year	31,400	2,371
Less : Utilised during the year	-	161
Closing balance	**141,452**	**110,052**
(iv) Hedging Reserves		
Opening balance	4	-
Add :Effect of foreign exchange rate changes	-	4
Less : Reversed on settlement of hedge contracts	401	-
Closing balance	**(397)**	**4**
(v) Foreign Currency Translation Reserves		
Opening balance	747	2,062
Add :Effect of foreign exchange rate changes	1,487	(1,315)
Less : Utilised during the year	-	-
Closing balance	**2,234**	**747**
(vi) Profit and Loss account		
Opening Balance	108,289	82,161
Profit for the year	31,270	31,228
	139,559	**113,389**
Less : Appropriations		
Interim Dividend on Equity Shares -Rs.4 per share (2011 : Rs. 2 per share)	6,947	4,124
Dividend Distribution Tax	3,208	(574)
Transfer to Debenture Redemption Reserves	1,583	750
Transfer to General Reserves	31,400	800
Closing Balance	**96,421**	**108,289**
(vii) Adjustment on consolidation		
Opening balance	(49,604)	(68,952)
Add :Addition during the year	(4,683)	19,348
Less : Utilised during the year	-	-
Closing balance	**(54,287)**	**(49,604)**
CLOSING BALANCE OF REVENUE RESERVES (3B (i) to (vii))	**192,315**	**176,380**
TOTAL RESERVES AND SURPLUS (3A) + (3B)	**240,648**	**222,425**

Note : -

3.1 Debenture Redemption Reserves account has been created for Rs.1,583 Lakhs (2011 - Rs. 750 Lakhs) by transfer from Statement of Profit and Loss for Non-convertible Debentures of Rs. 19,000 Lakhs (2011 - Rs. 9,000 Lakhs).

3.2 Deduction during the year represents Rs. 14 Lakhs (2011 - Rs.14 Lakhs) transferred to Statement of Profit and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4

LONG TERM BORROWINGS

Rupees in lakhs

Particulars	Non-Current Portion		Current Maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
(a) Privately placed Secured, Redeemable Non-convertible debenture				
10.40% Secured Redeemable non-convertible debentures 2011-12 series (Refer note 4.1)	6,000	-	-	-
10.25% Secured Redeemable non-convertible debentures 2011-12 series (Refer note 4.2)	4,000	-	-	-
9.40% Secured Redeemable non-convertible debentures 2010-11 series (Refer note 4.3)	4,000	4,000	-	-
8.65% Secured Redeemable non-convertible debentures 2009-10 series (Refer note 4.4)	-	5,000	5,000	-
(b) Secured Term Loans from: (Refer note 4.5)				
Banks	103,188	54,468	13,855	8,704
Government of India - Sugar Development Fund	10,119	12,065	1,643	1,040
(c) Other loans and advances				
Unsecured loan from others (Refer note 4.6)	2,500	2,500	-	-
(d) Add: Share in Joint venture	9,830	11,848	-	-
	139,637	**89,881**	**20,498**	**9,744**
The above amount includes				
Secured Borrowings	137,137	87,381	20,498	9,744
Unsecured Borrowings	2,500	2,500	-	-
Amount disclosed under the head "Other Current Liabilities" (Note 8)	-	-	(20,498)	(9,744)
Net amount	**139,637**	**89,881**	**-**	**-**

4.1 600 - 10.40% Secured Redeemable Non-convertible Debentures of Rs.10 Lakhs each aggregating to Rs.6,000 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 Pettavaithalai and 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 on 4th January 2015.

4.2 400 - 10.25% Secured Redeemable Non-convertible Debentures of Rs.10 Lakhs each aggregating to Rs.4,000 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 Pettavaithalai 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 on 12th July 2014.

4.3 400 - 9.40% Secured Redeemable Non-convertible Debentures of Rs.10 Lakhs each aggregating to Rs.4,000 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 Pettavaithalai 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 on 27th January 2014.

4.4 500 - 8.65% Secured Redeemable Non-convertible Debentures of Rs.10 Lakhs each 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 on 4th September 2012.

4.5 The above loans are secured by hypothecation of certain fixed assets and current assets both present and future and it carries interest rates ranging 4% - 13% per annum.

