PARRYS

murugappa

225 YEARS

Spreading Sweetness

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

ANNUAL REPORT 2012-13

CONTENTS

225 years

Epoch defining.
History making.
A business corporation
that has stood
the test of time.

Of pioneering zeal...
inclusive growth...
ethical governance...
& strategic vision...

Carrying forward
a legacy...
EID Parry

Pioneer new paths...

Charter new directions...

Invent and re-invent according to the changing times.

The secret of Parry's strength...

The ability to sustain... To grow...

PIONEERING NEW PATHS

Parry represents the enterprise, the pioneering zeal and the strategic vision to strike new paths, break boundaries and leave a legacy. Started in 1788, the many business ventures of the company were the first of its kind in the country, demonstrating industry leadership and the courage to be different.

- First sugar company in India to manufacture sugar in 1842 and among the earliest sugar manufacturers in the world.
- First sugar manufacturer to start a distillery in India in 1843 as part of de-risking strategies. The Company's fully automated, standalone distillery in Sivaganga started in 2009 is the first of its kind in the country with zero emission, zero effluent and captive power generation capability.
- First sugar manufacturer in India to initiate farmer-centric model of business as early as 1845.
- First and only sugar manufacturer in India, with a dedicated R&D wing and cane breeding programme. The Company's many innovative programmes in sugarcane cultivation methods have set industry benchmarks in yield and recovery.
- Parrys Pure® is the only sugar brand to be conferred the 'Super Brand' status in India.
- Parry is the largest manufacturer of patented, neem-based pesticides in the world. Neemazal® a pioneering product of the Company, is an established and patented global brand in bio-pesticides. The manufacturing plant at Thyagavalli is the first and the only of its kind for the extraction of pure Azadirachtin in the world.
- Parry's foray into Nutraceuticals is another pioneering venture. The Company is today the world leader in micro algae technology comprising spirulina and natural beta carotenoids.
- Parry was among the first to promote the Fertiliser Industry in India in 1953. Coromandel International Ltd, a listed subsidiary of Parry, is today one of the leading fertiliser companies in India.

INCLUSIVE GROWTH

One lakh farmers cultivating cane on nearly 1,50,000 acres under its command area. For Parry, sugar is not just a business, but a bond and commitment to the farmer. A commitment to enrich life through agriculture and promote ecological sustainability.

Parry's inclusive, farmer-centric model of business engineering, has converted large tracts of dry lands into fertile green farm belts, fostering rural prosperity and growth for the farmer and contributing to stakeholder worth. As part of its rural development initiatives, the company has contributed to building roads in villages, broadening canals, digging wells, providing electricity and health care to its farming community.

The company's participative, farmer-centric initiatives, promoting sustainable methods of agriculture include:

- Training farmers on scientific and innovative cultivation methods.
- Extending agri-credit and insurance coverage to a large number of small farmers and farm labourers.
- Helping farmers to set up trichogramma centres to breed bio control agents, for containing sugarcane pests and for income generation.
- Promoting 'Namadu Parry Mayyams' or rural outlets fostering entrepreneurship among farmers and serving as value-added service hubs.
- Information dissemination and helpline centres guiding farmers on soil health, ratoon management, water conservation, drip irrigation and mechanization.

The Sustainable Sugarcane Initiative (SSI) is yet another modernised approach to sugarcane production promoted by Parry for its sugarcane farmers. Based on the principle of 'more with less', this sustainable method of sugarcane production uses less seeds, less water and ensures optimum yields.

Promoting sustainable farming practices, Parry's Bio Pesticides Division offers farmers and growers a range of bio-pesticides and plant vitalisers, for plant protection and crop health. The Nutraceutical Division's range of path-breaking, organic, nature-based products, address the human health and wellness space.

The inherent discipline for integrity...

Transparency and trust...

Ethical business practices that enhance stakeholder value...

The foundation of Parry...

ETHICAL GOVERNANCE

Integrity, accountability, fairness and ethical standards are an integral part of Parry's business philosophy. Standards that are aligned to the Spirit of the Murugappa Group and driven by the Five Lights of integrity, passion, quality, respect and responsibility.

At Parry, people are the core strength of the Company. Driven by a value-based team culture of innovation, empowerment and continuous development, it is the Human resource of the organisation that defines its stability and growth. Aligned with the Company's vision, Parry's people strategy is focused on building organizational capability to deliver superior business performance.

The Company's management structure, business transactions, administrative and disclosure practices are aligned to its corporate governance philosophy which aims at creating a global organisation, that contribute to the growth and development of all stakeholders and the communities in which it operates.

The comprehensive system of controls and counter balance measures, ensure seamless integration of business efficiencies and generates stakeholder wealth.

A testimony to the integrity and transparency of governance and the upholding of stakeholder trust is validated in the numerous awards that the company received during 2012-2013:

- Best Governed Board in India
- Best Corporate Award under Sugar Category
- Corporate Social Responsibility Award- Best Return-to-Investors
- Best Overall Corporate Governance, Compliance and Ethics
- Talent Leadership Strategy for the Future- Best Talent Management Award in HR
- Significant Achievement in HR Excellence

STRATEGIC VISION

To go beyond sugar. To de-risk. Surmount the cyclicality and growth-limiting boundaries. Parry's has mapped out differentiated strategies to grow its sugar business.

Continuous thrust on innovation and sustainable farming practices, automation and newgen milling technologies - Parry has set new benchmarks in the sugar industry. During the year the Company consolidated its leadership in premium quality, customized grades of sugar for the pharma and food industries, bagging the 'Best Supplier Awards' from global FMCG manufacturers. In the retail market, Parrys Pure® held its shelf space with its 'clean sugar' positioning. Leveraging on the de-control of sugar, Parry has forayed into the other markets, exploring greater opportunities for the business.

Parry's 8 sugar plants are fully integrated with facilities for cogeneration of power from bagasse and turning sugar into an 'energy crop' of the future. The distillery facilities at the Nellikuppam, Sivaganga, Haliyal and Sankili plants, with a multi-product unit with Extra Neutral Alcohol and Fuel Ethanol production facilities also contribute to growth in revenues. Energy optimization methods and green initiatives enabled both co-generation and the distillery streams of the sugar business to register higher efficiencies.

Parry's Nutraceuticals business with its range of organic spirulina and nature based formulations addressing the health and wellness space is a sunrise sector of the Company. The Company has consolidated its global leadership in the organic spirulina segment in the US and European markets, through continuous product research and innovation. Enhancing the phycocyanin content in the spirulina through a special process, with GRAS Certification from FDA and the completion of the USP Ingredient Verification Program, has positioned Parrys Spirulina as a trusted global brand. Valensa, a subsidiary of Parry, has become a strategic manufacturing and marketing base in the US, to access and service global market for a range of formulations addressing cardio-vascular and joint health. While capacity expansions at Oonaiyur kept pace with the burgeoning market demand for organic spirulina, a greenfield venture for the extraction of DA or Natural Mixed Carotenoids from marine water algae was initiated. This will be another future-defining product in wellness and a global first. Future plans of the division include the launching of wellness and nutraceutical products through the doctor-prescription route and offering value-added formulations and co-biotics for the Indian pharma industry addressing gastro-intestinal health, liver health, etc.

With the global market for organic pesticides estimated to increase exponentially, Parry's Bio Pesticides division is poised to become a key player in integrated pest control management and crop protection systems. During the year, exports to US and Europe touched a record high. Building the 'Abda' brand, addressing new crop segments with product variants, greater market penetration and enlarging global presence form part of the division's future strategies.

Expanding into sunrise sectors: natural, organic, sustainable, in human and plant health - Parry's strategies for growth are clearly defined.

AWARDS & RECOGNITION

Mr A Vellayan, Chairman, receiving 'India's Best Managed Board' Award from Mr Sachin Pilot, Hon'ble Minister of Corporate Affairs.

EID Parry was selected as one of 'India's Best Managed Boards' along with HDFC Bank, Dr Reddy's Lab, Kotak Mahindra Bank, Tata Steel Limited and TCS. The award was based on a first-of-its-kind study conducted by Aon Hewitt along with MINT Newspaper in association with National Stock Exchange and Bombay Stock Exchange.

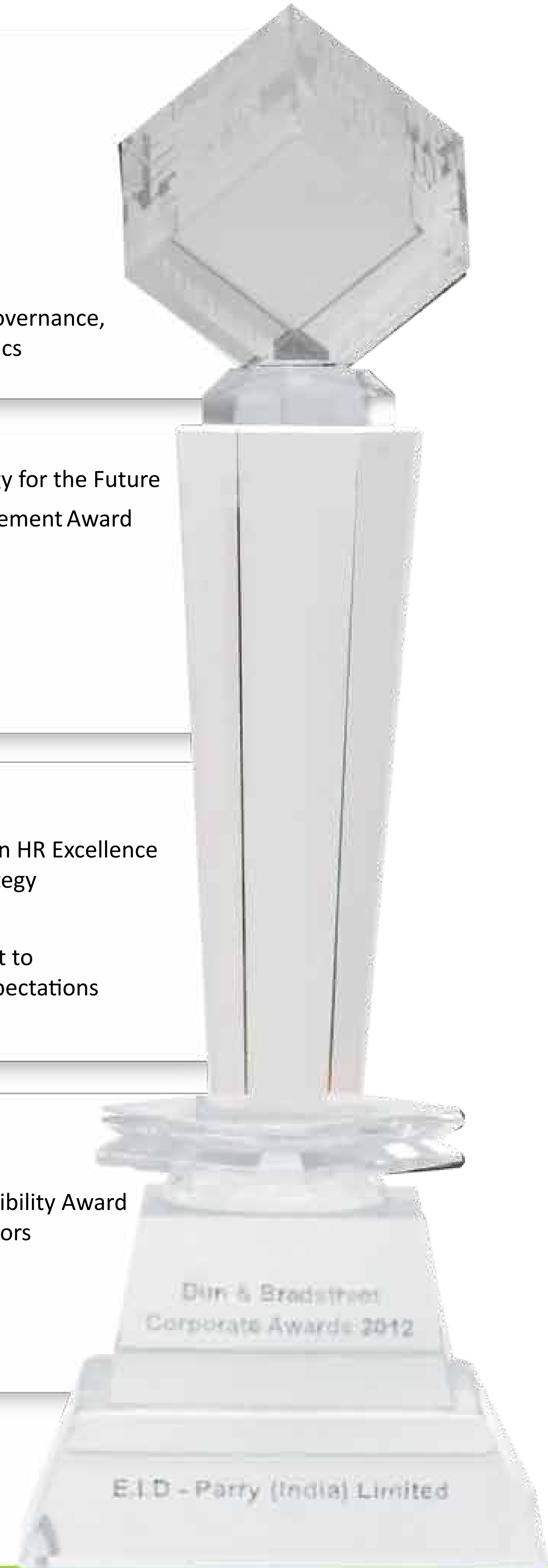
Best Overall Corporate Governance,
Compliance & Ethics

Talent Leadership Strategy for the Future
Best Talent Management Award

Significant Achievement in HR Excellence
Best HR Strategy

Commitment to
Supplier Quality Expectations

Corporate Social Responsibility Award
Return to Investors



Dun & Bradstreet
'Best Corporate Award'
Top Spot in Sugar

OUR BRANDS

Sugar

Bio-Pesticides

Nutraceuticals

CORPORATE INFORMATION

BOARD OF DIRECTORS	A. Vellayan, Chairman V.Ravichandran, Vice Chairman Anand Narain Bhatia V.Manickam M.B.N.Rao R.A.Savoor
COMPANY SECRETARY	Suresh Krishnan
CORPORATE MANAGEMENT TEAM	Sajiv K. Menon, Business Head – Bio & Nutraceuticals P.Gopalakrishnan, Vice President (Finance) & Manager 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. : +91-040-23420818 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

₹ in lakh except ratios

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Profitability Items										
Gross Income	64,145	81,913	1,03,044	73,869	72,932	1,70,599	1,33,526	1,47,386	1,75,364	2,41,448
Gross Profit (PBDIT)	9,119	15,893	17,766	20,109	1,898	96,539	35,536	18,927	27,447	60,562
Depreciation & Amortisation	3,037	2,817	2,915	3,287	4,403	5,017	6,933	7,370	7,397	10,787
Profit/(Loss) before Interest & Tax	6,082	13,076	14,851	16,822	(2,505)	91,522	28,603	11,557	20,050	49,775
Finance costs	753	350	739	(211)	1,345	2,682	3,857	4,817	6,443	13,668
Profit/(Loss) Before Tax	5,329	12,726	14,112	17,033	(3,850)	88,840	24,746	6,740	13,607	36,107
Tax	1,006	2,300	2,528	4,291	(2,192)	19,644	4,218	(1,186)	(125)	2,936
Profit/(Loss) after Tax	4,323	10,426	11,584	12,742	(1,658)	69,196	20,528	7,926	13,732	33,171
Balance Sheet Items										
Net Fixed Assets	29,428	31,460	33,322	48,256	61,999	85,942	84,650	80,986	80,876	1,28,652
Investments	11,011	10,126	11,167	11,736	18,344	48,561	68,282	43,414	68,278	87,110
Net Current Assets	19,420	22,680	33,131	35,616	33,537	26,584	27,561	61,572 #	63,604 #	1,04,089#
Total Capital Employed	**59,859**	**64,266**	**77,620**	**95,608**	**1,13,880**	**1,61,087**	**1,80,493**	**1,85,972**	**2,12,758**	**3,19,851**
Shareholders Funds	32,877	40,850	47,939	53,005	50,607	96,346	1,09,066	1,14,474	1,21,223	1,34,162
Borrowings	22,160	18,340	24,880	35,236	58,161	53,853	57,552	58,809	78,971	1,72,309
Deferred Tax Liability	4,822	5,076	4,801	7,367	5,112	10,888	13,875	12,689	12,564	13,380
Total	**59,859**	**64,266**	**77,620**	**95,608**	**1,13,880**	**1,61,087**	**1,80,493**	**1,85,972**	**2,12,758**	**3,19,851**
Ratios										
Book Value per share (₹)	184	234	54	60	57	113	127	66	70	77
EPS (₹)	24.22	58.41	12.98	14.28	(1.86)	77.80	23.81	4.58	7.92	19.08
Dividend on Equity %	75	125	225	295	25	1,000	500	200	400	600

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 ₹ 10/- each were subdivided into shares of ₹ 2 each with effect from June 3, 2005.
3. The Parryware Division was transferred on March 1,2006 to Parryware Glamourooms Private Ltd, a wholly owned subsidiary.
4. Parry Nutraceuticals Ltd was merged effective 1st September, 2006.
5. The equity shares of ₹ 2/- each were subdivided into shares of ₹ 1 each with effect from December 24, 2010.
6. Haliyal and Sankili units of Parrys Sugar Industries Limited were merged with effect from April 1, 2012.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their report together with the audited accounts for the financial year ended 31st March, 2013.

The performance highlights of the company for the year are summarized below:

FINANCIAL RESULTS

₹ in lakh

Particulars	2012-13	2011-12
Total Income	209,978	1,71,217
Profit Before Interest, Depreciation and Tax	60,562	27,447
Less : Interest	13,668	6,443
Depreciation	10,787	7,397
Profit Before Tax	36,107	13,607
Less: Provision for Tax :		
- Current	839	750
- MAT Credit entitlement	(839)	(750)
- Deferred	2,936	(125)
Profit After Tax	33,171	13,732
Add : Surplus brought forward	37,966	34,164
Amount available for Appropriation	**71,137**	**47,896**
APPROPRIATIONS		
Transfer to General Reserve	35,000	1,400
Transfer to Debenture Redemption Reserve	1,250	1,583
Dividend on Equity Capital :		
Interim dividend paid	10,431	6,947
Dividend Distribution Tax (Net)	-	-
Surplus carried to Balance Sheet	24,456	37,966
TOTAL	**71,137**	**47,896**

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.

This year's performance includes Units of Haliyal and Sankili of Parrys Sugar Industries Limited (PSIL), which were merged with the company as a result of the Scheme of Demerger approved by the Courts.

The Company recorded revenue of ₹ 2,09,978 lakh (including other income of ₹ 10,729 lakh) for the year ended 31st March, 2013 as compared to ₹ 1,71,217 lakh in the previous year 2011-12.

Other income for the year was ₹ 10,729 lakh (excluding bonus debenture of ₹ 26,573 lakh) as against ₹ 17,038 lakh in 2011-12. The dividend income for the year was ₹ 32,182 lakh (including the bonus debenture of ₹ 26,573 lakh) against ₹ 12,561 lakh in 2011-12. Interest income earned during the year was ₹ 3,347 lakh as against ₹ 2,247 lakh in 2011-12.

The Earnings before Interest, Depreciation, Tax and Amortization for the year was ₹ 60,562 lakh representing 30% of total sales as against previous year's ₹ 27,447 lakh. Performance of sugar by-product division namely distillery and dividend income received have contributed towards EBIDTA during the year.

Sugar division's sales increased from ₹ 1,43,782 lakh in 2011-12 to ₹ 1,87,888 Lakh in 2012-13 driven by increased Sugar and Alcohol sales.

Bio Pesticides division's sales has marginally reduced to ₹ 7,321 Lakh as against ₹ 7,628 Lakh in 2011-12.

Nutraceuticals division's sale has increased to ₹ 5,731 Lakh as against ₹ 4,359 Lakh in 2011-12.

BUSINESS SEGMENTS

SUGAR

The Company, along with its subsidiaries, has nine sugar plants spread across South India of which four are in Tamil Nadu, one in Puducherry, three in Karnataka and one in Andhra Pradesh. The company has a sugarcane crushing capacity of 34,750 TCD and cogeneration capacity of 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 and improving process efficiencies.

The Company crushed 65 lakh MT of sugar cane during the financial year 2012-13. The recovery of sugar from sugar cane was at 9.23% as against 9.04% in the previous year owing to better quality of sugarcane crop and the integration of Haliyal & Sankili units following the demerger from PSIL. The Company produced 6,01,381 MT of sugar and 3,21,891 MT of molasses during the financial year 2012-13. 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 4,95,218 MT of Sugar as against 4,04,841 MT during the previous year. The company also sold 1,10,902 MT of Molasses as against 90,373 MT in the previous year.

POWER

The operations of power generation were smooth across all of the six cogen plants. While most of the power generated was continued to be used captively to run the plants, the surplus power was sold to TNEB and other merchant power purchasers.

Power generation was higher at 6,534 MW as compared to 5,243 MW in the previous year (including Haliyal and Sankili). The company exported 4,100 MW of power during the year as against 3,427 MW in the previous year.

DISTILLERY

During the year, Industrial Alcohol/ENA production was higher at 654 Lakh Litres as compared to 398 Lakh Litres during the previous year, resulting in an increase of over 64% over the previous year on account of greater efficiencies of production in Sivaganga distillery as well as the integration of Haliyal and Sankili units into EID's sugar division.

BIO PRODUCTS

Bio Pesticides

The Bio-Pesticides Division registered revenue of ₹ 7,321 lakh in 2012-13 as compared to ₹ 7,628 lakh of previous year and accounting for 4% of the Company's Revenue. The drop in turnover was due to lower sales in domestic market largely due to the weak agro climatic factors that prevailed during the year in our key markets. PBIT for the year was however higher at ₹ 1,557 lakh against ₹ 1,305 lakh in 2011-12. Sale of Technical to USA achieved an impressive growth of 25% over previous year. Production of Technical Aza was 10,141 Kgs, the highest ever in a year.

Nutraceuticals

The Nutraceuticals Division's turnover was ₹ 5,731 lakh for the year ended 31st March, 2013 representing 3% of the Company's Revenue. About 76% of this represents exports.

Premium Organic Spirulina continues to outperform competition in its segment and sales during the year had grown at 41% over the previous year. During the year, the company has successfully stabilized the production process of Astaxanthin, a carotenoid extracted from Haematococcus pluvialis, a micro algae, by producing 5,135 kgs of biomass (1.5% Carotenoid equivalent). The company is pursuing the ethical marketing route in the domestic market for creating awareness and acceptance of the OTC products, considering that the use of Nutraceutical products still depend on doctor's endorsement.

DIVIDEND

During the year, the Company had paid 600% interim dividend (₹ 6 per equity share of ₹ 1 each) in February, 2013. The Board has not recommended final dividend for the year ended March 31, 2013.

CORPORATE DEVELOPMENTS

ACQUISITION OF EQUITY SHARES FROM CARGILL ASIA PACIFIC HOLDINGS PTE LIMITED IN SILKROAD SUGAR PRIVATE LIMITED

The Company entered into a Share Purchase Agreement with Cargill Asia Pacific Holdings Pte Ltd and Silkroad Sugar Private Limited and purchased 5,69,77,800 equity shares of ₹ 10/- each from Cargill Asia Pacific Holdings Pte Ltd. Consequent to the above purchase of equity shares, the Company's holding in Silkroad Sugar Private Limited has increased to 99% and has become Company's subsidiary.

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

Pursuant to the scheme of approval by the High Courts of Karnataka and Madras, two units of Parrys Sugar Industries Limited (PSIL) namely Haliyal unit and Sankili unit got merged with E.I.D.-Parry (India) Limited with effect from 1st April, 2012.

The Company has allotted 18,38,578 equity shares to the equity shareholders of Parrys Sugar Industries Limited pursuant to the Scheme of Arrangement (Demerger) during the financial year and the Equity Shares are listed and traded both in National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

INVESTMENTS

During the financial year, the Company had invested an amount of ₹ 50 Crore in the Equity Share Capital of Sadashiva Sugars Limited, a wholly owned subsidiary, by converting a part of unsecured loan into equity shares.

During the financial year, the Company had also invested an amount of ₹ 15 Crore in 8% Cumulative Redeemable Preference Shares of ₹ 10/- each of Parrys Sugar Industries Limited by converting a part of unsecured loan.

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 and subsequent amendments thereof, the Company had not granted any options during the year ended 31st March, 2013. The details of the Options granted up to 31st March, 2013 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, M/s.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

During the year, rating agency CRISIL has assigned Long term Debt rating of "AA" (High Safety) with negative outlook. The Company continued to enjoy A1+ rating for short term borrowing.

SOCIAL RESPONSIBILITY

The Company undertook a wide range of initiatives for the livelihood enhancement and for health and hygiene awareness in the rural community in which it operates. 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.

SUBSIDIARY COMPANIES

Coromandel International Limited

Coromandel achieved a revenue of ₹ 8,62,727 lakh for the year ended 31st March, 2013 and the profit after tax was ₹ 44,399 lakh. The Company's Board had recommended a dividend of ₹ 4.50 per share (450%) for the year ended 31st March, 2013.

Parrys Sugar Industries Limited

The Company recorded revenues of ₹ 10,084 lakh for the 12 months period ended 31st March, 2013. After providing for Depreciation, Interest and Tax, the loss after tax was ₹ 1,293 lakh.

Sadashiva Sugars Limited

The Company recorded revenues of ₹ 12,206 lakh for the year ended 31st March, 2013. The Profit before finance costs and exceptional items amounted to ₹ 87 lakh. Net loss for the period was ₹ 3,004 lakh.

Silkroad Sugar Private Limited

The revenue for the year was ₹ 311 lakh. During the year ended 31st March, 2013 the company made a loss before tax of ₹ 6,580 lakh.

Parry Infrastructure Company Private Limited

During the year under review the company earned an income of ₹ 6,474 lakh with Profit Before Tax of ₹ 521 lakh. After providing for tax provision, the Profit after Tax was ₹ 368 lakh.

Parry America Inc.

Parry America Inc, the 100% subsidiary based in US, reported an income of US$ 7,537 thousand for the year ended 31st March, 2013. The Profit after Tax was US$ 361 thousand.

Parry Phytoremedies Private Limited

The revenue for the year was ₹ 519 lakh. During the year ended 31st March, 2013 the company made a loss before tax of ₹ 375 Lakh.

Parrys Sugar Limited

The Company during the year ended 31st March 2013, earned an income of ₹ 14 lakh with profit after tax of ₹ 14 lakh.

Parrys Investments Limited

During the year ended 31st March, 2013 the Company earned an income of ₹ 3 lakh and the Profit after Tax was ₹ 2 lakh.

US Nutraceuticals LLC

This overseas Subsidiary, during the year ended 31st March, 2013 earned an income of US$ 15,969 thousand and the Profit after Tax was US$ 55 thousand.

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, 2013.

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 shareholder 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. A. Vellayan, Director is liable to retire by rotation in terms of Articles 102 and 103 of the Articles of Association of the Company and being eligible, offer himself for re-appointment. Mr. R A Savoor, Director liable to retire by rotation at the ensuing Annual General Meeting has opted not to seek re appointment.

Mr. Ravindra S Singhvi, Managing Director, resigned from the Board with effect from 10th April, 2013. The Board places on record its grateful appreciation for the valuable services rendered and contributions made by him.

Mr. V. Manickam who resigned from the Board pursuant to LIC withdrawing their nomination, joined the Board on 30th January, 2013 as an Independent Director and will hold office till the ensuing Annual General Meeting. The Company had received notice from a member proposing the appointment of Mr. V. Manickam as a Director of the Company.