4.6 The Interest free loan of Rs. 2,500 Lakhs is repayable after 13 years.

4.7 There is no default in repayment of the loans and interest thereon.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5.1
OTHER LONG TERM LIABILITIES

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Dues to Micro Enterprises and Medium Enterprises	-	-
(b) Trade Payables	853	664
(c) Other payables	399	-
	1,252	**664**

NOTE 5.2
LONG-TERM PROVISIONS

Particulars	As at 31st March 2012	As at 31st March 2011
(a) For Gratuity	360	319
(b) For Compensated absences	772	686
(c) For other employee benefits	635	464
(d) Add: Share in Joint Venture	1	3
	1,768	**1,472**

NOTE 6
SHORT TERM BORROWINGS

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Loans repayable on demand		
From Banks		
(i) Secured (Refer Note 6.1)	81,168	82,223
(ii) Unsecured (Refer Note 6.2)	210,824	119,410
(b) Commercial Papers - Unsecured	4,000	-
(c) Security Deposits - Unsecured	36	31
(d) Inter-corporate deposits	2,000	-
(e) Loans from others	95	-
(f) Add: Share in Joint Venture	20	15,986
	298,143	**217,650**

6.1 The above loans are secured by hypothecation of certain fixed assets and current assets both present and future.

6.2 Unsecured short-term borrowings comprises buyers credit denominated in foreign currency, packing credit facility on the basis of letter of credit or confirmed and irrevocable order for the export of goods / services and rupee loan from banks.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7
TRADE PAYABLES

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Dues to Micro Enterprises and Medium Enterprises (Refer Note 7.1 below)	-	-
(b) Acceptances	86,061	1,527
(c) Trade Payables	148,747	170,399
(d) Add: Share in Joint Venture	1,891	4,663
	236,699	**176,589**

7.1 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2012 which is on the basis of such parties having been identified by the management.

NOTE 8
OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Current maturities of long-term debt	20,498	9,744
(b) Interest accrued but not due on borrowings	4,141	2,205
(c) Unpaid dividends	1,687	1,321
(d) Other Liabilities		
(i) Vendor for purchase of capital goods	4,412	5,344
(ii) Other Miscellaneous Liabilities (Refer note 8.1 below)	23,707	10,967
(iii) Advances and Deposits from Customers/Others	17,255	16,789
(e) Add: Share in Joint Venture	3,624	5,030
	75,324	**51,400**

8.1 Other Miscellaneous Liabilities includes liability towards cane differential price, capital goods, payroll deductions and statutory dues such as property tax, purchase tax, withholding taxes, service tax, VAT, excise duty etc.,

NOTE 9
SHORT-TERM PROVISIONS

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Provision for compensated absences	827	794
(b) Provision for other employee benefits	723	584
(c) Corporate Dividend Tax	1,375	-
(d) Provision for others	87	101
(e) Add: Share in Joint Venture	24	26
	3,036	**1,505**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 10
FIXED ASSETS

Rupees in lakhs

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION AND AMORTISATION					NET BLOCK	
	Cost/Value As at 01-04-2011	Additions on Acquisitions (see note 10.4 below)	Additions	Deletions / Adjustments	Cost/Value As at 31-03-2012	As at 01-04-2011	Additions on Acquisitions (see note 10.4 below)	For the year	Withdrawn/for the year adjustments	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
Tangible assets (A)												
Freehold Land	33,992	7	104	153	33,950	-	-	-	-	-	**33,950**	**33,992**
Leasehold Land (Note 10.1)	1,908	129	28	(74)	2,139	238	15	33	(2)	288	**1,851**	**1,670**
Buildings (Note 10.2 to 10.4)	38,672	3,229	2,094	(136)	44,131	7,914	789	1,304	(23)	10,030	**34,101**	**30,758**
Railway Siding	701	-	49	26	724	336	-	33	9	360	**364**	**365**
Plant and Machinery	256,765	14,213	14,653	2,715	282,916	103,956	6,413	13,602	2,402	121,569	**161,347**	**152,809**
Furniture & Fixtures and Office Equipments	10,690	265	2,887	225	13,617	6,013	198	1,886	184	7,913	**5,704**	**4,677**
Vehicles	3,153	88	733	326	3,648	1,567	38	475	201	1,879	**1,769**	**1,586**
Add: Share in Joint venture											**20,973**	**21,352**
Total (A)	**345,881**	**17,931**	**20,548**	**3,235**	**381,125**	**120,024**	**7,453**	**17,333**	**2,771**	**142,039**	**260,059**	**247,209**
Intangible Assets (B)												
Patent	689	-	1,879	(52)	2,620	337	-	504	(10)	851	**1,769**	**352**
Product development	-	1,424	42	-	1,466	-	154	53	-	207	**1,259**	**-**
Softwares	-	125	3	-	128	-	48	8	-	56	**72**	**-**
Add: Share in Joint venture											**6**	**-**
Total (B)	**689**	**1,549**	**1,924**	**(52)**	**4,214**	**337**	**202**	**565**	**(10)**	**1,114**	**3,106**	**352**
Total (A) + (B)	**346,570**	**19,480**	**22,472**	**3,183**	**385,339**	**120,361**	**7,655**	**17,898**	**2,761**	**143,153**	**263,165**	**247,561**
Previous Year	270,676	65,152	12,198	1,456	346,570	91,407	11,857	18,116	1,019	120,361		
Capital Work - in Progress											**60,506**	**34,348**
											323,671	**281,909**

Notes:

10.1. Amortisation of Leasehold land for the year is Rs.0.08 Lakhs (2011 - Rs. 0.08 Lakhs).

10.2 Includes cost of Rs.31 Lakhs (2011 - Rs.31 Lakhs) for which title deeds are yet to be received from the Registrar.

10.3 Includes Building on Leasehold land : Cost : Rs. 884.41 Lakhs (2011 - Rs. 884.41 Lakhs) and Accumulated Depreciation : Rs.229.27 Lakhs (2011 - Rs. 214.54 Lakhs).