As required under Clause 49 of the Listing Agreement relating to Corporate Governance, a brief resume, expertise and details of other directorships of Mr. A. Vellayan and Mr. V. Manickam, Directors 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. P. Gopalakrishnan, Manager appointed under Companies Act, 1956 & Vice President (Finance), has 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 ₹ 20.74 lakh being unclaimed dividend of 2004-05 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, 2013. 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, 2013 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, 2012 has filed the following cost audit reports to Central Government

Sl. No.	Product	Due date of filing cost audit report	Actual date of filing cost audit report
1.	Sugar	28.02.2013	31.01.2013
2.	Cogeneration	28.02.2013	31.01.2013
3.	Industrial Alcohol	28.02.2013	31.01.2013
4.	Neem based Pesticide	28.02.2013	31.01.2013

*As per Central Government Circular No.2/2013 dated January 31,2013, Ministry of Corporate Affairs has extended the time limit for filing of Cost Audit Report for the financial year ended 31.03.2012 upto 28th February, 2013 or 180 days from the close of Company's financial year whichever is later.

The Company had filed the Compliance Report with Ministry of Corporate Affairs in Form A on 31st January, 2013 within the due date of 28th February, 2013 as per The Companies (Cost Accounting Records Rules), 2011.

The Company received the approval of the Central Government for appointment of M/s Geeyes & Co., Cost Accountants as Cost Auditors for the financial year 2012-2013.

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, 2013 M/s. R. Sridharan & Associates, Practising Company Secretaries has 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 statements 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 recognize 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 30, 2013 | Chairman

Annexure to the Directors' Report

Statement as at 31st March, 2013 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.

	Date of Grant	No. of Options granted
(a) Total Number of Options granted :	31.08.2007	18,58,200
	29.10.2007	2,32,400
	24.01.2008	4,60,600
	24.04.2008	1,52,200
	28.07.2008	1,30,000
	24.09.2008	3,87,000
	29.10.2008	1,13,600
	20.03.2009	47,800
	28.01.2011	3,66,300
	29.04.2011	75,900
	27.07.2011	1,15,000
	24.10.2011	95,000
		40,34,000

(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 For the Options granted from 31.08.2007 to 20.03.2009, each Option represents 1 Equity Share of ₹ 2 each. For the Options granted from 28.01.2011 to 24.10.2011, each Option represents 1 Equity Share of ₹ 1 each.	31.08.2007 ₹ 64.80	29.10.2007 ₹ 75.70	24.01.2008 ₹ 94.15
	24.04.2008 ₹ 103.60	28.07.2008 ₹ 92.98	24.09.2008 ₹ 106.30
	29.10.2008 ₹ 74.95	20.03.2009 ₹ 69.13	28.01.2011 ₹ 225.15
	29.04.2011 ₹ 240.90	27.07.2011 ₹ 269.10	24.10.2011 ₹ 220.90
(c) Total number of Options vested	20,02,460		
(d) Total number of Options exercised	17,00,658		
(e) Total number of Shares arising as a result of exercise of Options	17,00,658		
(f) Total number of Options lapsed / cancelled	16,93,000		
(g) Variation of terms of Options	The exercise period of the options vesting in the Second, Third and Fourth Vesting as per the vesting schedule under the ESOP Scheme-2007 has been increased from three years to six years from the date of Second, Third and Fourth Vesting, respectively.		
(h) Money realized by exercise of options (during the year 2012-13)	₹ 191 lakh		
(i) Total number of Options in force	6,40,342		

Annexure to the Directors' Report (contd..)

(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)	85,200	
2. Mr.S.K.Sathyavrdhan (Vice President - HR)	95,200	
3. Mr.Suresh Krishnan (Company Secretary)	18,800	
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	1,83,200
	2. Mr. T.Kannan	19,600
	3. Mr.G.Madhavan	65,000
	4. Mr.Manoj Kumar Jaiswal	1,13,600
	5. Mr.P.Nagarajan	65,000
	6. Mr.K.E.Ranganathan	3,87,000
	7. Mr.K.Raghunandan	2,58,200
	8. Mr.Ravindra Raju D.S.	53,100
	9. Mr.R.Raghuram	19,600
	10. Mr.A.Sridhar	29,400
	11. Mr.N.Senthilkumar	20,700
	12. Mr.V.Ramasubramanian	20,700
	13. Mr.N.Ramakrishnan	20,700
	14. Ms.Swati Thomas	13,800
	15. Dr.S.Balaji	23,000
	16. Mr.Rajiv Yagnik	23,000
	17. Mr.S.Radhakrishnan	23,000
	18. Mr.Tyron Doll	23,000
	19. Mr.S.Karunakar	23,000
	20. Mr.M.Ramamoorthy	19,300
	21. Mr.M.Balaji	24,200
	22. Mr.A.V.Ramaraju	19,300
	23. Mr.S.Rangaprasad	19,300
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'	₹ 19.08	
(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 2012-13 is Nil.	

Annexure to the Directors' Report (contd..)

(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	₹ 175 lakh
(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:

Particulars	**₹ in lakh**	
Net Income As reported	33,171	
Add: Intrinsic Value Compensation Cost	Nil	
Less: Fair Value Compensation Cost (Black Scholes model)	175	
Adjusted Net Income	32,996	
Earnings per Share	**Basic (₹)**	**Diluted (₹)**
As reported	19.08	19.08
As adjusted	18.98	18.98

(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
(Exercise Price - EP)
(Market Price - MP)

Particulars	**Weighted average exercise price per option (₹)**	**Weighted average fair value per option (₹)**
EP > MP	234.10	88.33
EP = MP	-	-
EP < MP	77.53	27.37

(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

Annexure to the Directors' Report (contd..)

No. of Tranche	Date of grant	Market price (₹)
Each option represents 1 equity share of ₹ 1/- each		
I	31-08-2007	64.80
II	29-10-2007	75.70
III	24-01-2008	94.15
IV	24-04-2008	103.60
V	28-07-2008	92.98
VI	24-09-2008	106.30
VII	29-10-2008	74.95
VIII	20-03-2009	69.13
IX	28-01-2011	225.15
X	29-04-2011	240.90
XI	27-07-2011	269.10
XII	24.10.2011	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. Steam saving measures like reconfiguration of evaporator scheme, waste heat recovery, use of Direct contact heaters, use of non-condensable gases for molasses conditioning and syrup concentration by alternative methods were undertaken. This drive is to reduce steam consumption from 42.0% to 38.6% on cane.

2. Two cooling Water Pumps in operation was replaced by single higher capacity Pump (200 K.W & 3,000 m3 / hr), due to which the energy saving is 2,250 units/day.

Pondicherry Plant:

1. Planetary gear box was provided for Crystalliser which resulted in the savings of 86,400 units per annum.

Pudukottai Plant:

Undertaken steam saving measures like

1. PHE for a Centrifugal washing system using Exhaust condensate as heating media.

2. E Melting system used in place of sulphur melting.

3. Hot water for Transient heater.

Pugalur Plant:

1. 5th body brix to evaporator flow vs steam control valve automation made to optimize exhaust steam consumption and steady syrup brix.

2. 1st body vapour provided in place of exhaust steam for C-massecuite transient heaters.

3. VFD for MVXLR drive provided to improve the performance of MVXLR.

4. Diversion of SK hydraulic testing water to raw water sump and reduction in consumption of fresh water.

5. Provided VFD for all pumps in the Syrup clarifier.

Pettavaithalai plant:

1. A new 2 Roller mill with pressure feeders was installed as the last mill. This resulted in Bagasse moisture reduction from 51% to 48.5% on an average. Further the power consumption also reduced from 800 Hp to 600 Hp.

Annexure to the Directors' Report (contd..)

2. Old 2 speed batch centrifugal machine replaced by energy efficient DC drive.

3. Elimination of 9 Ata steam for SO2 burner, super heater wash water system, sugar melter and molasses conditioner by using Electric heater, hot condensate and vapour.

4. DM water flashed with the first body condensate to increase the Water temperature.

Sivaganga Plant:

1. VFD for Vacuum pumps, Cooling tower pumps, process pumps and cooling tower Fans has been installed which conserves power up to 150 kw/hr.

2. Pumps mechanical seal cooling water recycle system is installed which conserves 120 KL/day of ground water.

Haliyal Plant

1. Instrument air compressors operation through the existing VFD's. The total energy saving @ 6 Kwh for the operation of 150 days is around 21,600 units.

2. 650 mm dia 3 Ata exhaust line from turbine QCNRV to 50 mtrs length replaced by 1,000 mm dia line. This has reduced the pressure drop to 0.4 Kg.sqcm as against 0.8 Kg.sqcm.

3. Introduction of second vapour curtain in cane diffuser increased the cane diffuser temperature by 4^o to 5^o Celsius by controlling vapour loss.

4. Introduction of plate type heat exchangers in pan condensates for centrifugal water heating, adding one more pan in 3rd vapour boiling helped to reduce steam consumption.

5. Introduced condensate flash system in distillery spent wash evaporator for steam saving and cooling of condensate temperature with plate type heat exchangers were introduced to heat raw and concentrated spent wash in distillery. This has helped to stabilize distillery at rated capacity ie 45 KLPD.

Sankili Plant

1. Direct Contact Heaters (DCH) for syrup heating from 600c to 800c by using DEVC 2nd body vapour for syrup clarification system resulting steam saving of 0.03%.

2. DCH for filtrate heating from 550c to 750c. DEVC 2nd body vapour is being used.

3. Introduced a Plate type Heat exchanger to raise the temperature of vapour condensate from 850c to 1,100c for more flash recovery by extracting the heat from exhaust condensate.

4. Planetary gears for 3 number of Crystallisers. Earlier there was a drive of 15 HP and currently running with 3 HP.

5. Installed VFDs for Sulphated juice pump and for air blower. Power saving of 15%.

6. Combustion control for boiler taken into operation and increased efficiency of boiler by 0.5%

7. The capacity of the Continuous Vacuum pan was increased from 15 tons to 20 tons which resulted in final molasses purity drop and increase in recovery by 0.01 % .

Bio Products - Thyagavalli Plant

1. Chiller compressor is replaced by Screw compressor instead of Reciprocating and thereby power saving of 250 units / day.

2. By Eliminating Hot spot in different locations and bringing down to acceptable limits and thereby power saving 20 units / day.

3. Reduction of Neutral current and thereby power saving 20 units / day.

4. In distillation column four pre-heater which are in series and have been split into two parallel and thereby Feed Temp is increased and furnace oil saved 3 Ltrs / day.

5. Increased solvent condensing capacity area and thereby vapour loss reduced say 1.6 kg / day.

Annexure to the Directors' Report (contd..)

Nutraceuticals - Oonaiyur Plant

1. APFC with Harmonic Reactor was installed to save 20 KVA demand and minimize Watt loss.

2. Agitator motors were provided with VFD which resulted in substantial unit savings.

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Puducherry Plant

1. Fibrisor modified from Hard face Hammer to Domit tip Hammer.

Pudukottai Plant

1. Reducing the Pol % FC from 1.8 to 1.6 by reconditioning of existing Vacuum filter.

2. Reducing the FM purity from 32 to 31 by doing modification in c-grain storage & feeding to pan.

Pugalur Plant

1. Use of grease lubrication for mill rollers instead of conventional heavy oil lubrication system.

2. Vapour space height increased by 1,250 mm.

3. Introduction of melt sulphitation process to improve colour.

4. Hydraulic lifting system for opening the juice heater doors in place of conventional chain pulley block and improved operational safety.

5. Mass flow meter with density correction installed for raw juice flow measurement and incorporated mill automation.

Pettavaithalai Plant

1. Mill house automation to optimise the power consumption and to achieve regulated crushing.

Sivaganga Plant

1. RO water used in place of DM water for ENA dilution in the distillation section.

2. Hydro jet cleaning system installed for effective cleaning.

Haliyal Plant

1. Vapour curtains used in cane diffuser for saving steam.

2. Usage of plate type heat exchanger for cooling water in molasses tank cooling.

3. Using anaerobic process of treatment for distillery evaporator condensate effluent.

Sankili Plant

1. Dilution Molasses being used for C-fore worker for lubrication purpose by eliminating the hot water. Final Molasses purity reduced by 0.03 units.

2. Introduced a recirculation tank with aerator for better performance of SCS. Noticed a colour reduction of 30-35 % in syrup.

3. Arrangement of online CIP in ENA condenser cleaning. This had reduced down time of column.

Bio Products - Thyagavalli Plant

1. Purification, Filtration and Drying are carried out in separate manner. All the 3 process are done in single equipment on introduction of ANFD.

2. VFFS installed and fully auto filling done instead of manual packing in solid formulation.

3. Fuel additive added in furnace oil, because of that better atomization.

4. ATFE Condenser capacity $6.93m^2$ replaced with higher capacity of $20m^2$.

Annexure to the Directors' Report (Contd...)

III. FOREIGN EXCHANGE EARNINGS AND OUTGO *₹ in lakh*

Particulars	2012-13
(a) Earnings	53,359
(b) Outgo	
- towards Expenditure	808
- towards Dividend	82

IV. ENERGY CONSUMPTION

	Particulars	2012-13	2011-12
A	**Power & fuel consumption**		
1	**Electricity:**		
	(a) Purchased		
	Units (KWH)	99,79,323	78,92,848
	Total amount (₹ in lakh)	977	524
	Rate per unit (₹)	10	7

	Particulars	2012-13	2011-12
	(b) Own generation		
	(i) Through Emergency Diesel Generator		
	Units (KWH)	24,70,493	23,00,542
	Units per litre of Diesel oil	3	3
	Cost per unit (₹)	18	14
	(ii) Generated through Steam turbine		
	Out of Own bagasse (KWH)	65,84,62,012	48,64,90,303
	Out of outside fuel (KWH)	2,24,93,796	5,96,61,035
2.	**Furnace oil**		
	Quantity (K.Litres)	752	566
	Value (₹ in lakh)	300	209
	Average rate / K.Ltr. (₹)	39,902	36,910
3.	**Others / Internal Generation**		
	HSD:		
	Quantity (KL)	653	577
	Total amount (₹ in lakh)	318	246
	Rate per KL (₹)	48,760	42,545
B.	**Consumption per unit of production (KWH) – Electricity**		
	Consumption per unit of production (sugar)	301	313

On behalf of the Board

Chennai **A.Vellayan**
April 30, 2013 Chairman

Annexure to the Directors' Report (contd...)

Information as per Section 217 (2A) read with the Companies (Particulars of Employees) Amendment Rules, 2011 and forming part of the Directors' Report - Details of Remuneration paid for the year ended 31st March, 2013

(A) EMPLOYED THROUGHOUT THE YEAR ENDED 31ST MARCH, 2013 AND WERE IN RECEIPT OF REMUNERATION AGGREGATING NOT LESS THAN ₹ 60,00,000/-

Name/(Age)	Designation of the Employee/Duties	Remuneration (₹)	Qualification/ Experience (Years)	Date of Commencement of Employment	Previous Employment
Ravindra S Singhvi* (55)	Managing Director	1,59,91,285	B.Com, FCA, FCS, LLB (32)	03.12.2010	Indo Rama Synthetics (India) Limited
Sajiv K Menon (53)	Business Head – Bio & Nutraceuticals	73,00,743	B.Tech & PGDM (31)	01.04.2012	Tube Investments of India Limited
Manoj Kumar Jaiswal (49)	Senior Vice President & Head – Management Development Centre	68,68,683	M.Sc., MBA (23)	19.08.2008	Infosys Technologies Limited

* Resigned with effect from April 10, 2013.

(B) EMPLOYED FOR PART OF THE YEAR ENDED 31ST MARCH, 2013 AND WAS IN RECEIPT OF REMUNERATION AGGREGATING NOT LESS THAN ₹5,00,000/- PER MONTH

Name/(Age)	Designation of the Employee/Duties	Remuneration (₹)	Qualification/ Experience (Years)	Date of Commencement of Employment	Previous Employment
Raghunandan K (55)	Executive under Deputation	72,67,520	MS Chem., Engg (32)	11.07.1988	IEL Limited
Ranganathan K E (50)	Executive under Deputation	70,39,273	B.Com, ACA., ACS (29)	10.10.1994	TVS Electronics Limited

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

On behalf of the Board

Chennai **A.Vellayan**
April 30, 2013 Chairman

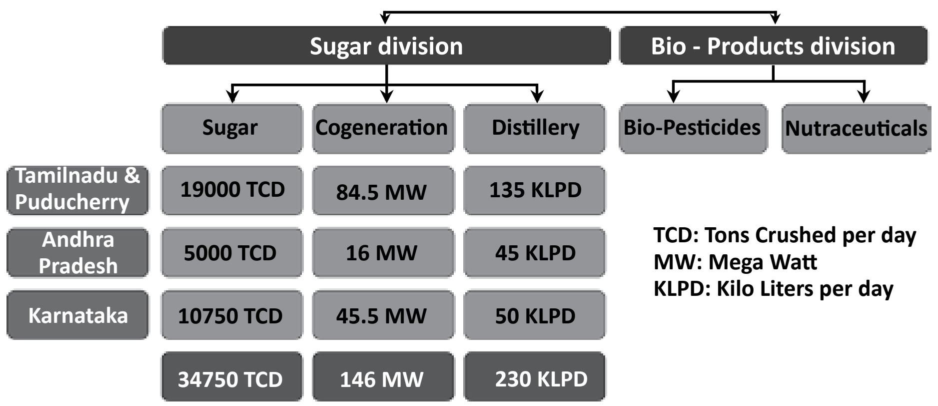
MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2012-13

Company Overview

E.I.D.-Parry (India) Limited is part of the Chennai-based USD 4.43 billion Murugappa Group. The company is the largest sugar producer in South India and is one of the top five sugar producers in the country.

E.I.D.-Parry, including its subsidiary companies, has a sugar cane crushing capacity of 34,750 TCD, cogeneration capacity of 146 MW and distillery capacity of 230 KLPD across its mills. The company also has interests in the promising fields of Bio-Pesticides and Nutraceuticals. It retains a significant presence in the farm inputs business through its subsidiary Coromandel International Ltd. EID also has a sugar refinery of 2000 TCD capacity in Kakinada, Andhra Pradesh through its subsidiary Silkroad Sugar Private Ltd.

EID Parry Business

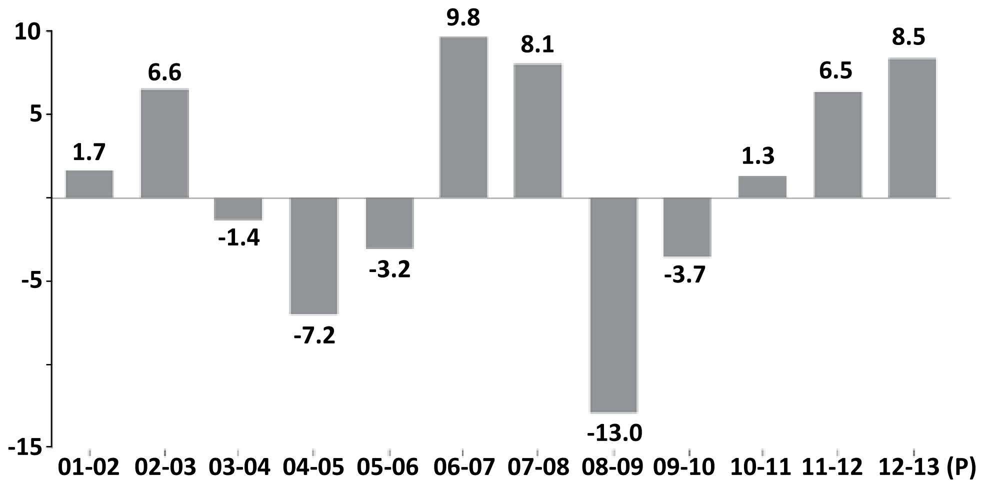


A. Sugar Business

1. **World Sugar Outlook: Supply continues to outstrip demand**

   World production is estimated to increase by 5.5 mln tonnes in 2012/13 sugar season to reach a total of 180.4 mln tonnes. This presents a third consecutive year of global surplus (8.5 mln tonnes) largely driven by recovery in Brazil coupled with production gains in China, Mexico and USA. While on the other hand, countries in EU, India and Thailand are expected to face relatively small declines in production. The stocks-to-consumption ratio is expected to be 40.6% up from 38.2% in SY 2011/12. Overall, production from beet will see a decline as against cane share which will increase to 78.8% of total world sugar production.

World surplus / deficit, in million metric tons



Source: ISO, Feb 2013 Update

World Sugar Balance (Million MT, raw value)

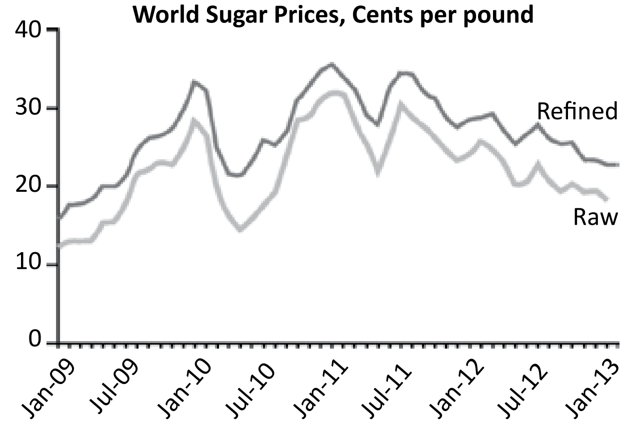
	2011-12	2012-13(E)	% Change
PRODUCTION	174.8	180.4	3%
CONSUMPTION	168.3	171.8	2%
SURPLUS/DEFICIT	6.5	8.6	32%
IMPORT DEMAND	53.2	50.7	-5%
EXPORT AVAILABILITY	54.0	53.9	0%
END STOCKS	64.3	69.7	8%
STOCKS/ CONSUMPTION RATIO (%)	38%	41%	

Source: ISO, Feb 2013 Update

World sugar prices: Declining trends

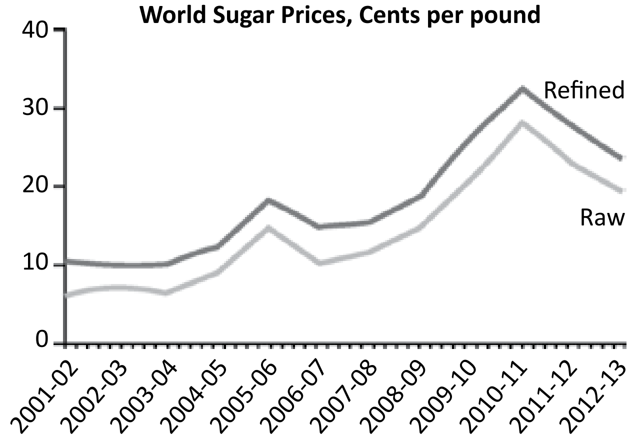
Sugar prices have been on a declining trend since early 2011. Currently, high stock levels have depressed domestic sugar prices across the world's largest consumption markets including Brazil, China, India and US. Raw sugar prices have dropped from $25 cents/lb in March 2012 to sub $18 cents/lb levels in March 2013, about 28% due to global surpluses. Raw sugar futures indicate prices to remain subdued and see a slow revival only by end of the calendar year 2013.

World Sugar Prices, Cents per pound



Source: USDA, Raws ICE contract 11

World Sugar Prices, Cents per pound



Source: USDA, Raws ICE contract 11

Fuel ethanol update: Increase in Production

ISO forecasts indicate 6.3% growth in world fuel ethanol production in 2013 to a record 88.9 bln litres. Brazil alone is estimated to contribute 23.9 bln litres, while US output is expected to be 51.5 bln litres. Brazil's move to increase ethanol blending to 25% from the current 20% and removal of PIS/Cofins taxes effective May 1st 2013, will give a boost to investments in the country's ethanol capacity. These two measures will soak up the additional ethanol expected from the record cane crop this season. Leading forecasters including Kingsman have estimated the splits between ethanol and sugar in Brazil to lean 54/46 towards ethanol. However, due to the record harvest this season, the improved terms for ethanol is not likely to affect the sugar production in the region.

2. **India Sugar Outlook: Third consecutive year of surplus**

   Sugar year 2011/12 continued the second consecutive year of surplus starting from 2010/11 and saw production at high levels of 26.3 mln MT. This was on account of higher sugar production in Uttar Pradesh, Tamilnadu and Andhra Pradesh. Subsequently, the Government removed restrictions on sugar exports and 3.4 mln MT was exported from the country.

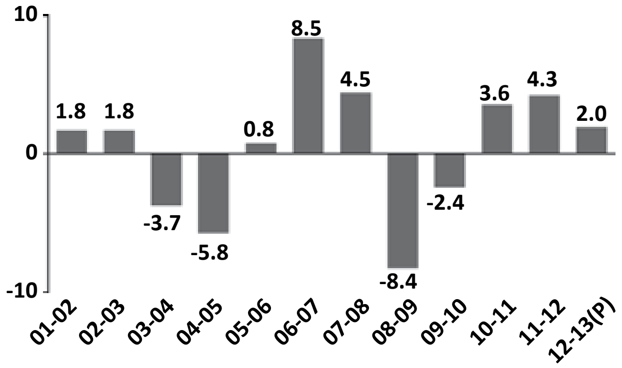
   Sugar year 2012/13 is expected to be a third consecutive year of surplus with sugar production at 24.6 mln MT. A quantity of 23 mln MT has already been produced in the period from October 2012 to March 2013. The fall is on account of drought conditions leading to lower crushing in Maharashtra and North Karnataka. Exports could be limited during the coming months and the year end is estimated to carry high closing stock levels over 8 mln MT.