10.4 Assets taken over during the current year on acquisition of a subsidiary, Sabero Organics Gujarat Limited (Refer Note 26)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11
NON-CURRENT INVESTMENTS

(At cost) *Rupees in lakhs*

Particulars	As at 31st March 2012	As at 31st March 2011
I. Quoted Investments		
(A) Trade Investments		
(a) Investments in Equity Instruments		
(i) Other Companies	33	33
(B) Investments in Mutual Fund	-	2
Total Quoted Investments	**33**	**35**
Market Value of Quoted Investments	**258**	**330**
II. Unquoted Investments		
(A) Trade Investments		
(a) Investments in Equity Instruments		
(i) Other companies	14,853	13,361
(B) Other Investments		
(a) Investments in Equity Instruments		
(i) Other companies	162	42
(b) Investments in Government or trust securities		
Government Securities (Lodged as Security deposit)	1	1
(c) Investments in debentures or bonds		
Rural Electrification Corporation 5 Year 5.5% Redeemable Bonds	64	114
Total Unquoted Investments	**15,080**	**13,518**
Total Non-Current Investments	**15,113**	**13,553**

Notes

11.1 - Refer note 1.18 for valuation of investments.

NOTE 12
LOANS AND ADVANCES

Particulars	Long-Term		Short-Term	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Unsecured and considered good unless otherwise stated				
(a) Capital Advances	6,887	5,535	-	-
(b) Security Deposits	2,429	3	46	603
(c) Advance Income Tax (Net of provisions)	322	1,910	89	176
(d) Balance with Customs and Central Excise Authorities	93	1,634	3,548	4,114
(e) MAT Credit Entitlement	125	125	2,180	1,430
(f) Government Subsidies receivable	-	-	162,599	96,896
(g) Advance recoverable in cash or in kind or for value to be received				
(i) Unsecured and Considered Good	2,977	2,427	58,554	25,621
(ii) Considered Doubtful	242	176	794	38
Less: Provision for Doubtful Advances	(242)	(176)	(794)	(38)
(h) Add: Share in Joint Venture	12	11	376	471
	12,845	**11,645**	**227,392**	**129,311**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13
CURRENT INVESTMENTS

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
I. Quoted Investments		
(A) Trade Investments		
(a) Investments in Equity Instruments		
(i) Other companies	4	-
(B) Other Investments		
(a) Investments in Equity Instruments		
(i) Other companies	40	3,754
(C) Investments in Mutual Funds	438	1,020
(D) Add: Share in Joint Venture	2	-
	484	**4,774**

NOTE 14
INVENTORIES
(At lower of cost and net realisable value)

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Raw materials	102,290	92,094
(b) Work-in-process (Refer Note 14.2)	8,522	10,612
(c) Finished goods	92,180	91,685
(d) Stock-in-trade (goods acquired for trading)	34,667	1,083
(e) Stores and spares	9,379	8,071
(f) Add: Share in Joint Venture	227	15,856
	247,265	**219,401**

14.1 - Mode of valuation of Inventories - Refer Note No 1.10
14.2 - Includes Rs. 4,358 Lakhs (2011 - Rs. 5,375 Lakhs) of property development expenses held as Inventory by a subsidiary.

NOTE 15
TRADE RECEIVABLES

Particulars	Non Current		Current	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
(i) Secured - Considered good	-	-	230	82
(ii) Unsecured - Considered good (Refer note 15.1)	526	583	11,682	3,113
(iii) Unsecured - Considered doubtful	-	-	2,338	944
Less: Provision for doubtful debts	-	-	(2,338)	(944)
	526	**583**	**11,912**	**3,195**
(b) Other Trade Receivables				
(i) Secured - Considered good	-	-	5,871	2,037
(ii) Unsecured - Considered good	-	-	109,880	31,786
(c) Other receivables - Considered good	-	-	850	850
(d) Add: Share in Joint Venture	-	-	1	1,170
	526	**583**	**128,514**	**39,038**

15.1 - Unsecured current trade receivables includes unbilled revenue in respect of a subsidiary company, Parry Infrastructure company private Limited Rs. 5,536 Lakhs (2011 - Nil)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16
CASH AND CASH EQUIVALENTS

Rupees in lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
(a) Cash on hand	75	51
(b) Cheques, drafts on hand	1,690	61
(c) Balances with banks		
(i) In Current account	42,987	36,377
(ii) In Deposit account	56,372	64,541
(iii) In earmarked accounts		
Dividend account	1,681	1,321
Margin Money account	1,557	26
(d) Add: Share in Joint Venture	349	439
	104,711	**102,816**