   Sugar year 2013/14 will most likely be a deficit year after 3 years of surplus. Lower rainfall, poor weather conditions have impacted planting in Maharashtra, Karnataka, Andhra Pradesh and Tamilnadu, this season thereby affecting the availability of cane in the next season. Hence, sugar production is likely to drop to 22-23 mln MT levels in SY 2013/14. In Maharashtra for instance, the shortage of water in cane growing areas is estimated to have resulted in up to 30% lower planting as compared to the previous year. However given high opening stock levels, there is unlikely to be a shortfall.

Cane Procurement Pricing: Higher cost of sugar production

Central Government increased the FRP (Fair and remunerative price), the minimum price that cane farmers are legally guaranteed, by 24% to ₹ 210 per quintal for the sugar year starting October 2013. This was at ₹ 170 per quintal for the SY 2012/13. Tamilnadu State Advised cane Price (SAP) is ₹ 235 per quintal including ₹ 10 for transportation and linked to 9.5% recovery. Andhra SAP is at ₹ 250/- per quintal while the prices in Karnataka are in the range of ₹ 220 to ₹ 240 per quintal. For mills based in Uttar Pradesh, cost has increased to ₹ 280 per quintal. Hence overall cost of production has increased considerably across all states in the country.

India surplus/deficit, in million metric tons



Source: ISMA

Indian Sugar Balance (Million MT, raw value)

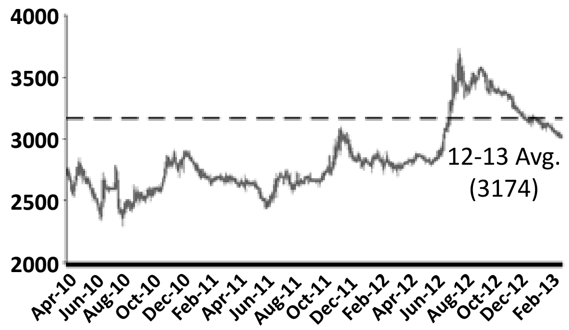
	2011-12	2012-13(E)	2013-14(E)
OPENING STOCK	5.5	6.5	8.4
PRODUCTION	26.3	24.6	22-23
CONSUMPTION	22.0	22.6	23.2
SURPLUS/ DEFICIT	4.3	2.0	(1.2) - 0.2
IMPORTS	-	-	
EXPORTS	3.4	-	NA
END STOCKS	6.5	8.4	

Source: ISMA, Estimates are from media releases

Domestic Sugar Price Trends: Depressed due to excess supply

Sugar prices in FY 2012-13 saw a steep-jump to the levels of about ₹ 3,000 per quintal from ₹ 2,700 per quintal in FY 2011-12. This was mainly on accord of record sugar exports of 3.4 Mln MT from the country in early 2012. The peaks were reached in the months of July 2012 to September 2012 when prices were in the range of ₹ 3,200 - to ₹ 3,400 per quintal. Since October 2012, with the commencement of the new sugar season, there has been a steady decline to ₹ 2,900 levels in March, 2013 due to excess supply in the domestic market and depressed international prices preventing exports. Going forward, given removal of levy and release quotas, price volatility is expected in the short term which will then stabilize in the forthcoming quarters.

Domestic Spot (S30) Prices, ₹ / Qtl



Source: NCDEX

Government Sugar Policies: Deregulation at the forefront

Indian sugar industry was earlier regulated in both sides of the supply chain i.e. Sourcing and Distribution. The distribution-side had been regulated by the Central Government on free sale releases, levy and import-export quantities. These restrictions were largely removed in the partial deregulation of the sector during April 2013. The sourcing-side is still regulated on sugarcane procurement prices and policies.

C. Rangarajan Committee presented a road-map for phased decontrol of the sugar industry in October 2012. The following are the key highlights from the report:

- ❖ Removal of levy obligation, release mechanism
  - ◊ State Governments to buy sugar from the open market to supply to PDS
  - ◊ Central Government to provide annual subsidy which will be distributed among state Governments to lower their financial burden in procuring levy quantities directly from the market
- ❖ Free import mechanism.
- ❖ Uniform, revenue-linked sugarcane price
  - ◊ Industry to pay 70% of value of sugar and by-products realized to farmers
  - ◊ Actual payment to happen in 2-stages:
    - Initial upfront payment of FRP (fair and remunerative price)
    - Post 6 months, additional payment over and above FRP to be paid based on revenue achieved
    - State advised prices to be removed
- ❖ Phasing out of cane reservation area and dispensing with minimum distance criteria

On April 4th, 2013, the decision to partially de-control the sugar industry was taken by the Cabinet Committee of Economic Affairs (CCEA). The levy quota obligation has been removed for the next two years. Also, non-levy sugar release mechanisms have been abolished. These are extremely positive steps and bode well for the entire industry. We hope that the other recommendations of the committee such as rationalization of cane pricing also get implemented over the coming years, in a calibrated and phased manner.

Ethanol Update: ISO estimates fuel ethanol production to rise to 750 Mln Litres in 2012-2013 on the basis of the Government's new ethanol policy. The CCEA has made it mandatory for oil marketing companies to blend 5% volumes with ethanol starting December 2012 in 13 states where an E-5 program was already in place. The scheme is expected to be rolled out nationwide by end of June 2013. The committee also scrapped the regulated procurement price for ethanol of ₹ 27 per litre and instead allowed prices to be determined by the market. The total requirement of the blending program is estimated at 1 Bln Litres. Oil Manufacturing Companies (OMC's) have already opened tenders for domestic ethanol in January 2013 and global imports in March 2013. The tendering process is not yet complete and orders are expected to be placed in due course.

3. EID's Sugar Business

The company along with its subsidiaries has 9 sugar mills across Tamilnadu, Puducherry, Andhra Pradesh and Karnataka along with a standalone distillery in Sivaganga, Tamilnadu. Subsequent to the demerger of two units from Parrys Sugar Industries Limited (PSIL) in Sankili (Andhra Pradesh) and Haliyal (Karnataka), these factories now form a part of EID directly with effect from 1st April, 2012.

The sugar division achieved a crushing of 65 lakh MT of sugarcane in FY 2012-13 driven by strong growth in cane cultivation and increased time of mill operations. The sugar mills at Tamilnadu & Puducherry achieved 53 lakh MT of crushing, 11% increase over last year's 48 lakh MT. Haliyal and Sankili together crushed 12 lakh MT of cane. Overall recovery for the company was 9.23%.

Overall, the sugar division has achieved a turnover of ₹ 1,879 crore in 2012-13 with an operating profit of ₹ 159 crore. Revenues from co-products contributed substantially to the performance with both cogeneration and distillery businesses performing well.

Operational Performance:

Particulars	TN & PDY		Haliyal	Sankili	Total	
	2012-13	2011-12	2012-13	2012-13	2012-13	2011-12*
Cane Crushed (Lakh MT)	53.25	48.02	5.27	6.67	65.18	48.02
Recovery (%)	9.02%	9.04%	10.90%	9.57%	9.23%	9.04%
Sugar Produced (MT)	4,80,171	4,37,591	57,413	63,797	6,01,381	4,37,591
Power Generated (Lakh Units)	5,275	5,243	689	570	6,534	5,243
Alcohol Produced (Lakh Litres)	468	397	84	102	654	397

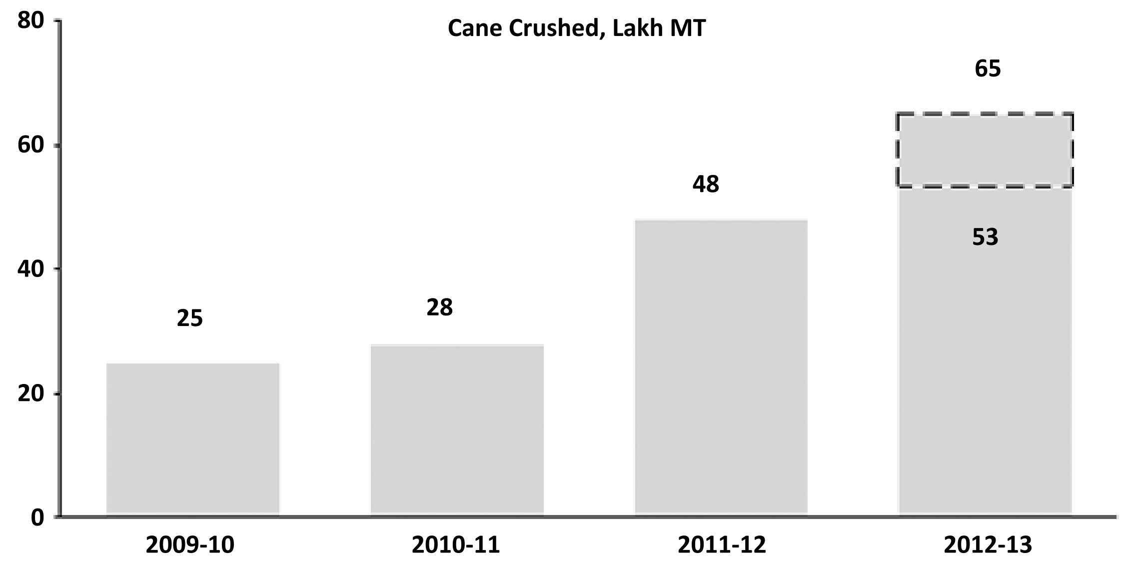
*2011-12 figures does not include Haliyal and Sankili

Financial Performance:

₹ in lakh

Particulars	Sugar		Cogen		Distillery		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12*
Revenue	1,53,293	1,19,210	14,409	13,064	20,186	11,508	1,87,888	1,43,782
EBITDA	1,142	(3,809)	7,637	6,750	7,083	2,859	15,862	5,800

*2011-12 figures does not include Haliyal and Sankili



Cane Related Activities

EID sugar division in Tamilnadu & Puducherry has about 1,50,000 acres under own cane planting through more than 1,00,000 farmers. In EID, cane development activities are broadly categorized under the following themes:-

1. Facilitating farmers for best practices in cultivation and yield.
2. Services pertaining to harvesting and post-harvesting management.
3. Providing best-in-class services for cane payment and grievance handling.

Select schemes are detailed below:-

- ❖ Harvesting: Mechanical harvesters introduced to reduce dependence on farm labour.
  - ◊ Farmers are educated on wide-row planting .
  - ◊ Agri-entrepreneurs have been developed for providing mechanical harvester services to farmers at competitive prices.
- ❖ Yield improvement: Encouraging farmers to plant proven varieties of sugarcane, providing farm boon and micronutrients at subsidised rates.
- ❖ Drip Incentive Schemes: Increasing area under drip irrigation through farmer awareness activities and financial incentives (Picture #5).
- ❖ Information:
  - ◊ Toll-free call center to provide real time info about land preparation, advice on soil condition, farmer cane payments, harvesting etc. (Picture #2, #3).
  - ◊ EID cane teams empowered with Netbooks to enable real time field updates.
- ❖ Sustainable Sugarcane Initiatives (SSI): EID has started about 100 protray seedling production centers in association with Tamilnadu Government to optimize usage of seeds, water and fertilizers to cost effectively achieve greater yields (Picture #4).
- ❖ Demo Plot Incentive Schemes: Demonstration plots are used by EID cane teams to train the farmers in best cultivation practices and financial incentives are given based on yields achieved from the plot (Picture #1).

Power and water are two key requirements for sugarcane. TN cane farmers are affected by a weak monsoon and acute power shortages. As a result, irrigation for the standing crop is lacking. EID has adopted various initiatives to overcome this problem:

- ❖ Demo units of tractor and alternator for alternate power.
- ❖ Financial incentives for purchase of diesel generator sets and / or solar water pumping system by farmers to supplement the EB power.
- ❖ Financial assistance for well deepening, new bore wells and wells.

In a nutshell, it is our endeavor to develop a sustainable cane ecosystem including the farmers, company and agricultural entrepreneurs which is geared towards mutual prosperity.

Manufacturing

The company is continuously working to improve operational efficiencies across all its factories. Main focus has been on energy conservation initiatives, boiler efficiencies and reduction of process loss. Special emphasis has also been given to improve sugar refinery throughput and the company has plans to increase production of refined sugar from Nellikuppam unit aimed at high value customer segments.

Various safety initiatives such as hiring external safety consultants, building a comprehensive training and awareness program are being undertaken company wide. EID strives to be an environmentally sustainable organization by undertaking emission control systems and controlling discharge from distilleries.

Marketing

In the Indian sugar market, about 75% of sugar is consumed by bulk institutional customers and 25% is consumed directly through retail and PDS networks. EID has a similar thread with 3 main channels to market namely institutional (B2B), retail (B2C) and trade (wholesaler). Additionally 2012-13 had a window of opportunity in exports and EID was one of the largest sugar exporters taking advantage of its factories being close to major ports in the country. Going forward, exports are likely to be limited in 2013-14 given the depression in global sugar prices.

Within the institutional segment, EID is the preferred vendor for leading players across food, bakery, beverage and pharmaceutical industries. This is driven by the ability to produce a large variety of sugar grades, often customized to customer specifications. The company strives to continuously add value to the existing offerings and improve the quality, safety standards to comply with the highest food safety certifications. Our products have several certifications: ISO 9001-2008, Kosher, Halal, Indian Pharmacopoeia, Japanese Pharmacopoeia, US Pharmacopoeia, British Pharmacopoeia, Japanese Pharmacopoeia and European Pharmacopoeia.

In the retail segment, EID was one of the first few to introduce branded sugar in the retail market in India under the Parry's brand in the year 2006. There are 3 product categories to meet the needs of different segments of the market:

- ❖ Parry's Pure refined sugar, an international grade refined sugar
- ❖ Parry's White Label sugar, plantation sugar for value customers
- ❖ Parry's Pure refined cube sugar

Various promotional activities have been planned in the year to establish a strong brand connect with consumers. EID also caters to private label customers such as big retail chains for their home brands. The company's distribution presence is primarily across the 4 southern states of Tamilnadu, Kerala, Karnataka and Andhra Pradesh.

R&D

The sugarcane breeding program to identify superior high yielding varieties is in progress with initiation of new crosses and identification of promising varieties for further evaluation. One of the Parry varieties has shown superior performance in All India Coordinated trials (both initial and advanced stages) across multi-locations. Pure and clean seed cane was produced and planted in CNN (Certified Nucleus Nursery) using both conventional and tissue culture plants to meet the cane planting targets for 2012-13. We have screened, identified, and implemented preventive measures for major sugarcane diseases and pests in our command area. The advanced technology has been disseminated to the farmers through demonstrations, farmer training and publications (brochures, radio programs). Sugarcane sustainability projects will be initiated during the coming year 2013-14.

In - house R&D expenses incurred at Approved Center

₹ in lakh

Nature of expense	2012-13	2011-12
Capital Expenditure	10	15
Revenue Expenditure	360	327

Silkroad Sugar Private Limited Refinery

In December 2012, EID bought the stake of its joint venture partner Cargill Asia Pacific Holdings Pte in Silkroad Sugar Private Limited and with this, its equity holding has increased to 99%. Silkroad Sugar Private Limited is now investing in a coal-based boiler to address the non-availability of gas. The refinery is expected to commence operations towards end of FY 2013-14.

Business Risks

The main risks affecting the sugar business are detailed below:

- ❖ **Cane availability:** This year, adverse climatic conditions could result in lower yield per acre on account of perishals. This will directly affect cane availability for the company. Availability of water and power will be critical to the growth of the crop. Also, farmers opting for competitive crops due to shorter cycle, increase in support price, lower requirement of water etc. could affect the supply of cane. To mitigate this risk, focus has been given on drip irrigation technology and other financial incentives to facilitate well deepening bore well etc.
- ❖ **Recovery:** There is a risk of reduction in recovery of sugar from cane. To mitigate this risk, more focus is given to planting high sucrose varieties of cane, crushing the right-age cane and harvesting related initiatives such as bottom cutting.
- ❖ **Price volatility:** Fluctuating sugar market prices, increase in cane state advised prices result in spread volatility which is an on-going financial risk to the company.

B. Bio-Products Business

Bio-Pesticides

The division registered revenue of ₹ 7,321 lakh in 2012-13 accounting for 4% of the company's revenue.

Key Highlights

- Total sale of technical in USA is 3,881 Kg of Aza which saw 25% growth over last year, accounting for 64% of total export Aza sales for the year 2012-13. The sales of Azadirachtin in US Home & Garden segments continued to register an impressive growth. Sales to the South East Asian and Pacific markets also witnessed a growth of 16% over last year.

- Domestic market was affected due to failure of both South West Monsoon and North East Monsoon. South West Monsoon has affected the khariff paddy in West Bengal and Karnataka while Tamilnadu was affected by North East Monsoon. Domestic business recorded a growth of 44% over 2011-12 in West and 18% in South while it dropped by 267% in East as a result of shift in the channel strategy that warranted restricted supplies apart from a weak monsoon. In the non-aza product category, Abda® and its variants sales achieved 75% of last year level due to failure of rice crop in South and East. The impact was partly offset by refocusing our efforts in other crops mainly sugar cane and vegetables.

Divisional performance

Revenue for the year was ₹ 7,321 lakh as compared to ₹ 7,628 lakh of previous year. PBIT for the year was ₹ 1,557 lakh against ₹ 1,305 lakh in 2011-12.

Standalone Financial performance:

₹ in lakh

Details	2010-11	2011-12	2012-13
Revenue	5,833	7,628	7,321
EBITDA	1,328	1,488	1,678
PBIT	1,151	1,305	1,557

Industry Scenario and Development

Bio pesticides represent a strong growth area in the global pesticide market. This segment is expected to grow at a 12% CAGR from US$ 2.1 billion in 2012 to US$ 3.7 billion in 2017. Aza products have potential to grow in commercial agriculture segment besides greenhouse, indoor gardens and consumer garden segments. Market for Bio pesticides and IPM segments is gaining momentum due to pressure from produce marketers for clean vegetables and fruits. Most of the stores have started allocating space for Green Products – safe to eat produce comprising organic and no residue products. This has encouraged growers to give more focus to produce residue-free crop to gain higher price for their produce.

Central American Markets are being seen as agriculture hubs for export of produce to US market. The growers in these regions have started implementing safe agricultural practices to ensure that their produce is exported to US market. Brazil is growing as a major organic producer, exporter and consumer due to the country's good economic growth.

Domestic market continues to provide market opportunity for natural products. Government institutions which are the recommending bodies in the field of agriculture inputs support bio pesticides as an economic means of crop protection with an integral role in pest management. 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 Bio pesticide business in India.

Operating Results (in Kgs)

in Kgs

Sales	2010-11	2011-12	2012-13
(Technical – 100% basis)			
Domestic	2,476	2,490	776
Exports	4,301	5,240	6,076
Total	**6,777**	**7,730**	**6,851**

Outlook

The regulators in developed countries are enforcing strict residue policy in the agricultural produce which will pave way for use of safe chemicals in agriculture. In most of the countries, the regulators have developed new set of policies for registering natural / organic pesticides which will hasten the registration process when compared to chemical pesticides.

The consumers are becoming increasingly conscious of effects of chemical pesticides on their health and a section of the consumers are willing to pay a premium for purchase of quality products from the market place. This awareness will spur the usage of Bio products in the days to come.

There is uncertainty in the Indian agri sector with weak monsoons adversely affecting agri output. Much would depend on the monsoon in the coming year for the revival of this sector. 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 Bio pesticide 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 pest control is more effective due to low resistance development and extended spray intervals that eventually result in reduced number of spray application.

Parrys Bio's mission is to emerge as a leading eco-friendly 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 IPR 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.

Business Risks

The main risks affecting the bio-pesticides business are detailed below:

- **Availability of neem seeds:** Neem seed business is an unorganized market and procurement at a viable price is a concern. We have been expanding our command area for sourcing to reduce dependence on seed areas in Tamil Nadu and working in close coordination with other major seed producers to keep prices under check.
- **Currency risks:** Sales exposure to exports brings the income under currency risks. The risk is mitigated by taking forward forex cover.

Nutraceuticals

The Nutraceuticals Division's turnover was ₹ 5,731 lakh for the year ended 31st March, 2013 representing 3% of the company's revenue. About 76% of this represents exports. Premium organic spirulina continues to outperform competition in its segment and sales during the year had grown at 41% over the previous year.

The Company produces organic spirulina complying with leading organic standards - USDA NOP, Naturland - Germany, ECOCERT France and IMO certifications. The Company holds major quality certifications (ISO 9001, ISO 14001, ISO 22000 - Food Safety, Kosher and Halal) for its facility, and also US Pharmacopeia certification, in addition to being certified under USFDA ingredient verification program. Organic spirulina has received GRAS (Generally Recognized As Safe) status in the US market opening up its increased use in functional foods and beverages. During the year, the Company has successfully stabilized the production process of Astaxanthin, a carotenoid extracted from *Haematococcus pluvialis,* micro algae, by producing 5,135 kgs of biomass (1.5% carotenoid equivalent).

The Company has taken various steps to create consumer awareness for its OTC product range through advertising, retail visibility and distribution. In addition, the Company is pursuing the ethical route for creating awareness of the OTC products, considering that the Nutraceuticals products still depend on doctor's endorsement. The Company will be operating in 3 states through the ethical route – Tamilnadu, Andhra Pradesh and Maharashtra.

Divisional performance

Revenue for the year was ₹ 5,731 lakh as compared to ₹ 4,359 lakh of previous year. PBIT for the year was (₹ 143) lakh against (₹ 100) lakh in 2011-12.

Standalone Financial performance:

₹ in lakh

Details	2010-11	2011-12	2012-13
Revenue	4,394	4,359	5731
EBITDA	77	130	113
PBIT	119	(100)	(143)

Industry Scenario and Development

Global Business Intelligence (GBI) Research's "Nutraceuticals Market to 2017" report estimated the 2010 global Nutraceuticals market at US$ 128.6 billion, after increasing at a CAGR of 4.4% from 2002 to 2010. They project the market will swell to about US$ 180.1 billion by 2017, after growing at a CAGR of 4.9% from 2010 through 2017. This growth rate is attributed to an increase in the elderly population, the affluence of the working population and increasing awareness of and preference for preventive medicine. According to a recent Frost and Sullivan research, the Nutraceuticals market in India is likely to double to about US$ 2.8 billion from the present level of US$ 1.4 billion by 2015.

Outlook

The Nutraceuticals industry is set to achieve impressive growth due to its important role in preventive healthcare. Your company is moving towards increasing its focus on the value added opportunities for our Ingredients and moving up the value chain by launch of formulated products backed with science. The company has also 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.

Business Risks

The main risks affecting the Nutraceuticals business are detailed below:

- **Contamination of water:** The micro algae production is water dependant and any contamination can have an adverse impact on production. This risk is mitigated through better surveillance, enhanced security and restricting access to production areas.
- **Non-Availability of Water:** Scarcity of water may have an impact on the production. This risk is mitigated by increasing bore well water availability through high capacity pumps and looking at alternate production sites.
- **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 forward forex cover.

C. Financial Analysis & Review 2012-13

Detailed analysis of the operations is given:

I) Results of Operations

Turnover:

₹ in lakh

Business Segments	2012-13*	2011-12*
Sugar	1,53,293	1,19,210
Cogeneration	14,409	13,064
Distillery	20,186	11,508
Sugar Total	**1,87,888**	**1,43,782**
Bio-Pesticides	7,321	7,628
Nutraceuticals	5,731	4,359
Others	408	369
Total	**2,01,348**	**1,56,138**

*Excluding other operating income and non operating income

The total turnover of the Company grew by 29% from ₹ 1,56,138 Lakh in the year 2011-12 to ₹ 2,01,348 Lakh in the year 2012-13. The increment was the result of the following:

- Growth in Sugar division's sales from ₹ 1,43,782 lakh to ₹ 1,87,888 Lakh in 2012-13 mainly driven by increased power export, alcohol sales and merger of Haliyal & Sankili units with EID's sugar business.
- Growth in Nutraceuticals division's sales from ₹ 4,359 lakh to ₹ 5,731 lakh in 2012-13.

Other Income

Other income for the year was ₹ 10,729 lakh (excluding bonus debentures of ₹ 26,573 lakh) as against ₹ 17,038 lakh in the year 2011-12. The dividend income for the year was ₹ 32,182 lakh (including the bonus debentures of ₹ 26,573 lakh from Coromandel International Limited), against ₹ 12,561 Lakh in 2011-12. Interest income earned during the year was ₹ 3,347 Lakh as against ₹ 2,247 lakh in 2011-12.

EBIDTA

The Earnings before Interest, Depreciation, Tax and Amortization for the year was ₹ 60,562 lakh representing 29% of total revenues and showed an increase of 120% over previous year's ₹ 27,447 lakh. Increased profitability of Sugar division and increase in dividend income have largely contributed to the increase in EBIDTA.

EBIT

EBIT for the year 2012-13 was ₹ 49,775 lakh as against ₹ 20,050 lakh of 2011-12, up by 148%.

Finance Charges

The Company incurred finance charges of ₹ 13,668 Lakh for the year 2012-13 of which EID (excluding Haliyal & Sankili) was ₹ 8,037 lakh as compared to ₹ 6,443 Lakh for the year 2011-12. Term loan interest was ₹ 8,827 lakh as against ₹ 3,016 lakh in 2011-12. Other Interest cost was ₹ 4,841 lakh compared to cost of ₹ 3,427 lakh in 2011-12.

Depreciation

Depreciation was ₹ 10,787 lakh for the year 2012-13, as compared to ₹ 7,397 lakh for the year 2011-12. The increase is mainly due to Haliyal and Sankili Units being added during the year 2012-13.

PAT

PAT for the year 2012-13 stood at ₹ 33,171 lakh as against ₹ 13,732 lakh of previous year. This represents 17% and 9% of operational revenue for the year ended March 31, 2013 and March 31, 2012 respectively.

II) Financial Condition

Networth

The Networth as on 31st March 2013 was ₹ 1,34,162 Lakh (net of fixed assets revaluation reserve of ₹ 526 lakh) as against ₹ 1,21,223 Lakh (net of fixed assets revaluation reserve of ₹ 540 lakh) in 2011-12. The increase was due to profit made during the year and the premium received on issue of shares under ESOP. During the year, 2,65,810 Equity shares were issued to the employees on exercise of Employee Stock options for an aggregated premium of ₹ 188 lakh as against ₹ 360 lakh in 2011-12. Further, the Company has issued 18,38,578 equity shares of ₹1/- each aggregating to ₹ 18.38 lakh to the shareholders of the demerged company other than the company in the ratio of five equity shares of ₹ 1/- each as fully paid up, for every nineteen equity shares of ₹ 10/- each held in the Demerged Company. Hence, the total number of outstanding equity shares as on 31st March, 2013 was 17,57,66,864.

Goodwill of ₹ 12,542 lakh arising on merger of Sankili & Haliyal units with EID was adjusted against capital reserve and general reserve for ₹ 1,348 lakh and ₹ 11,194 lakh respectively.

Capital Redemption reserve remained unchanged during the year while Debenture Redemption Reserve increased vide transfer from Profit and Loss Account for ₹ 1,250 lakh.

Borrowing

The total loan funds of the Company (excluding the loans relating to Haliyal & Sankili Units) increased by 41% from ₹ 88,522 lakh in 2011-12 to ₹ 1,24,359 lakh in 2012-13. Including loan outstanding of Haliyal and Sankili Units of ₹ 58,999 lakh, the total outstanding borrowings of the Company stands at ₹ 1,83,358 lakh.

The Long Term Debt /equity is 0.33 times in 2012-13 (excluding Haliyal and Sankili Units) against 0.35 times in 2011-12. The ratio including Haliyal and Sankili Units is 0.65 times in 2012-13.

During the year, the company issued 1,000 - 9.25% and 600 - 9.15% Secured Redeemable Non-convertible Debentures of ₹ 10,00,000/- each aggregating to ₹ 16,000 lakh and availed ₹ 499 lakh through External Commercial Borrowing from HSBC Bank (Mauritius) Limited.

Working capital borrowing (excluding Haliyal & Sankili) utilized and outstanding was ₹ 79,282 lakh on 31st March 2013 as against ₹ 45,644 lakh in previous year end. The total working capital borrowing outstanding as on 31st March 2013 (incl Haliyal & Sankili) is ₹ 96,393 lakh.

Fixed Assets

The company incurred, including Haliyal and Sankili units, ₹ 13,219 lakh (₹ 7,554 lakh during 2011-12) of Capital expenditure during the year.

Investments

The total investment of the company as at 31st March, 2013 was ₹ 87,110 lakh against ₹ 68,278 lakh in 2011-12. During the year the Company made further investment in equity shares of Silkroad Sugar Private Ltd for ₹ 3,557 lakh. During the year 2012-13, the company has received Bonus Debentures of ₹ 26,573 lakh from Coromandel International Ltd, a subsidiary company. During the year, a portion of unsecured loan given to subsidiary Parrys Sugar Industries Limited has been converted into 1,50,00,000 preference shares of ₹ 10/- each aggregated to ₹ 1,500 lakh. A portion of the unsecured loan given to Sadashiva Sugars Limited were converted to 5,00,00,000 equity shares of ₹ 10/- each aggregates to ₹ 5,000 lakh.

Due to the merger of Haliyal and Sankili Units, the investments held by the company in Parrys Sugar Industries Limited, got extinguished to the tune of ₹ 17,962 lakh. The investment held by Parrys Sugar Industries Limited in Alagawadi Bireshwar Sugars Private Limited has been transferred to the Company as per the Scheme of Arrangement.

Rating

During the year, rating agency CRISIL has assigned Long term Debt rating of 'AA' (High Safety) with negative outlook. It has maintained A1+ rating for short term borrowings.

Book Value and Earnings per Share

Book Value of the Company increased from ₹ 70/- per share to ₹ 77/- per share on account of increase in reserves.

Earnings per share increased by 141% to ₹ 19.08 per share for the year ended 31st March, 2013.

Ratios

Particulars	2012-13	2011-12
Key Profitability Ratios		
EBIDTA / Sales %	30.40%	17.80%
PAT / Sales %	16.65%	8.91%
PAT/ Net worth % (ROE)	24.63%	11.28%
Key Capital Structure Ratios		
Debt/Equity Ratio	1.36	0.73
Long Term Debt/Equity Ratio	0.65	0.35
Outside liabilities / Net Worth	1.60	0.90
Net Fixed Assets/Net Worth	0.96	0.67
Debt Service Coverage Ratio (excluding profit on sale of investments)	2.61	2.79
Liquidity Ratios		
Current Ratio	1.14	1.41
Inventory Turnover (days)	155	72
Receivables (day gross sales)	44	53

Particulars	2012-13	2011-12
Earnings and Dividend Ratios		
Dividend %	600%	400%
Dividend Payout %	31%	51%
Earnings Per Share	19.08	7.92
Book Value Per Share	77	70
P / E Multiple (excluding profit on sale of investments.)	7.81	23.92

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 endeavor to ensure an effective internal control environment that provides assurance on the efficiency and effectiveness of operations, reliability of financial reporting, statutory compliance and security of assets.

The company has a well established and robust internal systems and processes in place to ensure smooth functioning of the operations. 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 conducted, which reinforced the fact that disaster recovery mechanism is in use.

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.

CSR Initiatives

Following are some of the key CSR activities that were undertaken by the company over the last year across our factories:

- Free medical health camp for all cane harvesting labourers across Pudukottai, Pugalur, Puducherry, Pettavaithalai, Nellikuppam, Haliyal and Sankili units.
- De-silting the Nellikuppam public channel during Neelam cyclone.
- Distribution of provisions and clothing benefitting 75 members of the Winner society, a home for disabled children at Nellikuppam.
- Distribution of educational aids and school stationary to children belonging to various local communities.
- Free eye screening camp for general public at Nagamangalam, Trichy district in association with Aravind Eye Hospital, Madurai.

Human Resources

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

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

Awards & Recognition

During the year 2012-13, the company's performance was rewarded through various awards including a commendation for 'Significant Achievement in HR Excellence' for the second consecutive time from CII during the 3rd National HR Conclave 2012 and ET Now award for 'Best Talent Management'. Also, Nellikuppam and Pettavaithalai units received Safety awards from the Tamilnadu Industrial Minister during the year.

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
April 30, 2013

A. Vellayan
Chairman

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Corporate Governance

E.I.D.-Parry, a member of the Murugappa Group of Companies, adheres to good corporate practices and is constantly striving to improve them and adopt the best practices. Adherence to business ethics and commitment to corporate social responsibility are the enablers for a company to 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 6 Directors with a Non – Executive Chairman. Of the 6 Directors, 4 are Independent Non Executive Directors, 2 are Non – Executive, Non Independent Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement.

- 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/she is a Director.

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

Profile of the Board

- Mr. A. Vellayan (60) 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 32 years of industrial experience. He has been the Chairman of the Company since 2006.

- Mr. V. Ravichandran (56) is a Non Executive, 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 33 years of experience including 28 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. Anand Narain Bhatia (66) 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 (61) is an Independent Director. He is a Chartered Accountant. He has put in more than 29 years of service in Life Insurance Corporation of India in various notable capacities. He retired as Managing Director and CEO of LIC Pension Fund. He is presently the Secretary General of Life Insurance Council.

  He joined the E.I.D.-Parry Board in January 2013 as an Independent Director of the Company. He was earlier the nominee Director of Life Insurance Corporation of India till 29.10.2012.

- Mr. M.B.N.Rao (64) 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 is 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 (69) 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.

Re-appointments / Resignation

- ❖ Mr. A.Vellayan, Director retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. Relevant details relating to him is furnished in the Notice convening the Annual General Meeting to be held on 30th July, 2013 sent along with the Annual Report.
- ❖ Mr.R.A.Savoor, Director retire by rotation at the ensuing Annual General Meeting and does not seek re-appointment.
- ❖ Mr. Ravindra S Singhvi stepped down from the Board both as the Managing Director and as a Director with effect from 10th April, 2013.

Board Meetings

- ❖ The Board of Directors met 5 times during the financial year 2012–13. i.e. 25.04.2012, 31.07.2012, 29.10.2012, 30.01.2013 and 19.03.2013. 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 Public Limited Companies are given below:

Sl no.	Name of the Director	Category	No. of Board Meetings attended during the year 2012-13	Whether attended last AGM held on July 31, 2012	No. of Directorships in other public companies*		No. of committee positions in other public companies*	
					Chairman	Member	Chairman	Member
1	Mr. A. Vellayan Chairman	Promoter, Non-Independent, Non- Executive	5	Yes	2	2	-	1
2	Mr.V.Ravichandran Vice Chairman	Non-Independent, Non-Executive	5	Yes	-	4	-	2
3	Mr. Ravindra S.Singhvi Managing Director@	Non-Independent, Executive	5	Yes	1	-	1	-
4	Mr. Anand Narain Bhatia	Independent, Non-Executive	5	Yes	-	1	1	1
5	Mr. V. Manickam	Independent, Non-Executive	4^	Yes	-	1	-	-
6	Mr.M.B.N.Rao	Independent, Non-Executive	5	Yes	1	13	3	6
7	Mr. R. A. Savoor	Independent, Non-Executive	4	Yes	-	3	3	2

@ Resigned as Managing Director / Director w.e.f. 10.04.2013.

^ Represented Nominee of LIC till 29.10.2012 and was inducted in the Board as an Independent Director from 30.01.2013.

* Represents directorships / memberships of Audit and Shareholders 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 Independent 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 2012-13. The dates on which the said meetings were held are as follows: 25.04.2012, 31.07.2012, 29.10.2012 and 30.01.2013.
- ❖ 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 2012-13
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	4
4)	Mr.V.Ravichandran Non - Independent Non- Executive	Member	4

Compensation & Nomination Committee – (2001)

Objective

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

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

Terms of Reference

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

In connection with implementation, administration and superintendence of the Employees Stock Option Plan/Scheme(s), the Committee is authorised to frame suitable policies and systems to ensure that there is no violation of:

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

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

Composition & Meetings

- Three committee meetings were held during the financial year 2012-13. The dates on which the said meetings were held are as follows: 25.04.2012, 31.07.2012 and 30.01.2013.

- 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 2012-13
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 and efforts 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.

Remuneration for the year

- During the financial year 2012-13, the Company paid sitting fee of ₹ 15,000 per Board Meeting and Audit Committee Meeting and ₹ 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, 2013 are as follows:

Non Executive Directors

₹ in lakh

Name	Sitting Fees paid for Board and Committee Meetings	Commission payable
Mr.A.Vellayan	0.75	100.00
Mr.V.Ravichandran	2.05	5.00
Mr.Anand Narain Bhatia	2.05	5.00
Mr.V.Manickam (paid/payable to L.I.C.)	0.60*	3.73^
Mr.M.B.N.Rao	1.45	5.00
Mr.R.A.Savoor	1.25	5.00
	8.15	**123.73**

* Sitting fees of ₹ 30,000 was paid in the capacity of nominee director of LIC and ₹ 30,000 was paid in the capacity of Independent Director.

^ Commission would be appropriated on a prorata basis.

Non Executive Directors Shareholding as on 31.03.2013

1. Mr. A. Vellayan, Chairman - 3,44,540 equity shares of ₹ 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.

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 2012-13. The dates on which the said meetings were held are as follows: 25.04.2012, 31.07.2012, 29.10.2012 and 30.01.2013.

- 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 2012-13
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

*Resigned with effect from 10.04.2013

- Mr. Suresh Krishnan, Company Secretary is the compliance officer of the Company.

- Details of number of complaints received and redressed during the year are given below:

Opening Balance	Received during the financial year 2012-13	Resolved during the financial year 2012-13	Closing Balance
Nil	6	4	2*

* Complaints received during last week of March, 2013 were disposed off during 2nd week of April, 2013.

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 ₹ 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 2012 –13.

- 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

* Resigned with effect from 10.04.2013

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 Agreement with the Stock Exchanges and the Voluntary Guidelines on Corporate Governance, the Company constituted 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 stakeholders and assist the Board in discharging its responsibilities in the Corporate Governance Process.

3. Specifically, the Risk Management Committee

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

Composition & Meetings

❖ One Committee Meeting was held during the financial year 2012-13. The date on which the said meeting was held is as follows: 29.10.2012.

❖ 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 2012-13
1)	Mr.M.B.N.Rao Independent Non – Executive	Chairman	1
2)	Mr.Ravindra S. Singhvi* Non - Independent Executive	Member	1
3)	Mr. V. Ravichandran$ Non – Executive Non-Independent	Member	-

* Resigned with effect from 10.04.2013
$ Appointed with effect from 30.04.2013

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
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
2012	Tuesday 31.07.2012	4.00 p.m.	Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai- 600 108

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

Date of AGM	Whether any Special Resolution was passed	Particulars
28.07.2010	No	Not Applicable
27.07.2011	No	Not Applicable
31.07.2012	Yes	Extension of Exercise Period of ESOPs granted under ESOP Scheme 2007 and Issuance of ESOP under ESOP Scheme – 2012

During the last financial year, no Special Resolution was passed through Postal Ballot.

Postal Ballot Notice dated 10th April, 2013 was sent to shareholders for passing Ordinary Resolution on the following matters-

1. Increase in Borrowing Limits u/s 293(1)(d) of the Companies Act, 1956.

2. Creation of Charge/Mortgage(s) on the assets / properties of the Company u/s 293(1)(a) of the Companies Act, 1956.

3. Appointment of Manager under Companies Act, 1956.

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 Vice Chairman 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.45 of Notes Forming Part of Financial Statements 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, 2012, September 30, 2012, December 31, 2012 and March 31, 2013.

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, Tamilnadu, 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.
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. 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), and Makkal Kural (Tamil). The financial results and press releases are placed on Company's website www.eidparry.com.

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

Corporate Governance Voluntary Guidelines 2009

The Company, in line with its stated policy of being committed to the principles and practices of good corporate governance, is in compliance with many of these guidelines, as reported in the earlier paragraphs. As regards the remaining guidelines, the Company is in the process of evaluating the feasibility for implementation progressively.

Management Discussion and Analysis Report

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

General Shareholder Information

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

On behalf of the Board

Chennai
April 30, 2013

A.Vellayan
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, 2013 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 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 30, 2013

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 2013, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

Chennai
April 30, 2013

V. Ravichandran
Vice Chairman

GENERAL SHAREHOLDER INFORMATION

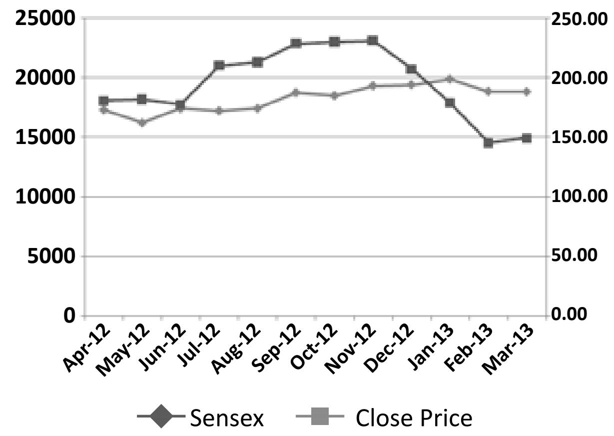
i. Annual General Meeting	
Day, Date and Time	Tuesday, 30th July 2013 at 4.00 p.m.
Venue	Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai – 600 108.
ii. Financial Year	1st April 2012 to 31st March 2013
iii. Date of Book closure	16th July, 2013 to 30th July, 2013 (Both days inclusive)
iv. Dividend Payment Date	Not Applicable
v. Listing on stock exchanges	**Equity shares:** ❖ National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G. Block, Bandra Kurla Complex, Bandra (E), Mumbai –400 051. ❖ Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. (The Listing fees for the financial year 2012-2013 were paid to all the above Stock Exchanges.)
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
	₹.P.	₹.P.	(No. of shares)	₹.P.	₹.P.	(No. of shares)	(No. of shares)
Apr-2012	201.95	177.35	14,38,854	201.50	178.10	7,66,241	22,05,095
May-2012	191.95	173.10	3,66,303	203.30	172.15	4,78,953	8,45,256
Jun-2012	184.90	165.05	1,40,825	183.80	164.5	5,86,062	7,26,887
Jul-2012	211.85	172.00	13,25,028	213.45	169.00	26,94,879	40,19,907
Aug-2012	222.75	205.10	4,52,914	223.55	203.50	14,00,777	18,53,691
Sep-2012	238.90	214.50	3,33,558	240.40	210.00	13,39,095	16,72,653
Oct-2012	256.90	214.55	4,44,897	256.90	214.25	17,44,990	21,89,887
Nov-2012	247.80	224.00	1,90,931	246.00	222.80	10,02,713	11,93,644
Dec-2012	235.95	203.40	1,85,125	235.90	205.10	8,40,670	10,25,795
Jan-2013	215.00	175.00	23,07,318	217.90	173.05	20,14,946	43,22,264
Feb-2013	183.00	142.00	2,90,734	184.40	133.80	14,45,230	17,35,964
Mar-2013	189.00	144.00	3,64,692	170.80	142.50	29,31,940	32,96,632

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 23420818
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 / Vice Chairman are individually authorised to approve transfers up to 5,000 shares (Face value of ₹ 1 each) per transferor / transferee.
- ❖ Certain senior executives along with a director have been jointly authorised to approve request for transfers up to 1,000 shares (Face value of ₹ 1 each) per transferor / transferee.
- ❖ Certain senior executives have also been authorised to approve transfers up to 500 shares (Face value of ₹ 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	6	4

Two complaints received during the last week of March, 2013 were disposed off during 2nd week of April, 2013.

xi. Distribution of shareholding as on March 31, 2013

No. of equity shares held	No. of share holders	%	No. of shares	%
1- 5000	41,697	97.51	1,16,40,651	6.62
5001-10000	488	1.14	35,70,038	2.03
10001-20000	246	0.58	35,26,937	2.01
20001-30000	94	0.22	23,45,029	1.33
30001-40000	42	0.10	15,01,248	0.86
40001-50000	26	0.06	11,91,459	0.68
50001-100000	51	0.12	36,37,590	2.07
100001&Above	116	0.27	14,83,53,912	84.40
Total	**42,760**	**100.00**	**17,57,66,864**	**100.00**

Shareholding Mode	No. of share holders	%	No. of shares	%
Physical	10,677	24.97	54,35,027	3.09
Demat/ Electronic	32,083	75.03	17,03,31,837	96.91
Total	**42,760**	**100.00**	**17,57,66,864**	**100.00**

Shareholding Pattern as on March 31, 2013

Category	No.of share holders	No. of shares	% to paid-up Capital
Promoters	54	7,94,85,810	45.22
Indian Public/HUF/ Clearing Members	41,285	3,28,45,110	18.69
Mutual Funds/UTI	19	1,04,16,817	5.93
Banks/Financial Institutions/Insurance Co.'s	26	1,41,52,574	8.05
Foreign Institutional Investors/GDR's	67	2,64,27,361	15.04
Private Corporate Bodies	732	99,19,692	5.64
NRI/OCB/ Foreign Nationals	567	24,64,445	1.40
Trusts	10	55,055	0.03
Total	**42,760**	**17,57,66,864**	**100.00**

xii. Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized 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 96.91% of the Company's share capital are dematerialized as on March 31, 2013. 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 GDR/ADR/Warrants or any Convertible instruments, conversion date and likely impact on equity

As on March 31, 2013, 71,930 (0.04%) GDR are outstanding. Each GDR represents one underlying equity share.

xiv. Plant Locations

Sugar

1 Sugar Factory & Distillery
Nellikuppam - 607 105
Cuddalore District
Tamilnadu

2 Sugar Factory
Pugalur - 639 113
Karur District
Tamilnadu

3 Sugar Factory
Ariyur, Kandamangalam Post
Puducherry - 605 001

4 Sugar Factory
Pettavaithalai - 639 112
Tiruchirapalli District
Tamilnadu

5 Sugar Factory
Kurumbur - 614 622
Aranthangi Taluk, Pudukottai District
Tamilnadu

6 Distillery Factory
Udaikulam Village, Koothandan Post
Sivagangai Taluk, Sivagangai District - 630 561
Tamilnadu

7 Sugar Factory & Distillery
Hullatti Village
Haliyal Mandal - 581 329
Uttara Kannada
Karnataka

8 Sugar Factory & Distillery
Sankili Village
Regidi Amadalavalasa Mandal
Srikakulam District - 532 440
Andhra Pradesh

Bio Products

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

10 Nutraceuticals Factory
Kadiapatti, Nemathanpatti Road
Panangudi Post - 622 505
Oonaiyur Village, Pudukottai District
Tamilnadu

R & D Facility

11 145, 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. 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 (₹. P.)	Due for transfer to the Investor Education and Protection Fund
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
2012-13	Interim	6.00	08.03.2020

NOMINATION FACILITY

Section 109A of the Companies Act, 1956 provides inter alia, the facility of nomination to shareholders. 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

3.09% 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.

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 Registrar & Transfer Agent 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	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year	2,576	14,74,160
(ii)	Number of shareholders who approached the issuer for transfer of shares from the unclaimed suspense account during the year	20	28,080
(iii)	Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year	20	28,080
(iv)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year	2,556	14,46,080

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of E.I.D.-PARRY (INDIA) LIMTED ("the Company"), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (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 comply with the Accounting Standards referred to in Section 211(3C) of the Act.
   (e) On the basis of the written representations received from the directors as on 31 March 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

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

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

Chennai,
April 30, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/activities/results during the year, clauses 4(vi),4(x),4(xii),4(xiii), 4(xiv), 4(xviii),and 4(xx) of the Order 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) Some of 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 inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations 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 covered 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 for purchase of the inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses 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 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 determining 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 generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March 2013 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, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March 2013 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakh)
Central Excise Act, 1944	Excise Duty	Commissioner/ Commissioner (Appeals),CESTAT,High court	Assessment Year 2002-03 to 2012-13	1,060
Finance Act, 1994 (Services Tax)	Service Tax dues	CESTAT/Commissioner (Appeals)	Assessment Year 2002-03 to 2011-12	226
Various States Sales Tax Acts	Sales Tax - Local	Assistant Commissioner/Deputy Commissioner/Tribunal	Assessment year 1981-82 and 1999-00 to 2005-06	151
Central Sales Tax Act, 1956	Sales Tax - CST	Assistant Commissioner/Deputy Commissioner,Tribunal, High Court	Assessment Year 1999-00 to 2005-06	70
Tamil Nadu General Sales Tax Act, 1959	TNGST Act	Assistant Commissioner/Deputy Commissioner,Tribunal, High Court	Assessment Year 2001-02 and 2002-03	12
Customs Act, 1962	Customs Duty	CESTAT	Assessment Year 2006-07	4,302
Income Tax Act, 1961	Income Tax	Income Tax Apellate Tribunal/ High Court/ CIT Appeals	Assessment Year 2003-04 to 2006-07	654

(x) 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.

(xi) 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.

(xii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company for the purposes for which they were obtained.

(xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.

(xiv) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 1600 debentures of ₹ 10,00,000/- each. The Company has created security in respect of the debentures issued.