16.1 Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is Rs. 101,339 Lakhs (2011 - Rs. 97,284 Lakhs)

NOTE 17
OTHER ASSETS

Particulars	Non Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
(a) 7.00% Fertiliser Companies' Government of India Special Bonds 2022	-	-	-	7,626
(b) 6.20% Fertiliser Companies' Government of India Special Bonds 2022	-	-	-	19,466
(c) 6.65% Fertiliser Companies' Government of India Special Bonds 2023	-	-	-	22,795
Less: Mark-to-market write down	-	-	-	(6,889)
	-	-	-	42,998
(d) Income Accrued on Deposits etc.	-	-	1,299	922
(e) Others	-	45	-	-
(f) Add: Share in Joint Venture	299	48	-	-
	299	**93**	**1,299**	**43,920**

NOTE 18
REVENUE FROM OPERATIONS

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Sales of Products (Refer note no 18.1 for details)	760,297	496,285
(b) Government Subsidies	474,639	426,289
(c) Other operating revenues (Refer note no 30.3)	13,441	12,828
(d) Add: Share in Joint Venture	16,185	11,078
	1,264,562	**946,480**

18.1 Details of Products Sold

Classes of goods	For the year Ended 31st March 2012	For the year Ended 31st March 2011
Farm inputs	513,280	332,487
Sugar	190,468	131,801
Sale of Flats	5,536	-
Others	51,013	31,997
	760,297	**496,285**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 19
OTHER INCOME

Rupees in lakhs

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Interest Income	5,745	7,256
(b) Dividend Income		
(i) Current investments	1,984	1,986
(ii) Long term investments	656	15
(c) Profit on sale of long term Investments	-	2,397
(d) Profit on sale of fixed assets (Net)	338	289
(e) Other non-operating income	2,392	480
(f) Add: Share in Joint Venture	100	18
	11,215	**12,441**

NOTE 20
COST OF MATERIALS CONSUMED

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Farm Inputs	590,623	499,107
(b) Raw Material for Sugar Business (Refer Note 20.1)	161,308	114,711
(c) Others	22,848	13,912
	774,779	**627,730**

20.1 Includes liability relating to earlier years Rs.826 lakhs (2011 - Nil)

NOTE 21
PURCHASES OF STOCK-IN-TRADE

Classes of goods	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Farm Inputs	193,663	88,569
(b) Sugar	-	14,748
(c) Others	1,213	2,015
	194,876	**105,332**

NOTE 22
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK IN TRADE

Particulars	For the year Ended 31st March 2012		For the year Ended 31st March 2011	
(Increase)/Decrease in Stocks				
(a) Opening Stock:				
Work-in-process	5,237		3,446	
Finished goods	86,255		51,510	
Stock-in-trade	6,513		1,831	
	98,005		56,787	
(b) Closing Stock:				
Work-in-process	4,864		5,237	
Finished goods	91,654		86,255	
Stock-in-trade	34,660		6,513	
	131,178	(33,173)	98,005	(41,218)
(c) Add: Share in Joint Venture		7,194		(5,151)
		(25,979)		**(46,369)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23
EMPLOYEE BENEFITS EXPENSE

Rupees in lakhs

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Salaries, Wages and Bonus	26,609	20,825
(b) Contribution to Provident and Other Funds	2,138	1,905
(c) Workmen and Staff Welfare Expenses	3,399	2,749
(d) Add: Share in Joint Venture	222	195
	32,368	**25,674**

NOTE 24
FINANCE COSTS

Particulars	For the year Ended 31st March 2012	For the year Ended 31st March 2011
(a) Debentures	1,273	505
(b) Other term loans	21,736	17,822
(c) Other borrowing costs (Refer note 24.1 below)	3,726	-
(d) Exchange difference to the extent considered as an adjustment to borrowing costs	740	574
(e) Add: Share in Joint Venture	1,888	2,040
	29,363	**20,941**

24.1 Other borrowing costs include interest and finance charges relating to working capital loan, commercial papers, commitment charges, loan processing charges, loan facilitation charges, discounts /premiums on borrowings and other ancillary costs.