(xv) 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 30, 2013

BALANCE SHEET AS AT MARCH 31, 2013

₹ in lakh

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	2	1,758	1,737
(b) Reserves and Surplus	3	1,32,930	1,20,026
		1,34,688	**1,21,763**
2. Non-Current Liabilities			
(a) Long Term Borrowings	4	75,916	33,327
(b) Deferred Tax Liabilities (Net)	5	13,380	12,564
		89,296	**45,891**
3. Current Liabilities			
(a) Short Term Borrowings	6	96,393	45,644
(b) Trade Payables	7	21,547	12,513
(c) Other Current Liabilities	8	20,497	17,801
(d) Short Term Provisions	9	1,031	827
		1,39,468	**76,785**
TOTAL		**3,63,452**	**2,44,439**
B. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		1,22,870	76,494
(ii) Intangible Assets		107	5
(iii) Capital Work in Progress		6,201	4,917
(b) Non Current Investments	11	87,110	67,978
(c) Long Term Loans & Advances	12	15,724	23,200
		2,32,012	**1,72,594**
2. Current Assets			
(a) Current Investments	13	-	300
(b) Inventories	14	78,253	25,543
(c) Trade Receivables	15	21,544	22,036
(d) Cash and Cash Equivalents	16	1,692	3,457
(e) Short Term Loans & Advances	12	23,854	17,543
(f) Other Current Assets	17	6,097	2,966
		1,31,440	**71,845**
TOTAL		**3,63,452**	**2,44,439**
See accompanying notes forming part of the financial statements	1-48		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ravichandran
Vice Chairman

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

Suresh Krishnan
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 30, 2013

Chennai
April 30, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

₹ in lakh

Particulars	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
1. Income			
Revenue from Operations (Gross)		2,04,146	1,58,326
Less: Excise Duty		4,897	4,147
Revenues from Operations (Net)	18	1,99,249	1,54,179
Other Income	19	10,729	17,038
Total Revenue		**2,09,978**	**1,71,217**
2. Expenses			
Cost of materials consumed	20	1,63,728	1,09,598
Purchases of Stock-in-Trade	21	1,572	1,213
Changes in Inventories of finished goods, work-in-process and stock in trade	22	(40,160)	(7,207)
Employee benefits expense	23	11,804	8,297
Finance costs	24	13,668	6,443
Depreciation and amortisation expense net of transfer from fixed assets revaluation reserve for ₹ 14 Lakh (2012 : ₹ 14 Lakh)	-	10,787	7,397
Other expenses	25	39,045	31,869
Total Expenses		**2,00,444**	**1,57,610**
3. Profit before exceptional items and tax (1-2)		**9,534**	**13,607**
4. Exceptional items (Refer note 11.1)		26,573	-
5. Profit before tax (3+4)		**36,107**	**13,607**
6. Tax Expense:			
(1) Current Tax		839	750
(2) MAT Credit entitlement		(839)	(750)
(3) Deferred Tax Liability /(Asset)	5	2,936	(125)
Total		**2,936**	**(125)**
7. Profit for the year (5-6)		**33,171**	**13,732**
8. Earnings Per Equity Share (Nominal value per share ₹ 1)	43		
(a) Basic (₹)		19.08	7.92
(b) Diluted (₹)		19.08	7.91
See accompanying notes forming part of the financial statements	1-48		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ravichandran
Vice Chairman

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

Suresh Krishnan
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 30, 2013

Chennai
April 30, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

₹ *in lakh*

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
A. Cash flow from operating activities				
Net profit before tax		**36,107**		**13,607**
Adjustments for :				
Depreciation and Amortisation	10,787		7,397	
Finance costs	13,668		6,443	
Dividend Income	(32,182)		(12,561)	
Profit on sale of fixed assets (net)	(180)		(344)	
Profit on sale of investments	-		-	
Interest Income	(3,347)		(2,247)	
Liabilities/ Provisions no longer required written back	(574)		(320)	
Bad debts written off and provision for doubtful debts	942		1,352	
Provision for Compensated absences	164		162	
Provision for dimunition in value of investment	900		-	
Fixed Assets scrapped	33	(9,789)	13	(105)
Operating profit before working capital changes		**26,318**		**13,502**
Changes in working capital				
Adjustments for increase/(decrease) in				
Trade and other receivables	(1,965)		(13,577)	
Inventories	(40,464)		(6,497)	
Current liabilities	7,108	(35,321)	6,595	(13,479)
Cash (used in) / generated from operations		(9,003)		23
Direct taxes paid net of refund		(178)		(721)
Net cash flow from / (used in) operating activities		**(9,181)**		**(698)**
B. Cash flow from investing activities				
Purchase of fixed assets including capital advances	(13,209)		(7,371)	
Proceeds from sale of fixed assets	360		592	
Purchase of investments	-		-	
Investments in subsidiary companies (Refer note below)	(30,130)		(15,314)	
Loans and Advances given to subsidiary companies (Refer note below)	(6,375)		(5,220)	
Proceeds from Sale of investments	-		50	
Interest received	(2,025)		2,318	
Proceeds from Fixed Deposit	40		4,051	
Dividend income received	32,182		12,561	
Net cash flow from / (used in) investing activities		**(19,157)**		**(8,333)**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	190		366	
Proceeds from long term borrowings	27,592		10,000	
Repayment of long term borrowings	(13,802)		(10,751)	
Proceeds from other term borrowings (net)	31,500		23,233	
Net increase / (Decrease) in working capital borrowing	4,987		659	
Finance costs	(13,987)		(5,429)	
Dividends paid Including Dividend Tax	(10,372)		(6,947)	
Net cash flow from / (used) in financing activities		**26,108**		**11,131**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

₹ *in lakh*

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(2,230)**		**2,100**
Reconciliation				
Cash and cash equivalents as at 1st April 2012		3,110		1,010
Add: Cash & Cash Equivalents acquired pursuant to a scheme of arrangement (demerger) - Refer note 30		264		-
Cash and cash equivalents as at 31st, March 2013		1,144		3,110
Net (decrease) / increase in cash and cash equivalents		**(2,230)**		**2,100**
Cash and Cash equivalents as per Balance Sheet Note 16		1,692		3,457
Add: Current Investments considered as Cash and Cash Equivalents		-		300
Less: Deposits not considered as Cash and Cash equivalents as defined in AS 3 Cash Flow Statements		67		134
Less: Balance In Dividend account		454		513
Less: Balance In Margin Money account		27		-
Cash and Cash equivalents as per AS 3		**1,144**		**3,110**

Note

Disclosure of non cash transactions

₹ *in lakh*

Particulars	2012-13	2011-12
Relating to scheme of arrangement (demerger) - Refer note 30		
- Cancellation of Company's investment in Parrys Sugar Industries Ltd	17,962	-
- Allotment of equity shares to minority shareholders	18	-
- Fixed assets (Net)	45,522	-
- Investments	1,363	-
- Other assets	24,238	-
- Loan funds	(51,136)	-
- Other liabilities	(14,549)	-
Others		
Conversion of loans given to subsidiaries to equity shares	5,000	-
Conversion of loans given to subsidiaries to Preference shares	1,500	10,000

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ravichandran
Vice Chairman

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

Suresh Krishnan
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 30, 2013

Chennai
April 30, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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. The accounting policies adopted in the preparation of the financials statements are consistent with those followed in the previous year.

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 / materialise.

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 equal to or higher than the rates specified in Schedule XIV of the Companies Act. The depreciation rates followed are specified below : -

Buildings	1.67% to 3.65%
Plant and Machinery	4.75% to 25.89%
Vehicles	23.75%
Computers	31.67%
Furniture	6.67 % to 33.33 %
Office Equipments	4.75 % to 23.75 %

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

(ii) In respect of additions and deletions during the year, depreciation charge is provided on pro-rata basis.

(iii) Leased assets are fully depreciated over the primary lease period.

(iv) Assets costing individually ₹ 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) Income from services rendered is booked based on agreements/arrangements with the concerned parties.

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

iv) Interest income is accounted on accrual basis.

v) Dividend income is accounted when the right to receive the dividend is established.

1.8 Fixed Assets

Tangible Fixed Assets (other than those which have been revalued) are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.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.

Capital Work in Progress: Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.9 Foreign Currency Transactions

Initial Recognition: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement on Balance Sheet date: Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Settlement: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

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

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 carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

1.11 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

(a) Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

(b) Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(c) Short Term Employee Benefits

The undiscounted amount of short - term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(ii) in case of non-accumulating compensated absences, when the absences occur.

(d) Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

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.

(e) Employee share based payments

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 Statement of Profit and Loss 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabosrbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised 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.

1.23 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

1.24 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2

SHARE CAPITAL

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
AUTHORISED :		
Equity Shares:		
51,50,00,000 Equity Shares of ₹ 1/- each	5,150	5,150
(2012 - 51,50,00,000 Equity Shares of ₹ 1/- each).		
Preference Shares:		
50,00,000 Redeemable Preference Shares of ₹ 100/- each	5,000	5,000
(2012 - 50,00,000 Redeemable Preference Shares of ₹ 100/- each)		
	10,150	**10,150**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
17,57,66,864 Equity Shares of ₹ 1/- each	1,758	1,737
(2012 - 17,36,62,476 Equity Shares of ₹ 1/- each)		
	1,758	**1,737**

2.1 The above equity share capital is net off 62,69,402 Equity Shares of ₹ 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 89,24,850 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 2013 - 6,40,342 (March 2012- 11,53,654) equity shares of ₹ 1/- each. Refer note 42 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 March 31, 2013		No. of shares held as at March 31, 2012	
	Nos.	%	Nos.	%
Murugappa Holdings Limited (Associate - Investing Party)	5,87,35,204	33.42	5,87,35,204	33.82
Ambadi Investment Private Ltd	93,23,240	5.30	93,23,240	5.37
National Westminster Bank PLC as Depositary of First State Asia Pacific Fund a Sub fund of First State Investments ICVC	91,06,484	5.18	-	-
Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	-	-	33,80,148	1.95

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

Reconciliation	2012-13		2011-12	
	No. of Shares	₹ in Lakh	No. of Shares	₹ in Lakh
Equity Shares of ₹ 1/- each fully paid up				
At the beginning of the period	17,36,62,476	1,737	17,31,98,200	1,732
Allotment of shares on exercise of Employee Stock Option (Refer note 42)	2,65,810	3	4,64,276	5
Allotment of shares pursuant to Scheme of Arrangement (Refer note 30)	18,38,578	18	-	-
At the end of the period	**17,57,66,864**	**1,758**	**17,36,62,476**	**1,737**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2

SHARE CAPITAL (continued)

2.5 Terms attached to Equity shares

The Company has only one class of Equity share having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend 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 2013, the amount of interim dividend recognized as distributions to equity shareholders is ₹ 6/- per share (2012- ₹ 4/- per share).

NOTE 3

RESERVES AND SURPLUS

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
I. CAPITAL RESERVES		
(a) Capital Reserve		
Opening balance	1,348	1,348
Less : Utilised during the year (Refer note 30)	1,348	-
Closing balance	**-**	**1,348**
(b) Capital Redemption Reserve	**3,113**	**3,113**
(c) Securities Premium Account (Note 3.1)		
Opening balance	4,829	4,469
Add :Addition during the year	188	360
Closing balance	**5,017**	**4,829**
(d) Debenture Redemption Reserve (Note 3.2)		
Opening balance	2,750	1,167
Add :Addition during the year	2,500	1,583
Less : Utilised during the year	1,250	-
Closing balance	**4,000**	**2,750**
(e) Fixed Asset Revaluation Reserve (Note 3.3)		
Opening balance	540	554
Less : Utilised during the year	14	14
Closing balance	**526**	**540**
CLOSING BALANCE OF CAPITAL RESERVES (A)	**12,656**	**12,580**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3

RESERVES AND SURPLUS (continued)

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
II. REVENUE RESERVES		
(a) General Reserve		
Opening balance	69,877	68,477
Add :Addition during the year (Refer note 5)	2,120	-
Add :Transfer from Statement of Profit and Loss	35,000	1,400
Less : Utilised during the year (Refer note 30)	11,194	-
Closing balance	**95,803**	**69,877**
(b) Hedging Reserve		
Opening balance	(397)	4
Add :Addition during the year	412	(401)
Less : Utilised /reversed during the year	-	-
Closing balance	**15**	**(397)**
(c) Surplus in Statement of Profit and Loss		
Opening Balance	37,966	34,164
Profit for the year	33,171	13,732
	71,137	47,896
Less : Appropriations		
Interim Dividend on Equity Shares -₹ 6/- per share (2012 : ₹ 4/- per share)	10,431	6,947
Dividend Distribution Tax (Refer note 3.4)	-	-
Transfer to Debenture Redemption Reserve (Net)	1,250	1,583
Transfer to General Reserve	35,000	1,400
Closing Balance	**24,456**	**37,966**
CLOSING BALANCE OF REVENUE RESERVE (B)	**1,20,274**	**1,07,446**
TOTAL RESERVES AND SURPLUS (A) + (B)	**1,32,930**	**1,20,026**

3.1 During the year, 2,65,810 equity shares of ₹ 1/- each were issued to the employees as exercise of employees stock option for an aggregate premium of ₹ 188 Lakh (2012 - ₹ 360 Lakh)

3.2 Debenture Redemption Reserve account has been created for ₹ 2,500 Lakh (2012 - ₹ 1,583 Lakh) by transfer from statement of profit and loss for Non-convertible Debentures of ₹ 30,000 Lakh (2012 - ₹ 19,000 Lakh). An amount of ₹ 1,250 Lakh has been withdrawn from Debenture Redemption Reserve Account on account of redemption of ₹ 5,000 Lakh of NCD during the year 2012-13.

3.3 Deduction during the year represents ₹ 14 Lakh (2012 - ₹ 14 Lakh) transferred to Statement of profit and loss.

3.4.Provision for Dividend Distribution Tax is not considered necessary since the dividend received from one of the subsidiary company is higher than dividend paid by the company

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 4

LONG TERM BORROWINGS

₹ *in lakh*

Particulars	Non-Current Portion		Current Maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(a) Privately placed Secured, Redeemable Non-convertible debenture				
9.25% Secured Redeemable Non-convertible debentures 2012-13 series (Refer note 4.1)	10,000	-	-	-
9.15% Secured Redeemable Non-convertible debentures 2012-13 series (Refer note 4.2)	6,000	-	-	-
10.40% Secured Redeemable Non-convertible debentures 2011-12 series (Refer note 4.3)	6,000	6,000	-	-
10.25% Secured Redeemable Non-convertible debentures 2011-12 series (Refer note 4.4)	4,000	4,000	-	-
9.40% Secured Redeemable Non-convertible debentures 2010-11 series (Refer note 4.5)	-	4,000	4,000	-
8.65% Secured Redeemable Non-convertible debentures 2009-10 series (Refer note 4.6)	-	-	-	5,000
Sub Total	**26,000**	**14,000**	**4,000**	**5,000**
(b) Secured Term Loans from:				
Banks (Refer note 4.7 to 4.7.4)	39,565	9,183	4,902	3,420
Government of India - Sugar Development Fund (Refer note 4.8)	7,851	7,644	2,147	1,131
Sub Total	**47,416**	**16,827**	**7,049**	**4,551**
(c) Other loans and advances				
Unsecured loan from others (Refer note 4.9)	2,500	2,500	-	-
Sub Total	**2,500**	**2,500**	**-**	**-**
Total	**75,916**	**33,327**	**11,049**	**9,551**
The above amount includes				
Secured Borrowings	73,416	30,827	11,049	9,551
Unsecured Borrowings	2,500	2,500	-	-
Amount disclosed under the head "other current liabilities" (Refer note 8)	-	-	11,049	9,551
Net amount	**75,916**	**33,327**	**-**	**-**

4.1 1,000 - 9.25% Secured Redeemable Non-convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 10,000 Lakh to be secured by a *pari passu* first charge by way of a registered mortgage deed on the Company's specific immovable properties. Debentures are redeemable in full at par on 18th March 2016.

4.2 600 - 9.15% Secured Redeemable Non-convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 6,000 Lakh are secured by a *pari passu* first charge by way of a registered mortgage deed on the Company's immovable properties situated at Pugalur. Debentures are redeemable in full at par on 23rd October 2015.

4.3 600 - 10.40% Secured Redeemable Non-convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 6,000 Lakh 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 3rd January, 2015.

4.4 400 - 10.25% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 4,000 Lakh 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 11th July, 2014.

4.5 400 - 9.40% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 4,000 Lakh 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.

4.6 500 - 8.65% Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 5,000 Lakh 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 redeemed in full at par on 4th September, 2012.

4.7. The summary of Bank loans are as follows;

₹ *in lakh*

	As at March 31, 2013	As at March 31, 2012	Terms of repayment
HDFC Bank	-	13	Repaid in 2012-13
State Bank of India (Refer note 4.7.1)	20	1,200	Repayable in two equal annual instalments.
Canara Bank	-	1,250	Repaid in 2012-13
State Bank of India (Refer note 4.7.2)	2,173	3,151	Repayable over seven years in 9 equal half yearly instalments and 4 annual instalments
Indusind Bank Limited	-	5,000	Repaid in 2012-13
ECB - HSBC Bank (Mauritius) Ltd (Refer note 4.7.3)	2,741	1,989	Repayable over four years in nine instalments
Axis Bank Limited* (Refer note 4.7.4.1)	20,500	-	Repayable over next six years in 22 quarterly instalments
ICICI Bank Limited* (Refer note 4.7.4.2)	14,737	-	Repayable during next five years in 16 equal quarterly instalments
State Bank of India* (Refer note 4.7.4.3)	4,296	-	Repayable in 24 quarterly instalments
	44,467	**12,603**	

The above loans carries interest rates ranging 7.8% - 12.85% per annum.

*Loans transferred and vested with the company pursuant to scheme of arrangement (Demerger) - Refer note 30

4.7.1 The Rupee term loans from State Bank of India amounting to ₹ 20 Lakh 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, Pettavaithalai, 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.

4.7.2 The Rupee term loans from State Bank of India amounting to ₹ 2,173 Lakh 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, Pettavaithalai, 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.

4.7.3 The External Commercial Borrowings (ECB) Loan from HSBC Bank (Mauritius) Ltd., Mauritius amounting to ₹ 2,741 Lakh (US$ 5 Million) is secured by a *pari passu* first charge on the immovable properties situated at Nellikuppam, Pugalur, Pudukottai, and Thyagavalli and 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.

4.7.4.1 Rupee term loans from Axis Bank Limited are secured by *pari passu* first charge on fixed assets of Sankili and Haliyal plants.

4.7.4.2 Rupee term loans from ICICI Bank Limited are secured by *pari passu* first charge on fixed assets of Sankili and Haliyal Plants.

4.7.4.3 Rupee term loans from State Bank of India are secured by *pari passu* first charge on fixed assets of Sankili and Haliyal plants.

4.8. The summary of Sugar Development Fund loans are as follows :

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
Pudukottai - Modernisation and Expansion of Cogeneration unit and Modernisation of sugar unit (Refer note 4.8.1)	1,069	1,356
Pugalur - Modernisation and Expansion of sugar Unit (Refer note 4.8.1)	1,301	1,856
Pettavaithalai - Modernisation and Expansion Sugar and Cogeneration units (Refer note 4.8.1)	4,194	4,483
Nellikuppam - Expansion Sugar and Cogeneration units (Refer note 4.8.1)	1,080	1,080
Haliyal - Raw Sugar Processing, Cane Development Loan and Loan for Cogeneration Unit (Refer note 4.8.2)	1,584	-
Sankili - Modernisation and Expansion of sugar Unit and Cane Development Loan (Refer note 4.8.2)	770	-
Total	**9,998**	**8,775**

4.8.1 The loans are 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.

4.8.2 The loans are secured by way of *pari passu* first charge on fixed assets of Haliyal and Sankili respectively. It carries interest rate of 4% and repayable over 7 to 14 years.

4.9 The Interest free loan is repayable after 12 years.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 5
DEFERRED TAX (ASSET) / LIABILITY

₹ in lakh

Particulars	As at March 31, 2012	Movement During the year		As at March 31, 2013
		Pursuant to Scheme of Arrangement (Demerger)	Others	
Tax effect of items constituting deferred tax liability				
On difference between book balance and tax balance of fixed assets	13,309	4,332	1,078	18,719
Tax effect of items constituting deferred tax assets				
Unabsorbed Depreciation and Business Loss	-	(6,452)	1,871	(4,581)
Provision for Doubtful Debts, Provision for compensated absences and others	(745)	-	(13)	(758)
Net Deferred Tax (Asset) / Liability	**12,564**	**(2,120)**	**2,936**	**13,380**

The company has recognised deferred tax asset amounting to ₹ 2,120 Lakh as on April 1, 2012 arising on timing differences relating to certain assets and liabilities which got transferred from Parrys Sugar Industries Limited pursuant to the scheme of arrangement (Demerger) - Refer note 30. The corresponding amount has been credited to General Reserve.

NOTE 6
SHORT TERM BORROWINGS

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Loans repayable on demand		
From Banks		
(i) Secured (Refer note 6.1)	39,262	11,380
(ii) Unsecured (Refer note 6.2)	18,589	30,228
(b) Loans from Other parties - Unsecured	3,000	-
(c) Commercial Papers - Unsecured	35,500	4,000
(d) Security Deposits - Unsecured	42	36
	96,393	**45,644**

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).

6.2. Packing credit facility is covered by letter of credit or confirmed and irrevocable order for the export of goods / services.

NOTE 7
TRADE PAYABLES

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
Trade payables (Refer note 7.1)		
- Acceptances	612	-
- Other than acceptances	20,935	12,513
	21,547	**12,513**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7.1 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2013 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

NOTE 8
OTHER CURRENT LIABILITIES

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Current maturities of long-term debt	11,049	9,551
(b) Interest accrued but not due on borrowings	1,196	692
(c) Interest accrued and due on borrowings	24	-
(d) Unclaimed dividends (Refer note 8.1 & 8.2)	454	513
(e) Other Liabilities		
- Excise Duty on undespatched stock	2,598	942
- Mark to Market Provision	-	400
- Due to Directors	166	191
- Statutory remittances (Contributions to PF and ESIC, Withholding Taxes,	570	690
Excise Duty, VAT, Service Tax, etc.)		
- Advances and Deposits from Customers/Others	602	512
- Other Miscellaneous liabilities (Refer note 8.3)	3,838	4,310
	20,497	**17,801**

8.1 These amounts represent warrants issued to the Shareholders which remained unpresented as on March 31, 2013.

8.2 There are no amounts due to be credited to Investor Education and Protection Fund as on March 31, 2013.

8.3 Other Miscellaneous Liabilities includes liability towards Cane Differential price, capital goods etc.,

NOTE 9
SHORT - TERM PROVISIONS

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for compensated absences	1,031	827
	1,031	**827**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 10
FIXED ASSETS

₹ in lakh

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION AND AMORTISATION					NET BLOCK	
	Cost/ Value As at April 1, 2012	Additions pursuant to the scheme of arrangement (demerger) (Refer note 30)	Other Additions for the year	Deletions	Cost/ Value As at March 31, 2013	As at April 1, 2012	Additions pursuant to the scheme of arrangement (demerger) (Refer note 30)	For the year	Deletions	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible assets (A)												
Freehold Land	3,849	2,430	181	-	6,460	-	-	-	-	-	6,460	3,849
Leasehold Land (Note 10.1)	4	-	-	-	4	1	-	1	-	2	2	3
Buildings												
a) R&D (Note 10.4)	180	-	7	-	187	81	-	4	-	85	102	99
b) Others (Notes 10.2 and 10.3)	13,690	9,685	1,376	52	24,699	3,927	1,383	767	50	6,027	18,672	9,763
Plant and Machinery												
a) R&D (Note 10.4)	634	-	-	4	630	548	-	13	4	557	73	86
b) Others	1,07,239	45,536	10,880	1,722	1,61,933	46,139	12,491	9,440	1,622	66,448	95,485	61,100
Furniture & Fixtures												
a) R&D (Note 10.4)	62	-	1	-	63	52	-	1	-	53	10	10
b) Others	1,418	198	98	3	1,711	957	80	115	5	1,147	564	461
Office Equipments												
a) R&D (Note 10.4)	81	-	2	1	82	57	-	4	1	60	22	24
b) Others	2,255	312	179	39	2,707	1,776	211	161	36	2,112	595	479
Vehicles	1,266	459	296	261	1,760	646	202	212	185	875	885	620
Total (A)	**1,30,678**	**58,620**	**13,020**	**2,082**	**2,00,236**	**54,184**	**14,367**	**10,718**	**1,903**	**77,366**	**1,22,870**	**76,494**
Intangible Assets (B)												
Patent / Software	271	510	-	-	781	266	325	83	-	674	107	5
Total (A) + (B)	**1,30,949**	**59,130**	**13,020**	**2,082**	**2,01,017**	**54,450**	**14,692**	**10,801**	**1,903**	**78,040**	**1,22,977**	**76,499**
Capital Work - in Progress		1,084									6,201	4,917
		60,214									**1,29,178**	**81,416**

10.1. Amortisation of Leasehold land for the year is ₹ 0.08 Lakh (2012 - ₹ 0.08 Lakh).
10.2 Includes cost of ₹ 31 Lakh (2012 - ₹ 31 Lakh) for which title deeds are yet to be received from the Registrar.
10.3 Includes Building on Leasehold land : Cost : ₹ 884.41 Lakh (2012 - ₹ 884.41 Lakh) and Accumulated Depreciation : ₹ 244.00 Lakh (2012 - ₹ 229.57 Lakh).
10.4 Additions for the year 2012-2013 includes ₹ 10.40 Lakh (2012 - ₹ 14.87 Lakh) of Fixed Assets additions made in the Approved In-house R & D Centres.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 10
FIXED ASSETS (continued)
PREVIOUS YEAR 2011-12