NOTE 25
OTHER EXPENSES

Particulars	For the year Ended 31st March 2012		For the year Ended 31st March 2011	
(a) Consumption of Stores, Spares and Consumables		11,967		12,668
(b) Power and Fuel		13,772		11,428
(c) Rent		2,603		2,515
(d) Repairs and Maintenance - Plant and Machinery	9,710		8,396	
- Others	330	10,040	1,014	9,410
(e) Insurance		1,118		894
(f) Rates and Taxes		2,922		1,873
(g) Packing, Despatching and Freight		54,164		39,414
(h) Commission to Selling Agents		203		128
(i) Rebates and Discounts		29		81
(j) Auditors' Remuneration		62		52
(k) Directors' Fees and Commission		303		206
(l) Sales Promotion and Publicity		1,936		1,331
(m) Fixed Assets scrapped		16		25
(n) Professional Charges		2,952		2,384
(o) Provision for Doubtful Debts and Advances		2,226		245
(p) Bad Debts/Advances written off		341		69
(q) Loss on sale of investments		-		8
(r) Loss on sale of Fertiliser Special Bonds (Refer Note 30.3)		5,275		3,718
(s) General Manufacturing, Selling and Administration Expenses		23,761		18,979
(t) Net Loss on foreign currency transaction and translation (other than considered in finance cost)		15,325		5,445
(u) Add: Share in Joint Venture		3,601		4,526
		152,616		**115,399**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

25.1 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 other expenses.

26. **Acquisition of Sabero Organics Gujarat Limited**

26.1 During the year, the subsidiary company, Coromandel pursuant to the approval from Securities and Exchange Board of India (SEBI) for the Open Offer under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, acquired 10,500,000 (31%) equity shares of Sabero Organics Gujarat Limited (Sabero) at a price of Rs.160/- per share. Further, pursuant to the Share Purchase Agreement entered into with the erstwhile promoters of Sabero, Coromandel completed the acquisition of 14,298,112 (42.22%) equity shares of Sabero. Coromandel holds 74.57% of the equity share capital of Sabero and effective 17th December 2011 Sabero became a subsidiary of Coromandel.

26.2 Non-compete fee aggregating Rs.3,553 lakhs paid to the erstwhile Indian promoters of Sabero as per the Share Purchase Agreement has been disclosed as an Exceptional Item.

27. Additional Investment in subsidiary companies during the year

(a) The company has increased its stake in Sadashiva Sugars Limited (SSL), subsidiary company from 76% to 100% by acquiring 14,466,600 equity shares of Rs. 10 each for Rs. 1,834 Lakhs during September 2011.

(b) The company has acquired additional stake of 42.52% in US Nutraceuticals LLC, for a consideration of Rs. 2,230 Lakhs during October 2011. The company thereby obtained 100% voting rights in US Nutraceuticals LLC.

(c) The Joint Venture company Silkroad Sugar Private Limited had set up a sugar refinery and a power plant (project) in a Special Economic Zone at Kakinada, Andhra Pradesh. The Joint Venture Company commenced commercial production from 1st October, 2010. The project envisaged that the gas for operations will be available in adequate quantities for its operations and would give good returns on capital employed. The operations were commenced with the partial availability of gas with an expectation that there will be an increased availability. However due to inadequate supply of gas, the operations had to be discontinued from 2nd November 2011. In order to meet minimum fixed expense and to service working capital loans, the Joint Venture partner Cargill Asia Pacific Holdings Pte Limited and the company have made further investments aggregating to Rs.22,500 Lakhs in equity shares of Joint Venture Company during the year. Considering the uncertainty in availability of gas as a fuel, coal is being considered as an alternative fuel. The Joint Venture company has initiated appropriate steps for procurement / installation of coal fired boiler and the operations are expected to be re-commenced by the end of 2013.

Further the Joint Venture Company has submitted proposals to its lenders for restructuring of the loan facilities which is under active consideration of respective lenders.

In view of the Joint Venture Company's efforts to revive its operation, the erosion in Net Worth of the company which is at 60% as at March 31, 2012 is considered by the management not other than of temporary in nature and accordingly no provision is considered necessary for the diminution in the value of investment.

(d) The Board of Directors approved a Scheme of Arrangement (Demerger) pursuant to which some of the undertakings of Parrys Sugar Industries Limited (PSIL), a Subsidiary of E.I.D.-Parry (India) Limited, will be merged with the company effective 1st April 2012. This is subject to various statutory and regulatory approvals.

28. Commitments *Rupees in lakhs*

Particulars	2011-2012	2010-2011
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	21,779	25,914
b) Uncalled liability on shares and other investments partly paid	380	800
c) Other commitments - Purchase order given for items such as raw materials, services etc.,	1,258	3,077

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

d) During the year, the subsidiary company, Coromandel International Limited (Coromandel) issued comfort letters to certain banks who have lent to Sabero Organics Gujarat Limited, its subsidiary, in terms of which Coromandel has undertaken that it shall not reduce its shareholding in the subsidiary below 51%.

e) Maximum obligation of the subsidiary company,Coromandel, on long term lease of land - Rs. 273 lakhs (2011: Rs. 371 lakhs)

f) In respect of long term agreement to purchase Natural Gas, the subsidiary company, Coromandel has a 'Take or Pay Obligation' over the period of such agreement.

g) The Subsidiary company, Coromandel has entered into long term agreements with various utilities service providers viz., electricity, water etc., and has commitments towards "minimum charges /minimum consumption".