₹ in lakh

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION AND AMORTISATION				NET BLOCK	
	Cost/Value As at April 1, 2011	Additions	Deletions	Cost/Value As at March 31, 2012	As at April 1, 2011	For the year	Deletions	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible assets (A)										
Freehold Land	3,849	-	-	3,849	-	-	-	-	3,849	3,849
Leasehold Land	4	-	-	4	1	-	-	1	3	3
Buildings										
a) R&D	180	-	-	180	76	5	-	81	99	104
b) Others	13,196	505	11	13,690	3,472	462	7	3,927	9,763	9,724
Plant and Machinery										
a) R&D	630	8	4	634	537	15	4	548	86	93
b) Others	1,03,906	4,746	1,413	1,07,239	40,817	6,514	1,192	46,139	61,100	63,089
Furniture & Fixtures										
a) R&D	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	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)	**1,26,389**	**5,887**	**1,598**	**1,30,678**	**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)	**1,26,660**	**5,887**	**1,598**	**1,30,949**	**48,370**	**7,411**	**1,331**	**54,450**	**76,499**	**78,290**
Capital Work - in Progress									4917	3250
									81,416	**81,540**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11
NON-CURRENT INVESTMENTS (AT COST)

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
I. Quoted Investments		
(A) Trade Investments		
(a) Investments in Equity Instruments		
(i) Subsidiary Companies		
17,71,55,580 (2012 - 17,71,55,580) shares of ₹ 1/- each fully paid up in Coromandel International Limited	11,989	11,989
1,29,75,110 (2012 - 1,29,75,110) shares of ₹ 10/- each fully paid up in Parrys Sugar Industries Limited (Refer note 30)	1,669	8,475
(B) Other Investments		
(a) Investments in Equity Instruments		
(i)Other companies		
23,600 (2012 - 23,600) shares of ₹ 10/- each fully paid up in Kartik Investments Limited	4	4
100 (2012 - 100) shares of ₹ 10/- each fully paid up in Travancore Sugars and Chemicals Limited	-	-
8,244 (2012 - 8,244) shares of ₹ 10/- each fully paid up in State Bank of India	25	25
393 (2012 - 393) shares of ₹ 10/- each fully paid up in Cholamandalam Investment and Finance Company Limited	-	-
42,938 (2012 - 42,938) shares of ₹ 10/- each fully paid up in Coromandel Engineering Company Limited	4	4
2,000 (2012 - 2,000) shares of ₹ 1/- each fully paid up in Carborundum Universal Limited	-	-
(C) Other Investments		
(a) Investments in Debt Instruments		
(i) Subsidiary Companies		
17,71,55,580 (2012 - Nil) 9% Redeemable Non convertible Debentures of ₹ 15/- each in Coromandel International Ltd (Refer note 11.1)	26,574	-
Total Quoted Investments	**40,265**	**20,497**
Market Value of Quoted Investments	**3,59,348**	**5,11,732**
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 (2012 - 15,00,000) shares of ₹ 10/- each fully paid up in Parrys Sugar Limited	150	150
2,50,150 (2012 - 2,50,150) shares of ₹ 10/- each fully paid up in Parrys Investments Limited	37	37
50,00,000 (2012 - 50,00,000) shares of ₹ 10/- each fully paid up in Parry Infrastructure Company Private Limited	500	500
1,06,600 (2012 - 1,06,600) shares of ₹ 100/- each fully paid up in Parry Phytoremedies Private Limited	213	213
11,02,70,018 (2012 - 6,02,70,018) shares of ₹ 10/- each fully paid up in Sadashiva Sugars Ltd (Refer note. 11.2)	11,796	6,796
US Nutraceuticals LLC	7,040	7,040

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11

NON-CURRENT INVESTMENTS (AT COST) (continued)

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
11,51,18,416 (2012 - NIL) shares of ₹ 10/- each fully paid up in Silkroad Sugar Private Limited - (Refer note 11.3) (Silkroad Sugar Private Limited has become a subsidiary company from December 12, 2012 on increase of investments to 99% from 50%.)	24,741	-
1,02,222 equity shares of ₹ 100/- each fully paid up in Alagawadi Bireshwar Sugars Private Limited (acquired pursuant to Scheme of Arrangement (demerger)- (Refer note 30)	1,363	-
(ii) Joint Venture companies		
NIL (2012 - 5,81,40,614) shares of ₹ 10/- each fully paid up Silkroad Sugar Private Limited - (Refer note 11.3)	-	21,184
(iii) Other companies		
18,270 (2012 - 18,270) shares of ₹ 100/- each fully paid up Murugappa Management Services Limited	18	18
(b) Investments in Preference shares		
(i) Subsidiary Companies		
23,26,420 (2012 - 1,28,31,880) 8% Redeemable Non Cumulative shares of ₹ 11/- each fully paid up Parrys Sugar Industries Limited (Refer note 30)	256	1,412
10,00,00,000 (2012 - Nil) 8% Redeemable Cumulative shares of ₹ 10/- each fully paid up Parrys Sugar Industries Limited (Refer note 30)	-	10,000
15,00,000 8% Redeemable Cumulative shares of ₹ 10/- each fully paid up Parrys Sugar Industries Limited (issued during the year) (Refer note 11.4)	1,500	-
(B) Other Investments		
(a) Investments in Equity Instruments		
(i) Subsidiary Companies		
9,500 (2012 - 9,500) shares of ₹ 10/- each fully paid up in Parry Agro Chem Exports Limited	-	-
(ii) Other Companies		
125 (2012 - 125) shares of 25 pence each fully paid up in Hawker Siddley Group Limted (Refer note 11.5)	-	-
10,000 (2012 - 10,000) shares of ₹ 1/- each fully paid up in Indian Dairy Entrepreneur and Agricultural Co Limited (At cost less amount written off ₹ 0.90 Lakh)	-	-
266 (2012 - 266) shares of ₹ 10/- each fully paid up in Chennai Wellingdon Corporate Foundation	-	-
6,37,200 (2012 - 6,37,200) shares of ₹ 10/- each fully paid up in Indian Potash Limited	32	32
1,00,000 (2012 - 1,00,000) shares of ₹ 10/- each fully paid up in Bio Tech Consortium (India) Limited	10	10
2 (2012 - 2) shares of ₹ 10/- each fully paid up in Murugappa Morgan Thermal Ceramics Limited	-	-
20 (2012 - 20) shares of ₹ 100/- each fully paid up in Kullittalai Cane Farms Private Limited (Refer note 11.5)	-	-
(b) Investments in Government or trust securities		
Government Securities (Lodged as Security deposit)	1	1
(c) Investments in debentures or bonds		
Rural Electrical Corporation 5 Year 5.5% Redeemable Bonds	64	64
Total Unquoted Investments	**47,745**	**47,481**
Less : Provision for diminution in value of investments	(900)	-
Total Non-Current Investments	**87,110**	**67,978**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11

NON-CURRENT INVESTMENTS (AT COST) (continued)

11.1. Coromandel International Ltd, a subsidiary company, has issued 17,71,55,580 Numbers of 9% Redeemable Bonus Debentures of ₹ 15/- each aggregating to ₹ 26,574 Lakh to the company. This has been recognised as dividend income and disclosed as an exceptional item. The Debentures are redeemable in 3 equal annual installments of ₹ 8,858 Lakh from 2014-15.

11.2 During the year, a portion of unsecured loans given to Sadashiva Sugars Ltd has been converted into 5,00,00,000 Equity shares of ₹ 10/- each.

11.3 During the year, the Company has increased its stake in Silkroad Sugar Private limited, from 50% to 99% by buying out the entire stake of its foreign Joint Venture partner- Cargill Asia Pacific Holdings Pte Limited for a consideration of ₹ 3,557 Lakh. Consequent to this acquisition, Silkroad Sugar Private Limited has become a subsidiary of the Company, with effect from 12th December, 2012.

11.4. During the year, a portion of unsecured loan given to Parrys Sugar Industries Ltd has been converted into 1,50,00,000 Nos. of 8% Redeemable Preference Share Capital of ₹ 10/- each.

11.5 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.

11.6 Refer note 1.10 for valuation of investments.

NOTE 12

LOANS AND ADVANCES

₹ in lakh

Particulars	Long-Term		Short-Term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Unsecured and considered good unless otherwise stated				
(a) Capital Advances	1,473	1,480	-	-
(b) Security Deposits	6	-	80	-
(c) Loans and advances to related parties	5,489	13,831	8,239	7,250
(d) Advance Income Tax				
Net of Provision for Tax (₹ 31,988 Lakh (2012 - ₹ 31,149 Lakh))	2,996	3,285	-	-
(e) Balance with Customs and Central Excise Authorities	-	-	2,928	436
(f) MAT Credit Entitlement	3,019	2,180	-	-
(g) Advance recoverable in cash or in kind or for value to be received				
(i) Unsecured and Considered Good	2,741	2,424	12,607	9,857
(ii) Considered Doubtful	487	138	-	-
Less: Provision for Doubtful Advances	(487)	(138)	-	-
	15,724	**23,200**	**23,854**	**17,543**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	As at March 31, 2013	As at March31, 2012
I. Quoted Investments		
(a) Investments in Mutual Funds - Valued at Net Asset Value		
(i) Nil (2012-9,81,433 units) of Nomimal value of ₹ 10/- each in Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend	-	150
(ii) Nil (2012-14,958 units) of Nominal value of ₹ 1,000/- each in SBI Premier Liquid Fund - Super Institutional - Daily Dividend	-	150
	-	**300**

NOTE 14
INVENTORIES
(At lower of cost and net realisable value) *₹ in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Raw materials	1,103	1,166
(b) Work-in-process	2,349	1,089
(c) Finished goods	70,783	21,033
(d) Stock-in-trade (goods acquired for trading)	481	195
(e) Stores and spares	3,537	2,060
	78,253	**25,543**

14.1 - Mode of valuation of Inventories - Refer note 1.3
14.2 - Refer note 36 for details of work-in-process, finished goods and stock-in-trade.

NOTE 15
TRADE RECEIVABLES (UNSECURED)
₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Considered good	7,014	8,112
(ii) Considered doubtful	775	1,324
Less: Provision for doubtful debts	(775)	(1,324)
	7,014	**8,112**
(b) Other Trade Receivables - Considered good	14,530	13,924
	21,544	**22,036**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 16
CASH AND CASH EQUIVALENTS
₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Cash on hand	17	7
(b) Cheques, drafts on hand	815	1,690
(c) Balances with banks		
(i) In Current account	312	262
(ii) In Deposit account (Refer note 16.2)	67	985
(iii) In earmarked accounts		
- In Dividend account	454	513
- In Margin Money accounts towards Bank Guarantee	27	-
	1,692	**3,457**

16.1 Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 1,146 Lakh (2012 - ₹ 2,810 Lakh)

16.2 Balances with banks include deposits amounting to ₹ 67 Lakh (2012 - ₹ 15 Lakh) which have an original maturity of more than 12 months.

NOTE 17
OTHER CURRENT ASSETS
₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
- Income Accrued on Deposits, Loans & Advances etc. (Refer note 17.1)	5,397	2,003
- Unbilled revenue	157	153
- Insurance claims	303	472
- Mark to Market Provision	240	-
- Other receivables	-	338
	6,097	**2,966**

17.1 Includes Interest receivable : ₹ 1,807 Lakh (2012 - ₹ 1,977 Lakh). Refer note 45.3 - Related party Transactions under AS 18.

NOTE 18
REVENUE FROM OPERATIONS
₹ in lakh

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
(a) Sales of Products (Refer note 18.1)	2,01,348	1,56,138
(b) Other operating revenues		
- Sundry Income	447	696
- Duty Drawback	927	658
- Scrap sales	850	514
- Liabilities/ Provisions no longer required written back	574	320
Revenue from operations (Gross)	2,04,146	1,58,326
Less : Excise Duty	4,897	4,147
	1,99,249	**1,54,179**

NOTE 18
18.1 DETAILS OF PRODUCTS SOLD

₹ in lakh

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
Classes of Goods		
Sugar	1,15,721	1,06,825
Raw sugar	37,572	12,385
Bio and Nutra products	13,052	11,987
Power	14,409	13,064
Distillery	20,186	11,508
Organic Manure	408	369
	2,01,348	1,56,138

NOTE 19
OTHER INCOME

₹ in lakh

Particulars	For the year Ended March 31, 2013		For the year Ended March 31, 2012	
(a) Interest Income				
On bank deposits	24		253	
On Debenture - Subsidiary (Refer note 45)	1,651		-	
On loans and advances to subsidiaries (Refer note 45)	1,351		1,844	
On others	321	3,347	150	2,247
(b) Dividend Income (excluding exceptional income)				
(i) Current investments	275		141	
(ii) Long term investments				
Subsidiaries (Refer note 45)	5,315		12,401	
Others	19	5,609	19	12,561
(c) Profit on sale of fixed assets (Net)		180		344
(d) Net gain on foreign currency transaction and translation (other than considered in finance cost) - (Refer note 28(A))		-		8
(e) Other non-operating income (Refer note 19.1)		1,593		1,878
		10,729		17,038

19.1 Other non-operating income comprises of:

₹ in lakh

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
- Rental income	981	760
- Services	300	318
- Insurance claim received	113	632
- Others	199	168
	1,593	1,878

NOTE 20
COST OF MATERIALS CONSUMED

₹ in lakh

DESCRIPTION	For the year Ended March 31, 2013	For the year Ended March 31, 2012
(a) Sugarcane (Refer note 20.1)	1,45,745	96,901
(b) Raw Sugar	-	795
(c) Others	17,983	11,902
	1,63,728	1,09,598

20.1 The above raw material consumption includes Rates and Taxes of ₹ 2,945 Lakh (2012 - ₹ 2,851 Lakh).

NOTE 21
PURCHASES OF STOCK-IN-TRADE

₹ in lakh

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
Classes of Goods		
(a) Sugar	4	-
(b) Raw Sugar	-	-
(c) Bio Products	6	77
(d) Nutra Products	1,562	1,136
	1,572	1,213

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

₹ in lakh

Particulars	For the year Ended March 31, 2013		For the year Ended March 31, 2012	
Opening Stock:				
Work-in-process	1,089		1,674	
Finished goods	21,033		12,353	
Stock-in-trade	195		1,083	
	22,317		15,110	
Inventory acquired pursuant to Scheme of Arrangement (Demerger) - (Refer note 30)				
Work-in-process	513		-	
Finished goods	10,623		-	
	11,136		-	
Closing Stock:				
Work-in-process	2,349		1,089	
Finished goods	70,783		21,033	
Stock-in-trade	481		195	
	73,613		22,317	
(Increase)/Decrease in Stocks		(40,160)		(7,207)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 23
EMPLOYEE BENEFIT EXPENSE

₹ in lakh

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
(a) Salaries, Wages and Bonus	9,559	6,492
(b) Contribution to Provident and Other Funds	841	744
(c) Workmen and Staff Welfare Expenses	1,404	1,061
	11,804	**8,297**

NOTE 24
FINANCE COST

₹ in lakh

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
Interest expense:		
(a) Debentures	1,885	1,273
(b) Other term loans	6,942	1,743
(c) Other borrowing costs (Refer note 24.1)	3,588	2,687
(d) Exchange difference to the extent considered as an adjustment to borrowing costs	1,253	740
	13,668	**6,443**

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

₹ in lakh

Particulars	For the year Ended March 31, 2013		For the year Ended March 31, 2012	
(a) Consumption of Stores, Spares and Consumables		4,541		4,820
(b) Power and Fuel		3,889		2,427
(c) Rent		323		181
(d) Repairs and Maintenance (Refer note 33)				
- Buildings	244		143	
- Plant and Machinery	4,357		2,626	
- Others	2,197	6,798	1,732	4,501
(e) Insurance		502		328
(f) Rates and Taxes (Refer note 25.1)		2,782		915
(g) Packing, Despatching and Freight		8,129		7,629
(h) Commission to Selling Agents		195		123
(i) Rebates and Discounts		19		9
(j) Auditors' Remuneration (Refer note 34)		37		35
(k) Directors' Fees and Commission (Refer note 35)		173		172
(l) Sales Promotion and Publicity		1,666		1,839
(m) Fixed Assets scrapped		33		13
(n) Professional Charges		1,913		1,740
(o) Provision for Doubtful Debts and Advances		327		1,026
(p) Bad Debts/Advances written off	1,428			
Less: Transfer from provision	(813)	615		326
(q) Provision for Diminution of Investments		900		-
(r) Cane Development Expenditure		1,190		3,665
(s) General Manufacturing, Selling and Administration Expenses		3,748		2,120
(t) Net gain or loss on foreign currency transaction and translation (other than considered in finance cost)		1,265		-
		39,045		**31,869**

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 amounting to ₹ 1,688 Lakh (2012 - ₹ 250 Lakh) has been included in Rates and Taxes.

NOTE 26
COMMITMENTS

₹ in lakh

Particulars	2012 - 13	2011 - 12
a) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	1,824	1,688
b) Uncalled liability on shares and other investments partly paid	Nil	Nil
c) Other commitments - Purchase order given for items such as rawmaterials, services etc.,	Nil	985

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 27
OTHER MONIES FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE

₹ in lakh

Particulars	2012 - 13	2011 - 12
(a) Letters of Credit and Bank Guarantees established for Purchases of Raw Materials, Spares and Capital Goods	9,638	7,165
(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	3,263	18,000
(c) Disputed Income Tax demands which are under various stages of appeal (out of which- ₹ 1,578 Lakh (2012 - ₹ 1,513 Lakh) have been deposited under protest)	2,232	2,189
(d) Disputed Sales Tax , Excise Duty , Service Tax and Customs Duty demands- (out of which - ₹ 157 Lakh (2012 - ₹ 122 Lakh), have been deposited under protest)	5,978	5,610
(e) Other claims against the Company not acknowledged as debts	173	1,098
(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.		

NOTE 28 (A)

₹ in lakh

Particulars	As at 2012 - 13	As at 2011 - 12
(i) Net exchange difference dealt with in the Statement of Profit or Loss on foreign currency monetary items	(1,265)	12
(ii) Charge to the Statement of Profit or Loss in respect of premium on forward exchange contracts and other instruments that are in substance a forward exchange contract	-	(4)
Net gain/(Loss) to Statement of Profit and Loss	**(1,265)**	**8**

NOTE 28 (B)

As on March 31, 2013, the Company has foreign currency borrowings of US$ 5 million (2012 - US$ 4 Million). The Company has marked to market the foreign currency borrowings and the exchange difference arising thereon have been recognised in the Statement of Profit and Loss.

NOTE 29
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, 2013

Particulars	Currency	Amount (Foreign Currency Lakh)		Buy/Sell	Amount (₹ in Lakh)	
		2012-13	2011-12		2012-13	2011-12
(i) Forward exchange contracts (net)	USD/INR	142.01	611.62	Sell	7,473	31,292
	EUR/INR	29.78	35.02	Sell	2,110	2,406
(ii) ECB (Swaps)	USD/INR	50.00	50.00	Buy	2,488	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, 2013 - Nil (2012 - Nil)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 30
SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement (Demerger), herein after referred to as "the Scheme", between subsidiary company Parrys Sugar Industries Limited (Demerged Company), and the Company, as sanctioned by the Hon'ble High Court of Judicature at Madras, vide their order dated February 18,2013, the entire assets and liabilities and duties and obligations of manufacturing facilities at Haliyal and Sankili (Demerged Undertaking) pertaining to the Demerged Company , was transferred to and vested in the Company with effect from April 1, ,2012 (Appointed Date). The scheme became effective on March 18, 2013 and accordingly has been given effect to in these financial statements.

In accordance with the Scheme

30.1) Details of assets and liabilities acquired pursuant to the Scheme of Arrangement (Demerger) and treatment of the difference between the net assets acquired and cost of investment by the Company in the Demerged Company together with the shares issued to minority shareholders of the demerged company.

₹ in lakh

Particulars	Balance as at April 1, 2012
Non- Current Assets	
Fixed Assets (Net block including Capital WIP)	45,522
Non Current Investments	1,363
Long Term Loans and Advances	2,688
Other Non- Current Assets	527
Current Assets	
Inventories	12,246
Trade Receivables	4,248
Cash and Cash Equivalents	264
Short term loans and Advances	4,258
Other Current Assets	7
Total Assets	71,123
Non- Current Liabilities	
Long Term Borrowings	36,203
Other Long Term Liabilities	853
Current Liabilities	
Short Term Borrowings	14,933
Trade Payables	6,857
Other Current Liabilities	6,800
Short Term Provisions	39
Total Liabilities	**65,685**
Excess of Assets over Liabilities	5,438
Less: Share capital issued (Note 30.2)	18
Less: Reduction in Value of Investments held by Company in Demerged Company (Note 30.3)	6,806
Less: Preference Shares Cancelled (Note 30.4)	11,156
Balance- Goodwill (Note 30.5)	12,542

30.2) The Company has issued 18,38,578 equity shares of ₹ 1/- each aggregating to ₹ 18.38 Lakh to the shareholders of the demerged company other than the company, on March 28, 2013, in the ratio of five equity shares of ₹ 1/- each credited as fully paid up, for every nineteen equity shares of ₹ 10/-each held in the Demerged Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30.3) The cost of the investments held in the Parrys Sugar Industries Ltd as appearing in the Company's books has been reduced in the proportion of the Net Book value of the assets of the Demerged Undertaking bears to the Net worth of the Demerged Company immediately before the appointed date. The said reduction in cost of investments amounted to ₹ 6,806 Lakh.

30.4) (a) The entire 10,00,00,000 - 8% Redeemable Cumulative Preference Shares of ₹ 10/- each held by the Company in the Demerged Company has been cancelled.

(b) The 1,05,05,460 8% Redeemable Cumulative Preference Shares of ₹ 11/- each held by the Company in the Demerged Company has been cancelled. The reduction in cost of investments on account of this cancellation is ₹ 1,156 Lakh.

30.5) The excess of liabilities over book value of assets after making adjustments for 2 to 4 above amounting to ₹ 12,542 Lakh has been debited to Goodwill account. Such goodwill to the extent of ₹ 1,348 lakh has been adjusted against Capital Reserve Account and the balance amount of ₹ 11,194 Lakh has been adjusted against the General Reserve.

30.6) The results for the year ended March 31, 2013 also include the results of Haliyal and Sankili units of Demerged Company.

NOTE 31
EMPLOYEE BENEFIT PLANS

A. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 321 lakh (Year ended March 31, 2012 -₹ 277 Lakh) for Provident Fund contributions, ₹ 308 Lakh (Year ended March 31, 2012- ₹ 271 Lakh) for Superannuation Fund contributions and ₹ 2 Lakh (Year ended March 31, 2012 - ₹ 1 Lakh) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans :
Gratuity -

The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss.

₹ in lakh

Particulars	Gratuity (Funded)	
	2012 - 13	2011 - 12
Present Value of obligations at the beginning of the year *	1,240	1,053
Current service cost	128	99
Interest Cost	88	78
Actuarial loss/(gain)	109	68
Benefits paid	(278)	(148)
Present Value of obligations at the end of the period	**1,287**	**1,150**
Changes in the Fair value of planned assets		
Fair value of plan assets at beginning of year *	1,349	1,089
Expected return on plan assets	122	103
Contributions	195	198
Benefits Paid	(278)	(148)
Actuarial gain/(Loss) on plan assets	(6)	-
Fair Value of plan assets at the end of the year	**1,382**	**1,242**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 31
EMPLOYEE BENEFIT PLANS (continued)

Particulars	Gratuity (Funded)	
	2012 - 13	2011 - 12
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the period	1,287	1,150
Fair value of plan assets at end of the period	1,382	1,242
Funded status of the plans – (Asset)/Liability recognised in the balance sheet	**(95)**	**(92)**
Cost for the period		
Current service cost	128	99
Interest Cost	88	78
Expected return on plan assets	(122)	(103)
Net actuarial (gain)/loss recognised in the period	115	68
Net Cost	**209**	**142**
Assumptions		
Discount rate	8%	8%
Expected rate of planned assets	8%	8%
Expected rate of salary increases	5%	5%

* Includes balances relating to Haliyal and Sankili units taken over pursuant to Scheme of Arrangement (Demerger) - Refer note 30.

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 paragraph120(n)(ii) of AS 15 (Revised) on “Employee Benefits” are not readily available in the valuation report and hence, are not furnished.

C. 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.

D. Long Term Compensated Absence

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

Assumptions	2012 - 13	2011 - 12
Discount rate	8%	8%
Attrition Rate	3%	3%
Expected rate of salary increases	5%	5%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Research and Development expenditure incurred by the Approved Inhouse R&D Centres during the year 2012-13

₹ in lakh

Particulars	2012 - 13	2011 - 12
(i) Revenue Expenses		
a) Revenue expenses on Research and Development included under various heads of accounts(excluding depreciation and fixed assets scrapped)	425	413
b) Other Income relating to Research and Development	(65)	(86)
Net Revenue expenses on Research and Development	**360**	**327**
(ii) Fixed Assets additions in R & D Centre made during the year	**10**	**15**

₹ in lakh

	2012 - 13	2011 - 12
33. Repairs and maintenance includes Stores and spare parts consumed	**2,170**	**1,847**

₹ in lakh

34. Auditors' remuneration and Expenses:	2012 - 13	2011 - 12
(i) Audit Fees	17	17
(ii) Tax Audit	3	3
(iii) Fees for other services	15	14
(vi) Reimbursement of out of pocket expenses	2	1
	37	**35**

₹ in lakh

35. Director's Remuneration:	2012-13	2011-12
35.1 Whole time Directors remuneration:		
Salaries and Allowances	103	92
Contribution to Provident and Other Funds	12	10
Other Benefits	8	7
Commission	40	38
	163	**147**

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 personnel cannot be ascertained separately.

₹ in lakh

35.2 Non Whole time Directors remuneration :	2012 - 13	2011 - 12
Commission to Non Whole Time Directors	125	125
Directors' sitting Fees	8	9
	133	**134**

36 PARTICULARS IN RESPECT OF STOCK *₹ in lakh*

Classes of Goods	2012 - 13	2011 - 12
Finished Stock		
Sugar	64,686	17,465
Others	6,097	3,568
	70,783	**21,033**
Trading Stock		
Sugar	-	-
Others	481	195
	481	**195**
Work-in-Process		
Sugar	2,289	892
Others	60	197
	2,349	**1,089**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Description	2012-13		2011-12	
	₹ in lakh	%	₹ in lakh	%
Imported	296	0.17	982	0.86
Indigenous	1,69,998	99.83	1,12,972	99.14
	1,70,294	**100.00**	**1,13,954**	**100.00**
Raw Materials	1,63,728		1,09,598	
Stores and Spare parts	6,566		4,356	
	1,70,294		**1,13,954**	

₹ in lakh

	2012 - 13	2011 - 12
38. Value of Imports on C.I.F basis		
Raw Materials	-	218
Components, Stores and Spare parts	23	4
Traded Goods	250	21
Capital Goods	148	-
	421	**243**
	2012 - 13	**2011 - 12**
39. Expenditure in Foreign Currency		
Travel	3	4
Professional Fee	69	35
Others	315	275
	387	**314**
	2012 - 13	**2011 - 12**
40. Earnings in Foreign Exchange		
FOB Value of exports	53,102	40,333
Interest income	17	22
Other Income- Despatch Money	47	-
Sale of Certified Emission Reduction	187	-
Others	6	-
	53,359	**40,355**
	2012 - 13	**2011 - 12**
41. Remittances in foreign currencies of dividends to non resident shareholders of the Company		
Equity Shares		
No. of shareholders	24	39
No. of shares held	13,62,620	14,90,180
Net amount remitted (₹ in lakh)	82	60
Year to which Dividend relates to	2012-13 Interim	2011-12 Interim

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Employee Stock Option Plan – ESOP 2007

a) Pursuant to the decision of the shareholders, at their meeting held on July 26, 2007, the Company has established an 'Employee Stock Option Scheme 2007' ('ESOP 2007' or 'the Scheme') to be administered by the Compensation and Nomination Committee of the Board of Directors.

b) Under the Scheme, options not exceeding 89,24,850 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 2013, granted 40,34,000 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 not granted any stock options during the year 2012-13.

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	18,58,200	31.08.2008
	29.10.2007	2,32,400	29.10.2008
	24.01.2008	4,60,600	24.01.2009
	24.04.2008	1,52,200	24.04.2009
	28.07.2008	1,30,000	28.07.2009
	24.09.2008	3,87,000	24.09.2009
	29.10.2008	1,13,600	29.10.2009
	20.03.2009	47,800	20.03.2010
	28.01.2011	3,66,300	28.01.2012
	29.04.2011	75,900	29.04.2012
	27.07.2011	1,15,000	27.07.2012
	24.10.2011	95,000	24.10.2012
	Total	**40,34,000**	
			Weighted average exercise price per option (₹)
2. Options granted and outstanding at the beginning of the year	Options vested and exercisable	4,15,814	101.33
	Options unvested	7,37,840	191.47
	Total	11,53,654	158.98
3. Options granted during the year		-	-
4. Options vested during the year		2,85,900	245.60
5. Options exercised during the year		2,65,810	71.59
6. Options lapsed/cancelled during the year		2,47,502	150.99
7. Options outstanding at the end of the year	Options vested and exercisable	3,01,802	164.71
	Options unvested	3,38,540	238.39
	Total (2-5-6)	**6,40,342**	**203.66**

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	18,58,200	29.46
29.10.2007	2,32,400	26.32
24.01.2008	4,60,600	21.98
24.04.2008	1,52,200	24.59
28.07.2008	1,30,000	26.63
24.09.2008	3,87,000	24.11
29.10.2008	1,13,600	30.73
20.03.2009	47,800	32.26
28.01.2011	3,29,600	90.05
28.01.2011	36,700	87.86
29.04.2011	41,400	92.46
29.04.2011	34,500	58.18
27.07.2011	1,15,000	105.80
24.10.2011	75,700	80.86
24.10.2011	19,300	30.21
Total	**40,34,000**	

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 ₹ 1,470 Lakh (2012 - ₹ 1470 Lakh)and the impact on the financial statements would be

Increase in employee compensation cost	:	175 Lakh
Decrease in Profit After Tax:		175 Lakh
Decrease in Earning per share (₹) : (Basic)	:	0.10
Decrease in Earning per share (₹) : (Diluted)	:	0.10

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%

43.Segment Reporting as at March 31, 2013

Composition of Business Segments:
Primary Segment :

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

43. Segment Reporting as at March 31, 2013

Composition of Business Segments :

₹ in lakh

Particulars	PRIMARY SEGMENTS													
	Sugar		Cogeneration		Distillery		Bio Products		Others		Elimination		Overall	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue (Sales/Income) :														
(Gross of Excise Duty)														
External Customers	1,53,701	1,19,579	14,409	13,064	20,186	11,508	13,052	11,987	-	-	-	-	2,01,348	1,56,138
Inter-segmental Sales			8,395	2,124							(8,395)	(2,124)	-	-
Total	1,53,701	1,19,579	22,804	15,188	20,186	11,508	13,052	11,987	-	-	(8,395)	(2,124)	2,01,348	1,56,138
Results :														
Operating Profit/(Loss)	898	(3,809)	7,578	6,750	7,083	2,859	1,415	1,205	(1,828)	(1,763)	-	-	15,146	5,242
Provision for Diminution in value of Investments													(900)	-
Interest Income													3,347	2,247
Dividend Income													32,182	12,561
Interest Expenses													(13,668)	(6,443)
Profit before Tax													**36,107**	**13,607**
Income Tax - Current													(839)	(750)
- Deferred													839	750
- MAT Credit Entitlement													(2,936)	125
Net Profit After Tax													**33,171**	**13,732**
Other Information :														
Segment Assets	1,53,902	76,475	45,976	34,508	24,789	16,247	16,761	13,457	572	796	-	-	2,42,000	1,41,483
Unallocated Corporate Assets													1,21,452	1,02,956
Total Assets													**3,63,452**	**2,44,439**
Segment Liabilities	26,798	16,073	2,857	1,366	2,051	726	2,875	2,449	37	65	-	-	34,618	20,679
Unallocated Corporate Liabilities													1,94,146	1,01,997
Total Liabilities													**2,28,764**	**1,22,676**
Capital Expenditure	11,819	5,551	950	978	1,322	366	1,303	517	177	142	-	-	15,571	7,554
Depreciation	5,525	3,500	2,972	2,136	1,566	1,092	376	415	348	254	-	-	10,787	7,397
Non-cash expenditure (excluding Depreciation)	332	143	629	302	-	-	59	157	2,130	806	-	-	3,150	1,408

Particulars	SECONDARY SEGMENTS									
	North America		Europe		Rest of the World		India		Total	
	2012-13	2011-12	2012-13	2011- 12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Revenue	7,527	3,467	37,769	24,532	7,805	9,075	1,48,247	1,19,064	2,01,348	1,56,138
Carrying Amounts of :										
Segment Assets	1,842	929	879	3,837	739	2,287	3,59,992	2,37,386	3,63,452	2,44,439
Segment Liabilities	36	460	-	-	2,742	3,229	2,25,986	1,18,987	2,28,764	1,22,676
Capital Expenditure	-	-	-	-	-	-	15,571	7,554	15,571	7,554

44. Earnings per Share

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
Profit after Taxation ₹ In lakh (A)	33,171	13,732
Number of equity shares of ₹ 1/- each outstanding at the beginning of the year	17,36,62,476	17,31,98,200
Add : Number of shares issued pursuant to exercise of Employees Stock option	2,65,810	4,64,276
Add : Number of shares issued to PSIL Shareholders pursuant to merger (Refer note 30)	18,38,578	-
(a) Number of equity Shares of ₹ 1/- each outstanding at the end of the year	17,57,66,864	17,36,62,476
(b) Weighted Average number of Equity Shares	17,38,06,933	17,34,44,175
(c) Diluted shares on account of issue of ESOP granted	-	2,38,986
(d) Number of potential equity shares of ₹ 1/- each outstanding at the end of the year	17,38,06,933	17,36,83,161
Earnings per Share		
– Basic (₹) (A)/(b)	19.08	7.92
– Diluted (₹) (A)/(d)	19.08	7.91

45. Related Party Disclosure for the year ended March 31, 2013

45.1. Subsidiary Company/ Entities

1. Coromandel International Ltd
2. Parry Chemicals Ltd
3. CFL Mauritius Limited
4. Coromandel Brasil Limitada – Partnership.
5. Liberty Phosphate Ltd
6. Liberty Urvarak Limited
7. Liberty Pesticides and Fertilisers Limited
8. Dare Investments Ltd
9. Sabero Organics Gujarat Limited
10. Sabero Europe BV
11. Sabero Australia Pty.Ltd
12. Sabero Organics America Ltda
13. Sabero Argentina SA
14. Parrys Sugar Industries Ltd
15. Alagawadi Bireshwar Sugars Private Limited
16. Sadashiva Sugars Ltd
17. Parry America Inc.,
18. Parrys Investments Limited
19. Parrys Sugar Limited
20. Parry Infrastructure Company Private Limited
21. Parry Phytoremedies Private Limited
22. US Nutraceuticals LLC
23. Parry Agrochem Exports Limited
24. Valensa Europe AG
25. La Belle Botanics LLC
26. Silkroad Sugar Private Limited (From December 12, 2012)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Joint Venture Company
1. Silkroad Sugar Private Limited (Upto December 11, 2012)

Associate Company (Investing Party)
1. Murugappa Holdings Limited

45.2 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.

45.3 Transactions with related parties

₹ in lakh

Particulars	2012 - 13			2011 - 12		
	Subsidiary Companies	Joint venture	KMP	Subsidiary Companies	Joint venture	KMP
Sale of Goods						
a. Parry America Inc.	2,855	-	-	2,105	-	-
b. Parry Phytoremedies Private Limited	520	-	-	246	-	-
c. U.S. Nutraceuticals L.L.C	361	-	-	258	-	-
d. Coromandel International Limited	418	-	-	725	-	-
e. Parrys Sugar Industries Limited	-	-	-	3	-	-
Rendering of services						
a. Coromandel International Limited	69	-	-	70	-	-
b. Silkroad Sugar Private Limited	1	-	-	-	3	-
c. Parry Infrastructure Company Private Limited	301	-	-	318	-	-
d. Parrys Sugar Industries Limited *	21	-	-	-	-	-
Dividend Income						
Coromandel International Limited	31,888	-	-	12,401	-	-
Deputation Charges Received						
a. Coromandel International Limited	17	-	-	44	-	-
b. Silkroad Sugar Private Limited	22	-	-	-	65	-
c. Sadashiva Sugars Ltd	-	-	-	14	-	-
d. Parrys Sugar Industries Limited*	194	-	-	460	-	-
e. Parry Infrastructure Company Private Limited	-	-	-	8	-	-
Purchase/Receipt of Goods						
a. Coromandel International Limited	28	-	-	48	-	-
b. Parry Phytoremedies Private Limited	143	-	-	329	-	-
c. U.S. Nutraceuticals L.L.C	1	-	-	6	-	-
d. Parrys Sugar Industries Limited	528	-	-	-	-	-
e. Sadashiva Sugars Ltd	277	-	-	-	-	-
Receipt of services						
a. U.S. Nutraceuticals L.L.C	126	-	-	85	-	-
b. Coromandel International Limited	18	-	-	-	-	-
Interest Income on ICD Loans						
a. Sadashiva Sugars Limited	865	-	-	218	-	-
b. Parry Infrastructure Company Private Limited	27	-	-	242	-	-
c. Parrys Sugar Industries Limited *	398	-	-	1,334	-	-
d. U.S. Nutraceuticals L.L.C	18	-	-	19	-	-
e. Parry Phytoremedies Private Limited	35	-	-	31	-	-
f. Silkroad Sugars Private Limited	8	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45.3 Transactions with related parties (continued)

₹ in lakh

Particulars	2012 - 13			2011 - 12		
	Subsidiary Companies	Joint venture	KMP	Subsidiary Companies	Joint venture	KMP
Interest Income on Bonus Debentures						
Coromandel International Limited	1,651	-	-	-	-	-
Subscription to Equity Shares						
a. Silkroad Sugar Private Limited	3,557	-	-	-	11,250	-
b. Parrys Sugar Industries Limited *	-	-	-	-	-	-
c. Investment in U.S. Nutraceuticals L.L.C.	-	-	-	2,230	-	-
d. Sadashiva Sugars Limited (Refer note 45.3.1)	5,000	-	-	1,834	-	-
Subscription to Preference Shares						
Parrys Sugar Industries Limited (Refer note 45.3.2)	1,500	-	-	10,000	-	-
Debentures allotment						
Coromandel International Limited	26,573	-	-	-	-	-
Loans and Advances to Subsidiaries Given / (Repaid)						
a. Parrys Sugar Industries Limited (Refer note 45.3.2)	1,500	-	-	(8,335)	-	-
b. Parry Infrastructure Company Private Limited - (Repaid)	(2,450)	-	-	(614)	-	-
c. Sadashiva Sugars Limited- Given /(Repaid)	1,522	-	-	4,172	-	-
d. Parry Phytoremidies Private Limited		-	-	10	-	-
e. U.S. Nutraceuticals L.L.C - (Repaid)	(116)	-	-	(12)	-	-
f. Silkroad Sugar Private Limited	902	-	-	-	-	-
Closing Balance - Debit /(credit)						
a. Coromandel International Limited	1,917	-	-	198	-	-
b. Parry America Inc.	1,261	-	-	745	-	-
c. Parry Phytoremedies Private Limited	1,715	-	-	1,221	-	-
d. U.S. Nutraceuticals LLC	133	-	-	299	-	-
e. Silkroad Sugar Private Limited	278	-	-	-	245	-
f. Sadashiva Sugars Ltd	7,081	-	-	4,767	-	-
g. Parry Infrastructure Company Private Limited	357	-	-	2,921	-	-
h.Parry Agrochem Exports Ltd	2	-	-	2	-	-
i. Parrys Sugar Industries Limited *	4,598	-	-	16,039	-	-
j.Alagawadi Bireshwar Sugar Pvt Ltd.	1,350	-	-	-	-	-
Guarantees given						
Parry America Inc.,	514	-	-	514	-	-

For remuneration to KMP (Refer note 35.1).

*Transactions with Parrys Sugar Industries Limited represents those with Ramdurg unit only. (pursuant to a scheme of arrangement (demerger)- (Refer note 30), Sankili and Haliyal units of Parrys Sugar Industries Limited have merged with the Company.

45.3.1 During the year ₹ 5,000 Lakh has been converted into Equity shares out of the loans given to Sadashiva Sugars Limited.

45.3.2 During the year ₹ 1,500 Lakh has been converted into Preference shares out of the loans given to Parrys Sugar Industries Limited.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

46. Mr. Ravindra S Singhvi, Managing Director resigned from the Company on April 10, 2013 and Mr. P. Gopalakrishnan has been appointed as the Manager by the Board of Directors, subject to the approval of the Shareholders.

47. The financial statements for the current year include the figures relating to Haliyal & Sankili units of Parrys Sugar Industries Limited whose assets and liabilities have been transferred to and vested with the Company with effect from April 1, 2012 pursuant to a scheme of arrangement (demerger)- (Refer note 30). Hence the current year figures are not comparable with that of the previous year.

48. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

On behalf of the Board

	V Ravichandran Vice Chairman	**A Vellayan** Chairman
Chennai April 30,2013	**Suresh Krishnan** Secretary	**P.Gopalakrishnan** Vice President (Finance)

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF E.I.D.- PARRY (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **E.I.D.-PARRY (INDIA) LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

1. The consolidated financial statements include the unaudited financial statements/financial information of two subsidiaries and a jointly controlled entity (Previous year ended 31st March 2012 : six subsidiaries and a jointly controlled entity) whose financial statements/financial information reflect total assets (net) of ₹ 15,286 lakh as at 31st March 2013 (As at 31st March 2012: ₹ 15,165 lakh), total revenue of ₹ 271 lakh (Previous year ended 31st March 2012: ₹ 344 lakh) and net cash outflows amounting to ₹ 146 lakh (Previous year ended 31st March 2012: ₹ 4,759 lakh) for the year ended on that date, as considered in the consolidated financial statements. The consolidated, based on their unaudited financial statements also include the Group's share/financial information.

2. In respect of a jointly controlled entity whose financial statements/financial information reflect total assets (net) of ₹ 39,138 lakh as at 31st December 2012 (As at 31st December 2011 : ₹ 39,389 lakh), total revenue of ₹ Nil (Previous year ended 31st December 2011: ₹ 69 lakh) and net cash out flows amounting to ₹ 305 lakh (Previous year ended 31st December 2011: net cash inflows ₹ 3,127 lakh) for the year ended on that date, as considered in the consolidated financial statements, based on their unaudited financial statements/financial information. Further, the Management has not made any adjustments to such financial statements/financial information for the intervening period from 1st January 2013 to 31st March 2013 (Previous year 1st January 2012 to 31st March 2012), as the financial statements of the said entity are not readily available. The financial statements of the jointly controlled entity were audited last for the year ended 31st December 2011.

Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and jointly controlled entities are based solely on such unaudited financial statements/financial information.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries and jointly controlled entities referred to below in the Other Matters paragraph the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

(b) 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

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

1. We did not audit the financial statements/ financial information of twenty two subsidiaries and one jointly controlled entity (including ten subsidiaries and one jointly controlled entity of Coromandel International Limited, a subsidiary of the Company) whose financial statements/financial information reflect total assets (net) of ₹ 1,93,685 Lakh as at 31st March 2013, total revenues of ₹ 88,896 Lakh and net cash outflows amounting to ₹ 1,716 Lakh for the year ended on that date, as considered in the consolidated financial statements.

2. The consolidated financial statements also include the Group's share of loss after taxes of ₹ 1,013 lakh representing adjustment for differences between unaudited financial statements and audited financial statements for the year ended 31st December 2011, as considered in the consolidated financial statements of a jointly controlled entity audited by the other auditors.

   These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint controlled entity is based solely on the reports of the other auditors.

Our report is not qualified in respect of these matters.

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

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

Chennai,
April 30, 2013

CONSOLIDATED BALANCE SHEET OF E.I.D.- PARRY (INDIA) LIMITED AS AT MARCH 31, 2013

₹ in lakh

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	2	1,758	1,737
(b) Reserves and Surplus	3	2,41,524	2,40,648
		2,43,282	**2,42,385**
2. Minority Interest		93,327	92,772
3. Non-Current Liabilities			
(a) Long Term Borrowings	4	2,01,755	1,39,637
(b) Deferred Tax Liabilities (net)	45.1	32,148	19,309
(c) Other Long Term Liabilities	5.1	27	1,252
(d) Long Term Provisions	5.2	1,851	1,768
		2,35,781	**1,61,966**
4. Current Liabilities			
(a) Short Term Borrowings	6	2,95,498	2,98,143
(b) Trade Payables	7	2,75,907	2,36,699
(c) Other Current Liabilities	8	88,853	75,324
(d) Short Term Provisions	9	11,272	3,036
		6,71,530	**6,13,202**
TOTAL		**12,43,920**	**11,10,325**
B. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		3,29,981	2,60,059
(ii) Intangible Assets		2,883	3,106
(iii) Capital Work in Progress		48,897	60,506
(b) Goodwill on Consolidation	46.1	52,195	47,605
(c) Non Current Investments	11	16,136	15,113
(d) Deferred tax assets (net)	45.2	601	601
(e) Long Term Loans and Advances	12	22,192	12,845
(f) Trade Receivables	15	-	526
(g) Other Non-Current Assets	17	229	299
		4,73,114	**4,00,660**
2. Current Assets			
(a) Current Investments	13	1,820	484
(b) Inventories	14	2,67,073	2,47,265
(c) Trade Receivables	15	2,03,367	1,22,825
(d) Cash and Cash Equivalents	16	56,635	1,04,711
(e) Short Term Loans and Advances	12	2,24,340	2,27,392
(f) Other current assets	17	17,571	6,988
		7,70,806	**7,09,665**
TOTAL		**12,43,920**	**11,10,325**
See accompanying notes forming part of the Consolidated financial statements	1-48		

In terms of our report attached — For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ravichandran
Vice Chairman

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

Suresh Krishnan
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 30, 2013

Chennai
April 30, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS OF E.I.D.-PARRY (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2013

₹ in lakh

Particulars	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
1. Income			
Revenue from Operations (Gross)	18	11,57,530	12,65,076
Less: Excise Duty		(19,240)	(15,907)
Revenue from Operations (Net)		11,38,290	12,49,169
Other Income	19	9,715	10,701
Total Revenue		**11,48,005**	**12,59,870**
2. Expenses			
Cost of materials consumed	20	7,28,805	7,75,565
Purchases of Stock-in-Trade	21	1,53,643	1,94,876
Changes in Inventories of finished goods, work-in-process and stock in trade	22	(54,177)	(26,765)
Employee benefits expense	23	37,987	32,368
Finance costs	24	38,778	29,363
Depreciation and amortisation expense net of transfer from fixed assets revaluation reserve for ₹ 14 Lakh (2012 : ₹ 14 Lakh)	10	21,515	18,961
Other expenses	25	1,69,598	1,52,616
Total Expenses		**10,96,149**	**11,76,984**
3. Profit before exceptional items and tax (1-2)		51,856	82,886
4. Exceptional items	27	-	3,553
5. Profit before tax (3-4)		**51,856**	**79,333**
6. Tax Expense			
(a) Current Tax		12,601	29,995
(b) MAT Credit entitlement		(11,259)	(750)
(c) Deferred Tax		14,187	(2,572)
Total		**15,529**	**26,673**
7. Profit after tax before minority interest (5-6)		**36,327**	**52,660**
8. Minority Interest		(15,633)	(21,390)
9. Profit for the year (7-8)		**20,694**	**31,270**
10. Earnings Per Equity Share (Nominal value per share ₹ 1/-)	43		
(a) Basic (₹)		11.91	18.03
(b) Diluted (₹)		11.91	18.00
See accompanying notes forming part of the Consolidated financial statements	1-48		

In terms of our report attached — For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ravichandran
Vice Chairman

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

Suresh Krishnan
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 30, 2013

Chennai
April 30, 2013

CONSOLIDATED CASH FLOW STATEMENT OF E.I.D.-PARRY (INDIA) LTD FOR THE YEAR ENDED MARCH 31, 2013

₹ in lakh

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
A. Cash flow from operating activities				
Profit before tax and minority interest		**51,856**		**79,333**
Adjustments for :				
Depreciation and Amortisation	21,515		18,961	
Finance cost	38,778		29,363	
Interest Income	(6,262)		(5,745)	
Dividend income	(1,563)		(2,640)	
Net Loss /(Profit) on sale / write off of fixed assets	79		(322)	
Net loss on sale of investments	-		5,275	
Provision for diminution in the value of investments	47		-	
Provision for mark to market Fertiliser Special Bonds no longer required, written back (Refer note 33)	-		(6,889)	
Exchange differences (net)	6,586		14,060	
Liabilities / provisions no longer required written back	(921)		(413)	
Provision for doubtful trade and other receivables, loans and advances	3,084		2,567	
Provision for employee benefits	168		306	
Provision for impairment of investment in subsidiary	900	62,411	-	54,523
Operating profit before working capital changes		**1,14,267**		**1,33,856**
Adjustments for : increase / decrease in Operating assets and liabilities				
Trade and other receivables	(48,449)		(88,303)	
Inventories	(8,650)		(20,418)	
Current liabilities	39,051	(18,048)	40,209	(68,512)
Cash generated from operations		96,219		65,344
Direct taxes net of refund		(12,400)		(28,352)
Net cash flow from operating activities (A)		**83,819**		**36,992**
B. Cash flow from investing activities				
Purchase of fixed assets including capital advances	(45,758)		(45,245)	
Proceeds on sale of fixed assets	783		1,012	
Purchase of investments	(6,51,980)		(8,41,401)	
Amounts paid for acquiring investments in subsidiary companies	(26,075)		(3,697)	
Sale of investments	6,32,329		7,80,994	
Interest received	4,248		7,473	
Amount transferred to Escrow account	(11,301)		-	
Investment income (including fixed deposits)	1,563		2,716	
Net cash (used)/from in investing activities (B)		**(96,191)**		**(98,148)**

CONSOLIDATED CASH FLOW STATEMENT OF E.I.D.-PARRY (INDIA) LTD FOR THE YEAR ENDED MARCH 31, 2013

₹ in lakh

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
C. Cash flow from financing activities				
Proceeds from issue of Equity shares on exercise of ESOP	190		366	
Proceeds from long term borrowings	59,065		55,835	
Repayment of long term borrowings	(24,820)		(20,937)	
Proceeds from other term borrowings (net)	32,820		7,247	
Change in working capital finance	(54,881)		69,099	
Interest paid	(40,828)		(28,992)	
Dividends paid including tax thereon	(21,868)		(17,807)	
Net cash flow (used)/from financing activities (C)		**(50,322)**		**64,811**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(62,694)**		**3,655**
Cash and cash equivalents as at 1st April 2012		1,01,639		97,705
Add: Cash and Cash equivalents on acquisition of subsidiary		284		279
Add: Cash and Cash equivalents on conversion of Joint Venture into subsidiary		327		-
Cash and cash equivalents as at 31st March 2013		**39,556**		**1,01,639**

Reconciliation of Cash and Cash equivalents with the Consolidated Balance Sheet

₹ in lakh

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Cash & cash equivalents as per Consolidated Balance sheet (Refer note 16)	56,635	1,04,711
Less: Bank balances not considered as Cash and Cash equivalents as defined under AS 3 Cash Flow Statement		
(i) In other deposit accounts - original maturity more than 3 months	463	134
(ii) Balance in earmarked accounts		
- Unclaimed Dividend accounts	1,714	1,681
- Balances held as Margin money	3,601	1,557
- Escrow account	11,301	-
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	-	300
Cash & cash equivalents as per AS 3	**39,556**	**1,01,639**

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

V. Ravichandran
Vice Chairman

A. Vellayan
Chairman

M.K.Ananthanarayanan
Partner

Suresh Krishnan
Secretary

P. Gopalakrishnan
Vice-President (Finance)

Chennai
April 30, 2013

Chennai
April 30, 2013

1. BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 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 registered office at Chennai. The company also has a significant presence in Farm Inputs business through its subsidiary, Coromandel International Limited. E.I.D. Parry has a 99% stake in Silkroad Sugar Private Limited, 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.