29 Other monies for which the Company is contingently liable

Rupees in lakhs

Particulars	2011-2012	2010-2011
(a) Letters of Credit and Bank Guarantees established for Purchases of Raw Materials, Spares and Capital Goods	41,550	13,624
(b) Letter of comfort given to ICICI Bank in connection with the rupee term loan granted by them to Parrys Sugar Industries Limited, a subsidiary company	18,000	-
(c) Corporate Guarantees given by Parrys Sugar Industries Limited to banks in respect of crop loans to farmers and H&T loan	4,599	6,760
(d) Income Tax demands contested for which no Provision has been made	2,917	3,404
(e) Claims against the Company for Sales Tax, Excise Duty and others including Industrial Disputes not acknowledged as Debt and not provided for.	9,233	8,040
(f) 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.		
(g) 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. 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, it is provided in the books. (Refer Note No. 20.1)	-	826
(h) Other contingent Liabilities		
(i) In respect of assignment of receivables from fertiliser dealers	2,500	-
(ii) In respect of assignment/ sale of trade and subsidy receivables where option to buy-back rests with the Subsidiary Company, Coromandel.	20,000	-

30.1 The Group has entered into certain operating lease agreements and an amount of Rs. 1,281 lakhs (2011: Rs. 1,166 lakhs) paid under such agreements has been charged to the Consolidated Statement of Profit and Loss. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by such agreements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

30.2 In respect of subsidiary company, Coromandel, has recognised subsidy income for the current year as per the Nutrient Based Subsidy (NBS) Policy announced by Government of India, effective 1st April 2011. Such income is included in "Government Subsidies" in the Consolidated Statement of Profit and Loss. The subsidy income for the year includes Rs. 4,612 lakhs (2011: Rs. 22,652 lakhs) relating to previous years, following announcement/determination of the same by Government. Further, in respect of the Office Memorandum dated 11th July 2011 issued by the Department of Fertilisers with regard to the recognition of subsidy income on the opening inventories as at 1st April 2011, Coromandel has recognised subsidy income based on estimates and the legal opinion obtained in this regard.

30.3 Consequent to the sale during the year of the remaining quantum of the Government of India Special Bonds and receipt of losses claimed from the Government of India, Coromandel accounted for the loss of Rs. 5,275 lakhs for the year ended 31st March 2012 (2011: Rs. 3,718 lakhs) and the same is included under other expenses (Refer Note 25). The provision towards mark to market loss made earlier on such bonds amounting to Rs. 6,889 lakhs (2011: Rs. 6,889 lakhs) has been included in 'Other Operating Income' (Refer Note 18).

30.4 During the year, the Members of the Subsidiary Company, Coromandel pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, approved the transfer/assigning of the lease rights on the land located at Navi Mumbai to prospective buyers. Coromandel is yet to enter into an agreement.

30.5 The subsidiary company, Coromandel has obtained approvals from the shareholders and the stock exchanges, for issue of one 9% Unsecured Redeemable Non- convertible Fully Paid Bonus Debentures of Rs. 15 each for every equity share by appropriating the General Reserve through a Scheme of Arrangement (Scheme). Coromandel has filed the Scheme in the Hon'ble High Court of Andhra Pradesh and is awaiting its approval.

30.6 Exchange difference in respect of forward exchange contracts to be recognised in the Consolidated Statement of Profit and Loss in the subsequent accounting period is Rs. 1,969 lakhs debit (2011: Rs.1,200 lakhs debit).

30.7 During the year, Sabero, the subsidiary company of Coromandel has incurred loss and accordingly remuneration paid to its directors amounting to Rs. 88 Lakhs is in excess of the limits prescribed under the Schedule XIII to the Act. Sabero has applied to the Central Government for approval of the said amounts.

31. Segment Reporting as at March 31, 2012

Composition of Business Segments:
Primary Segment :

Farm Inputs	Sugar	Cogeneration	Distillery	Bio Products	Others
Fertilisers	Sugar	Power	Spirits	Neem	Corporate
Pesticides				Nutraceuticals	Investments, Infrastructure Development
					Others

Secondary Segments
Geographical Segment:

North America	India	Europe	Rest of the world

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31.Segment Reporting as at 31st March 2012

Composition of Business Segments :

Rupees in lakhs

Particulars	PRIMARY SEGMENTS															
	Farm Inputs		Sugar		Cogeneration		Distillery		Bio Products		Others		Elimination		Overall	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue (Sales/Income) : (Gross of Excise Duty)																
External Customers	987,919	758,488	190,468	131,801	15,826	21,266	16,643	12,816	22,706	15,426	5,714	13,721			1,239,276	953,518
Inter-segmental Sales			4,293	2,706	6,155	4,135							(10,448)	(6,841)		
Total	**987,919**	**758,488**	**194,761**	**134,507**	**21,981**	**25,401**	**16,643**	**12,816**	**22,706**	**15,426**	**5,714**	**13,721**	**(10,448)**	**(6,841)**	**1,239,276**	**953,518**
Results :																
Operating Profit/(Loss)	103,725	99,143	(3,139)	(8,510)	8,672	3,092	3,813	1,346	922	584	(553)	(707)			113,440	94,948
Profit/(Loss) on Sale of Investment															(5,275)	2,397
Interest Income															5,745	7,290
Dividend Income															2,640	2,000
Share in Joint Venture PBT															(4,301)	(4,157)
Interest Expenses															(29,363)	(20,146)
Profit before Tax and Exceptional items															82,886	82,332
Exceptional items															(3,553)	-
Profit before Tax															79,333	82,332
Income Tax - Current															(29,995)	(29,758)
- MAT Credit Entitlement															750	125
- Deferred															2,572	2,805
Net Profit After Tax															**52,660**	**55,504**
Less: Share of Minority Interest															(21,390)	(24,276)
Net Profit relating to the Group															**31,270**	**31,228**
Other Information :																
Segment Assets	796,506	537,061	151,025	128,206	59,030	56,188	25,701	26,487	22,504	20,111	261	400			1,055,027	768,453
Share in Joint Venture															23,744	40,713
Unallocated Corporate Assets															30,953	48,552
Total Assets															**1,109,724**	**857,718**
Segment Liabilities	255,394	183,911	61,039	32,768	3,577	4,108	1,609	2,069	7,223	3,458	13,473	7,329			342,315	233,643
Share in Joint Venture															15,390	37,421
Unallocated Corporate Liabilities															416,862	289,377
Minority Interest															92,772	73,120
Total Liabilities															**867,339**	**633,561**
Capital Expenditure	31,634	24,552	12,255	5,207	1,804	566	963	80	1,209	532	765	1,633			48,630	32,570
Depreciation	5,970	6,207	5,687	5,388	3,544	3,402	1,521	1,376	777	636	1,461	410			18,960	17,419
Non-cash expenditure (excluding Depreciation)															7,864	(4,724)

Particulars	SECONDARY SEGMENTS									
	India		North America		Europe		Rest of the World		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Segment Revenue	1,191,952	924,515	13,717	10,406	24,532	7,676	9,075	10,921	1,239,276	953,518
Carrying Amounts of :										
Segment Assets	1,094,273	849,274	9,327	7,210	3,837	890	2,287	344	1,109,724	857,718
Segment Liabilities	860,174	629,916	3,936	3,051	-	543	3,229	51	867,339	633,561
Capital Expenditure	47,995	32,304	635	266	-	-	-	-	48,630	32,570

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

32 (a) The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Profit and Loss Account.

Rupees in lakhs

Particulars	Gratuity (Funded)		Superannuation and other Pension Plans	
	2011-12	2010-11	2011-12	2010-11
Present Value of obligations at the beginning of the year	3,680	3,081	117	115
Current service cost	341	291	1	2
Interest Cost	269	236	9	9
Actuarial loss/(gain)	228	406	(96)	(9)
Benefits paid	(389)	(334)	-	-
Present Value of obligations at the end of the period	4,129	3,680	31	117
Amounts recognized in the Balance Sheet				
Projected benefit obligation at the end of the period	4,129	3,680	31	117
Fair value of plan assets at end of the period	3,982	3,383	-	-
Funded status of the plans – (asset)/Liability recognised in the balance sheet	147	297	31	117
Cost for the period				
Current service cost	341	291	1	2
Interest Cost	269	236	9	9
Expected return on plan assets	(306)	(238)	-	-
Net actuarial (gain)/loss recognised in the period	194	346	(96)	(9)
Past service cost	-	214	-	-
Net Cost	498	849	(86)	2
Assumptions				
Discount rate	8/8.50%	8%	8%	8%
Expected rate of plan assets	8/8.50%	8%	8%	8%
Expected rate of salary increases	5/6%	5%	5%	5%

(b) 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.

(c) 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 and Loss account.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33. Earnings per Share

Particulars	For the Year ended 31st March 2012	For the Year ended 31st March 2011
(A) Profit after Taxation (Rs.in Lakhs)	31,270	31,228
Number of equity shares of Re. 1 each outstanding at the beginning of the year	173,198,200	172,716,940
Add : Number of shares issued pursuant exercise of Employees Stock option	464,276	481,260
(a) Number of equity Shares of Re. 1 each outstanding at the end of the year	173,662,476	173,198,200
(b) Weighted Average number of Equity Shares	173,444,175	172,938,693
(c) Diluted shares on account of issue of ESOP granted	238,986	916,266
(d) Number of potential equity shares of Re. 1 each outstanding at the end of the year	173,683,161	173,854,959
Earnings per Share		
– Basic (Rs.) (A)/(b)	18.03	18.06
– Diluted (Rs.) (A)/(d)	18.00	17.96

34. Related Party Disclosure for the year ended 31st March 2012

a) Joint Venture Company
1. Silkroad Sugar Private Limited

b) Associate Company (Investing Company)
1. Murugappa Holdings Limited (Previously known as Parry Agro Industries Limited)

c) Key Management Personnel (KMP)
1. Mr. Ravindra S Singhvi, Managing Director
2. Mr. Kapil Mehan, Managing Director in Coromandel International Limited
3. Mr. D.Kumaraswamy, Managing Director in Parrys Sugar Industries Limited

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

Transactions with related parties

Rupees in lakhs

	2011-12		2010-11	
	Joint venture	KMP	Joint venture	KMP
Rendering of services				
Silkroad Sugar Private Limited	3	-	30	-
Deputation Charges Received				
Silkroad Sugar Private Limited	65	-	43	-
Subscription to Equity Shares				
Silkroad Sugar Private Limited	11,250	-	-	-
Closing Balance - Debit /(credit)				
Silkroad Sugar Private Limited	245	-	123	-

34.1 Details of remuneration to Directors are disclosed in the respective accounts of the company and its subsidiary - Coromandel International Limited and Parrys Sugar Industries Limited.

34.2 During the year, dividend paid to Murugappa Holdings Limited (Investing Party) amounts to Rs. 2,349.41 Lakhs (2011 - Rs. 1,174.70 Lakhs)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

35. DEFERRED TAX

Rupees in lakhs

Descriptions	As at 31st March 2012	As at 31st March 2011
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	24,548	25,565
Tax effect of items constituting deferred tax assets		
Unabsorbed Depreciation and Business Loss, Provision for Doubtful Debts, Provision for compensated absences and others	(5,840)	(4,285)
Net Deferred Tax liabilities	**18,708**	**21,280**

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

37. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Ravindra S Singhvi
Managing Director

A. Vellayan
Chairman

Chennai
April 25,2012

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 for the year 2011-12

Rupees in lakhs except Exchange Rate

S.No	Name of subsidiary company	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Liabilities *	Total Assets #	Total Income (incl. other income)	Profit/ (Loss) Before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend (incl. Dividend Tax)	Investments (included in Total Assets)
1	Coromandel International Limited	INR	-	2,826	234,293	493,484	730,603	993,994	96,977	27,650	69,327	9,852	62,794
2	Parry Chemicals Limited	INR	-	-	122	212	1,334	57	11	8	3	-	260
3	CFL Mauritius Ltd	USD	50.88	7,774	4,203	2,253	14,230	582	347	1	346	-	13,944
4	Coromandel Brasil Limitada	BRL	27.96	381	(371)	21	32	2	(201)	-	(201)	-	-
5	Sabero Organics Gujarat Limited @	INR	-	3,386	3,064	31,607	38,057	36,122	(7,465)	(1,341)	(6,124)	-	820
6	Sabero Europe BV @	EURO	69.16	19	(19)	2	2	-	(1)	-	(1)	-	-
7	Sabero Australia Pty.Ltd @	AUD	53.84	1	(14)	15	2	-	-	-	-	-	-
8	Sabero Organics America SA @	BRL	27.96	944	(242)	13	715	-	(242)	-	(242)	-	-
9	Sabero Argentina SA @	ARS	11.84	20	(12)	4	12	7	2	-	2	-	-
10	Parry Infrastructure Co. Pvt Ltd	INR	-	500	315	13,167	13,982	5,721	334	108	226	-	-
11	Parrys Investments Limited	INR	-	25	34	4	63	3	2	-	2	-	62
12	Parry America Inc	USD	50.88	38	392	1,712	2,142	3,026	236	74	162	-	-
13	Parrys Sugar Limited	INR	-	150	57	-	207	16	16	4	12	-	82
14	Parry Phytoremedies Pvt Ltd	INR	-	170	(818)	1,297	649	392	(299)	190	(489)	-	-
15	Sadashiva Sugars Limited	INR	-	6,027	(5,757)	27,049	27,319	17,580	(2,214)	-	(2,214)	-	2
16	US Nutraceuticals LLC	USD	50.88	9,125	(4,633)	1,764	6,256	7,369	(325)	-	(325)	-	35
17	Parry Agrochem Exports Ltd	INR	-	5	18	-	23	1	-	-	-	-	16
18	Parrys Sugar Industries Ltd	INR	-	13,408	(6,636)	80,100	86,872	59,452	(4,580)	(1,237)	(3,343)	-	1,368
19	Alagawadi Bireshwar Sugars Pvt Ltd	INR	-	102	(6)	1,334	1,430	-	(2)	-	(2)	-	-

@ became subsidiary during the year 2011-12
* (Non-current liabilities + Current liabilities)
# (Non-current assets + Current Assets)

NOTES

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

Concept & Design
Hastra
hastra@airtelmail.in

E.I.D. PARRY (INDIA) LIMITED
'Dare House' 234, N.S.C. Bose Road, Chennai - 600 001
Ph : + 91 44 2530 6789   Fax : + 91 +44 2534 0858
www.eidparry.com