1.2 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together, "the Group") have been prepared on the basis of going concern, under the historic cost convention except for certain fixed assets that are carried at revalued amounts, 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.

1.3 Principles of consolidation

The consolidated financial statements relate to E.I.D.-Parry (India) Limited ('the Company') and its Subsidiary Companies and Jointly controlled entities. 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 for the period till the date it cease to be a Joint Venture entity and on becoming subsidiary, as per AS 21 - Consolidated Financial Statements.

(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 except in certain cases where the impact 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 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) Share of Minority in the Net Profit of the Subsidiaries for the year is identified and adjusted against the Profit after Tax of the Group.

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

₹ in lakh

Name of the company	Country of incorporation	% of voting power held on March 31, 2013		% of voting power held on March 31, 2012	
		Direct	Indirect	Direct	Indirect
Parry Chemicals Limited (PCHL)	India	-	62.59	-	62.69
Parry America Inc. (PAI)	USA	100.00	-	100.00	-
Coromandel International Limited (CIL)	India	62.59	-	62.69	-
Sabero Organics Gujarat Limited (SOGL)	India	-	46.86	-	46.75
Sabero Europe BV (Sabero Europe)	Netherlands	-	62.59	-	62.69
Sabero Australia Pty.Ltd (Sabero Australia)	Australia	-	62.59	-	62.69
Sabero Organics America SA (SOAL)	Brazil	-	62.55	-	62.65
Sabero Argentina SA (Sabero Argentina)	Argentina	-	59.46	-	59.56
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	-	62.59	-	62.69
Coromandel Brasil Limitada (CBL)	Brazil		62.59		62.69
Sadashiva Sugars Limited (SSL)	India	100.00	-	100.00	-
US Nutraceuticals LLC (USN)	USA	100.00	-	100.00	-
Parrys Sugar Industries Limited (PSIL)	India	65.00	-	65.00	-
Silkroad Sugar Private Limited (SSPL)*	India	99.00	-	-	-
Alagawadi Bireshwar Sugars Private Limited (ABSPL)	India	100.00	-	-	65.00
Parry Agrochem Exports Limited (PAEL)	India	19.00	81.00	19.00	81.00
Valensa Europe AG (VEAG)	Switzerland	-	100.00	-	100.00
La Belle Botanics LLC (LBBL)	USA	-	100.00	-	100.00
Liberty Phosphate Limited (LPL)	India	-	33.56	-	-
Liberty Urvarak Limited (LUL)	India	-	62.59	-	-
Liberty Pesticides and Fertilisers Limited (LPFL)	India	-	62.59	-	-
Dare Investments Limited (DIL)	India	-	62.59	-	-

*became subsidiary during the year 2012-13

Refer note 41 for Information on Joint Ventures

1.4.1 The above excludes Sabero Organics Philippines Asia Inc., an Associate of Sabero for which monies advanced (₹ 1 lakh) are pending allotment to Sabero and as no operations have commenced, it has not been considered for consolidation.

1.4.2 In respect of SOAL, Sabero Australia and Sabero Argentina, the financial year is from January 1, 2012 to December 31, 2012 and accordingly audited financial statements are available up to December 31, 2012. These consolidated financial statements have been adjusted by the Management for significant transactions between January 1, 2013 and March 31, 2013 to align for consolidation purposes.

1.4.3 In respect of CBL, CML and CGPL (Coromandel Getax Phosphates Pte Ltd.), the financial year is from January 1, 2012 to December 31, 2012 and since the audit is not completed, unaudited financial statement upto December 31, 2012 have been adjusted by the Management for significant transactions between January 1, 2013 and March 31, 2013 to align for consolidation purposes. Any differences arising based on the audited financial statement will be adjusted in the subsequent year.

1.4.4 In respect of Sabero Europe the financial year is from June 1, 2012 to May 31,2013 however audited financial statements for the period April 1, 2012 to March 31, 2013 has been considered for the purpose of preparation of consolidated financial statements.

1.4.5 In respect of consolidation of TIFERT, since the audit has not yet been completed, unaudited financial statements up to December 31, 2012 have been used. Financials for the period January 1, 2013 to March 31, 2013 are not available and hence have not been considered for consolidation. Any differences arising based on audited financials will be adjusted in the subsequent year.

1.4.6 During the year, the Company has increased its stake in Silkroad Sugar Private limited, from 50% to 99% by buying out the entire stake of its foreign Joint Venture partner- Cargill Asia Pacific Holdings Pte Limited for a consideration of ₹ 3,557 Lakh. Consequent to this acquisition, Silkroad Sugar Private Limited has become a subsidiary of the Company, with effect from December 12, 2012. Accordingly, the share of income / expenses have been consolidated line-by-line on a proportionate basis till the date of becoming subsidiary to the extent of the Company's equity interest.

1.5 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 Jointly controlled entities.

SIGNIFICANT ACCOUNTING POLICIES

1.6 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 / materialise.

1.7 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.

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 March 31, 2013 aggregates to ₹ 61,026 Lakh. (2012 – ₹ 1,00,341 Lakh).

1.8 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.

1.9 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 Group are segregated based on the available information.

1.10 Depreciation and Amortisation

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

(ii) Depreciation on Buildings, Plant & Machinery, vehicles, computers and Furniture and Office Equipments are based on estimated useful life of the assets or at rates specified in Schedule XIV of the Companies Act.

(iii) 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 ₹ 5,000/- or less are fully depreciated in the year of addition.

(iv) 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.

(v) Cost of patent is amortised over a period of 3 years. In the case of US Nutraceuticals LLC, cost of patents are amortised over their estimated useful lives, ranging from 13 to 20 years.

(vi) In the case of Coromandel International Limited, intangibles are amortised over the estimated useful lives ranging from 5-10 years.

1.11 Revenue Recognition

(i) Sales are recognized, net of returns and trade discounts when risks and rewards of ownership are transferred to the buyer under the terms of the contract. Sales include excise duty but exclude sales tax and value added tax.

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

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

(iv) Subsidy is recognised on the basis of the rates notified from time to time by the Government of India in accordance with the Nutrient Based Subsidy (NBS) policy on the quantity of fertilisers sold by the Group for the period for which notification has been issued and for the remaining period, based on estimates.

(v) Interest Income is booked on a time proportion basis taking into account the amounts invested and the rate of interest on an accrual basis.

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

(vii) Revenue recognition for property development is recognised when the Group 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.

1.12 Fixed Assets

Tangible Fixed Assets (other than those which have been revalued) are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. In respect of E.I.D.-Parry (India) Ltd, the revalued fixed assets are restated at their estimated 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.

Capital Work in Progress: Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.13 Expenditure during construction period

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 Statement of Profit and Loss.

1.14 Foreign Currency Transactions and Translations

(a) Initial recognition :
Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations: Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

(b) Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Net investment in non-integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

(c) Accounting for forward contracts

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 Statement of Profit and Loss. Any profit or loss arising on cancellation of a foreign exchange contract is recognized as income or expense in the Statement of Profit and Loss 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 Statement of Profit & Loss in the year in which the exchange rates change.

1.15 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

1.16 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

(a) Defined Contribution Plans

Contribution to provident fund, superannuation fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

(b) Defined Benefit Plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(c) Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(ii) in case of non-accumulating compensated absences, when the absences occur.

(d) Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

(e) Employee share based payments

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 Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

1.17 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.

1.18 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 Group. 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 Group as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

1.19 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.

1.20 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.

1.21 Taxes on Income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will

be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

1.22 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.

1.23 Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product’s technical 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 Fixed Assets.

1.24 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.

1.25 Provisions and Contingencies

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.

1.26 Trade Receivables and Loans & Advances

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

1.27 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.

1.28 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.

1.29 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

1.30 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTE 2
SHARE CAPITAL :

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
AUTHORISED :		
Equity Shares:		
51,50,00,000 Equity Shares of ₹ 1/- each	5,150	5,150
(2012 - 51,50,00,000 Equity Shares of ₹ 1/- each).		
Preference Shares:		
50,00,000 Redeemable Preference Shares of ₹ 100/- each	5,000	5,000
(2012 - 50,00,000 Redeemable Preference Shares of ₹ 100/- each)		
	10,150	**10,150**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
17,57,66,864 Equity Shares of ₹ 1/- each	1,758	1,737
(2012 - 17,36,62,476 Equity Shares of ₹ 1/- each)		
	1,758	**1,737**

2.1 The above equity share capital is net of 62,69,402 Equity Shares of ₹ 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 89,24,850 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 in respect of the Company as at March 31, 2013 - 6,40,342 (March 31, 2012- 11,53,654) equity shares of ₹ 1/- each. Refer note 42 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:

₹ in lakh

Name of the Share holder	No of shares held as at March 31,2013		No of shares held as at March 31,2012	
	No of Shares	**%**	**No of Shares**	**%**
Murugappa Holdings Limited (Associate - Investing Party)	5,87,35,204	33.42	5,87,35,204	33.82
Ambadi Investment Private Ltd	93,23,240	5.30	93,23,240	5.37
National Westminster Bank PLC as Depositary of First State Asia Pacific Fund a Sub fund of First State Investments ICVC	91,06,484	5.18	-	-
Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	-	-	33,80,148	1.95

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Reconciliation	2012-13		2011-12	
	No of Shares	₹ in lakh	No of Shares	₹ in lakh
Equity Shares of ₹ 1/- each fully paid up				
At the beginning of the period	17,36,62,476	1,737	17,31,98,200	1,732
Allotment of shares on exercise of Employee Stock Option (Refer note 42)	2,65,810	3	4,64,276	5
Allotment of shares pursuant to Scheme of Arrangement (Refer note 29)	18,38,578	18	-	-
At the end of the period	**17,57,66,864**	**1,758**	**17,36,62,476**	**1,737**

2.5 Terms attached to Equity shares

The Company has only one class of Equity share having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share. The dividend 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 2013, the amount of interim dividend recognized as distributions to equity shareholders is ₹ 6/- per share (2012- ₹ 4/- per share).

NOTE 3
RESERVES AND SURPLUS

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
A. CAPITAL RESERVE		
(i) Capital Subsidy (as per last balance sheet)	**11**	**11**
(ii) Capital Reserve (as per last balance sheet)	**14,984**	**14,984**
(iii) Captial Reserve on consolidation (as per last balance sheet)	**3,488**	**3,488**
(iv) Capital Redemption Reserve (as per last balance sheet)	**4,774**	**4,774**
(v) Securities Premium Account		
Opening balance	21,786	21,067
Add :Premium on shares issued during the year	442	719
Closing balance	**22,228**	**21,786**
(vi) Debenture Redemption Reserve		
Opening balance	2,750	1,167
Add :Transferred from Surplus in Consolidated Statement of Profit and Loss (Refer note 3.1)	5,053	1,583
Less : Utilised during the year	1,250	-
Closing balance	**6,553**	**2,750**
(vii) Fixed Asset Revaluation Reserve		
Opening balance	540	554
Add :Additions during the year on revaluations	-	-
Less : Utilised during the year for setoff against depreciation (Refer note 3.2)	14	14
Closing balance	**526**	**540**
CLOSING BALANCE OF CAPITAL RESERVES [3A (i) to (vii)]	**52,564**	**48,333**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3
RESERVES AND SURPLUS (continued)

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
(B) REVENUE RESERVES		
(i) Statutory Reserve (as per last balance sheet)	**3**	**3**
(ii) Pre acquisition reserve (as per last balance sheet)	**6,889**	**6,889**
(iii) General Reserve		
Opening balance	1,41,452	1,10,052
Add :Transferred from Surplus in Consolidated Statement of Profit and Loss	60,000	31,400
Add :Addition during the year (Refer note 45.1)	2,120	-
Less : Utilised during the year	33,926	-
Closing balance	**1,69,646**	**1,41,452**
(iv) Hedging Reserve		
Opening balance	(397)	4
Add : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	412	-
Less : Reversed on settlement of hedge contracts	-	401
Closing balance	**15**	**(397)**
(v) Foreign Currency Translation Reserve		
Opening balance	2,234	747
Add : Effect of foreign exchange rate changes	999	1,487
Less : Utilised during the year		-
Closing balance	**3,233**	**2,234**
(vi) Surplus in the Statement of Profit and Loss		
Opening Balance	96,421	1,08,289
Profit for the year	20,694	31,270
	1,17,115	**1,39,559**
Less : Appropriations		
Interim Dividend on Equity Shares -₹ 6/- per share (2012 : ₹ 4/- per share)	10,438	6,947
Dividend Distribution Tax	2,246	3,208
Transfer to Debenture Redemption Reserve (Net)	3,803	1,583
Transfer to General Reserve	60,000	31,400
Closing Balance	**40,628**	**96,421**
(vii) Adjustment on consolidation		
Opening balance	(54,287)	(49,604)
Add : Addition during the year	22,833	(4,683)
Closing balance	**(31,454)**	**(54,287)**
CLOSING BALANCE OF REVENUE RESERVES [3B (i) to (vii)]	**1,88,960**	**1,92,315**
TOTAL RESERVES AND SURPLUS (3A) +(3B)	**2,41,524**	**2,40,648**

3.1 Debenture Redemption Reserves account has been created for ₹ 5,053 Lakh (2012 - ₹ 1,583 Lakh) by transfer from Statement of Profit and Loss for Non-convertible Debentures of ₹ 45,850 Lakh (2012 - ₹ 19,000 Lakh).

3.2 Deduction during the year represents ₹ 14 Lakh (2012 - ₹ 14 Lakh) transferred to Statement of Profit and Loss.

NOTE 4
LONG TERM BORROWINGS

₹ in lakh

Particulars	Non-Current Portion		Current Maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(a) Privately placed Secured, Redeemable Non-convertible debenture				
9.25% Secured Redeemable Non-convertible debentures 2012-13 series (Refer note 4.1)	10,000	-	-	-
9.15% Secured Redeemable Non-convertible debentures 2012-13 series (Refer note 4.2)	6,000	-	-	-
10.40% Secured Redeemable Non-convertible debentures 2011-12 series (Refer note 4.3)	6,000	6,000	-	-
10.25% Secured Redeemable Non-convertible debentures 2011-12 series (Refer note 4.4)	4,000	4,000	-	-
9.40% Secured Redeemable Non-convertible debentures 2010-11 series (Refer note 4.5)	-	4,000	4,000	-
8.65% Secured Redeemable Non-convertible debentures 2009-10 series (Refer note 4.6)	-	-	-	5,000
(b) Unsecured, Redeemable Non-convertible debenture				
9% Unsecured Redeemable Non Convertible Fully paid Bonus debentures of ₹ 15/- each (Refer note 4.7)	15,850	-	-	-
(c) Secured Term Loans from: (Refer note 4.8)				
Banks	1,49,194	1,03,188	16,421	13,855
Government of India - Sugar Development Fund	8,115	10,119	2,172	1,643
(d) Other loans and advances				
Unsecured loan from others (Refer note 4.9)	2,596	2,500	8	-
(e) Add: Share in Joint venture (Refer note 1.4.6)	-	9,830	-	-
	2,01,755	**1,39,637**	**22,601**	**20,498**
The above amount includes				
Secured Borrowings	1,99,159	1,37,137	22,593	20,498
Unsecured Borrowings	2,596	2,500	8	-
Amount disclosed under the head "other current liabilities" (Note 8)	-	-	(22,601)	(20,498)
Net amount	**2,01,755**	**1,39,637**	**-**	**-**

4.1 1,000 - 9.25% Secured Redeemable Non-convertible Debentures of ₹ 10 lakh each aggregating to ₹ 10,000 lakh to be secured by a *pari passu* first charge by way of a registered mortgage deed on the Company's specific immovable properties. Debentures are redeemable in full at par on 18th March 2016.

4.2 600 - 9.15% Secured Redeemable Non-convertible Debentures of ₹ 10 lakh each aggregating to ₹ 6,000 lakh are secured by a *pari passu* first charge by way of a registered mortgage deed on the Company's immovable properties situated at Pugalur. Debentures are redeemable in full at par on 23rd October 2015.

4.3 600 - 10.40% Secured Redeemable Non-convertible Debentures of ₹ 10 lakh each aggregating to ₹ 6,000 lakh 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 3rd January, 2015.

4.4 400 - 10.25% Secured Redeemable Non-convertible Debentures of ₹ 10 lakh each aggregating to ₹ 4,000 lakh 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 11th July, 2014.

4.5 400 - 9.40% Secured Redeemable Non-convertible Debentures of ₹ 10 lakh each aggregating to ₹ 4,000 lakh 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.

4.6 500 - 8.65% Secured Redeemable Non-convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 5,000 lakh 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 redeemed in full at par on 4th September 2012.

4.7 9% Unsecured redeemable non-convertible fully paid bonus debentures of ₹ 15/- each, are redeemable at par over three years commencing from July 23, 2014 (₹ 5/- per debenture each year) and interest is payable on an annual basis commencing from July 23, 2013 upto July 23, 2016 (Refer note 35).

4.8 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.

4.9 The Interest free loan is repayable after 12 years.

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

NOTE 5.1
OTHER LONG TERM LIABILITIES

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Trade Payables	-	853
(b) Other payables	27	399
	27	**1,252**

5.1.1 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2013 (2012 - Nil) which is on the basis of such parties having been identified by the Management.

NOTE 5.2
LONG-TERM PROVISIONS

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
(a) For Gratuity	377	360
(b) For Compensated absences	1,003	772
(c) For other employee benefits	471	635
(d) Add: Share in Joint Venture (Refer note 1.4.6)	-	1
	1,851	**1,768**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6
SHORT TERM BORROWINGS

₹ *in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Loans repayable on demand		
From Banks		
(i) Secured (Refer note 6.1)	76,837	81,168
(ii) Unsecured (Refer note 6.2)	1,46,357	2,10,824
(b) Short term loans		
From Banks		
(i) Secured (Refer note 6.1)	9,664	-
(ii) Unsecured (Refer note 6.2)	24,589	-
(c) Commercial Papers - Unsecured	35,500	4,000
(d) Security Deposits - Unsecured	42	36
(e) Inter-corporate deposits	-	2,000
(f) Loans from others	2,509	95
(g) Add: Share in Joint Venture (Refer note 1.4.6)	-	20
	2,95,498	**2,98,143**

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.

NOTE 7
TRADE PAYABLES

₹ *in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
Trade payables (Refer note 7.1):		
(a) Acceptances	1,40,959	86,061
(b) Other than Acceptances	1,34,948	1,48,747
(c) Add: Share in Joint Venture (Refer note 1.4.6)	-	1,891
	2,75,907	**2,36,699**

7.1 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2013 (2012 - Nil) which is on the basis of such parties having been identified by the Management.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8
OTHER CURRENT LIABILITIES

₹ *in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Current maturities of long-term debt	22,601	20,498
(b) Interest accrued but not due on borrowings	4,644	3,610
(c) Interest accrued but not due on others	610	531
(d) Interest accrued and due on borrowings	24	-
(e) Unclaimed dividends (Refer note 8.1 and 8.2)	1,719	1,687
(f) Other Liabilities		
(i) Vendor for purchase of capital goods	7,775	4,412
(ii) Other Miscellaneous Liabilities (Refer note 8.3 and 8.4)	28,226	23,707
(iii) Advances and Deposits from Customers/Others	23,254	17,255
(g) Add: Share in Joint Venture (Refer note 1.4.6)	-	3,624
	88,853	**75,324**

8.1 These amounts represent warrants issued to the Shareholders which remained unpresented as at March 31, 2013.

8.2 There are no amounts due to be credited to Investor Education and Protection Fund as at March 31, 2013.

8.3 Other liabilities include indemnity amounts aggregating ₹ 2,254 lakh held back in accordance with the share purchase agreements in respect of acquisitions (Refer note 26).

8.4 Other Miscellaneous Liabilities also include 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

₹ *in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for compensated absences	1,031	827
(b) Provision for other employee benefits	506	723
(c) Provision for Dividend and Tax on dividend proposed by subsidiary	7,010	1,375
(d) Provision for tax net of advance tax	2,721	-
(e) Provision for others	4	87
(f) Add: Share in Joint Venture (Refer note 1.4.6)	-	24
	11,272	**3,036**

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

₹ *in lakh*

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION AND AMORTISATION						NET BLOCK	
	Cost/Value As at April 1, 2012	Additions on Acquisitions (See note 10.3)	Additions	Deletions / Adjustments	Effect of Translation	Cost/Value As at March 31 2013	As at April 1, 2012	Additions on Acquisitions (See note 10.3)	For the year	Withdrawn/ for the year adjustments	Effect of Translation	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible assets (A)														
Freehold Land	33,950	528	204	160	(6)	**34,516**	-	-	-	-	-	**-**	**34,516**	33,950
Leasehold Land	2,139	2,572	4	(1)	(5)	**4,711**	288	109	60	7	1	**451**	**4,260**	1,851
Buildings (Refer note 10.1 & 10.2)	44,131	13,133	6,470	(227)	(159)	**63,802**	10,030	1,158	1,676	(33)	(35)	**12,862**	**50,940**	34,101
Railway Siding	724	-	1,821	5	-	**2,540**	360	-	36	5	-	**391**	**2,149**	364
Plant and Machinery	2,82,916	37,574	54,224	1,178	(155)	**3,73,381**	1,21,569	4,619	17,692	3,081	(55)	**1,40,744**	**2,32,637**	1,61,347
Furniture & Fixtures and Office Equipment	13,617	354	1,088	2,978	2	**12,083**	7,913	183	1,177	866	3	**8,410**	**3,673**	5,704
Vehicles	3,648	252	544	418	(4)	**4,022**	1,879	135	494	290	(2)	**2,216**	**1,806**	1,769
Add: Share in Joint venture (Refer note 1.4.6)	22,565	(22,565)	-	-	-	**-**	1,592	(1,592)	-	-	-	**-**	**-**	20,973
Total (A)	**4,03,690**	**31,848**	**64,355**	**4,511**	**(327)**	**4,95,055**	**1,43,631**	**4,612**	**21,135**	**4,216**	**(88)**	**1,65,074**	**3,29,981**	**2,60,059**
Intangible Assets (B)														
Patent	2,620	-	139	8	66	**2,817**	851	-	307	(9)	(46)	**1,121**	**1,696**	1,769
Product development	1,466	-	97	197	-	**1,366**	207	-	58	13	-	**252**	**1,114**	1,259
Softwares	128	-	21	-	(1)	**148**	56	-	27	-	-	**83**	**65**	72
Licence	-	13	-	-	-	13	-	3	2	-	-	**5**	**8**	-
Add: Share in Joint venture (Refer note 1.4.6)	7	(7)	-	-	-	-	1	(1)	-	-	-	-	-	6
Total (B)	**4,221**	**6**	**257**	**205**	**65**	**4,344**	**1,115**	**2**	**394**	**4**	**(46)**	**1,461**	**2,883**	**3,106**
Total (A) + (B)	**4,07,911**	**31,854**	**64,612**	**4,716**	**(262)**	**4,99,399**	**1,44,746**	**4,614**	**21,529**	**4,220**	**(134)**	**1,66,535**	**3,32,864**	**2,63,165**
Capital Work - in Progress													48,897	60,506
													3,81,761	**3,23,671**

10.1 Includes cost of ₹ 31 Lakh (2012 - ₹ 31 Lakh) for which title deeds are yet to be received from the Registrar.
10.2 Includes Building on Leasehold land : Cost : ₹ 884.41 Lakh (2012 - ₹ 884.41 Lakh) and Accumulated Depreciation : ₹ 244.00 Lakh (2012 - ₹ 229.27 Lakh).
10.3 Represent Assets taken over during the current year on acquisition of Subsidiaries / conversion of Joint venture entity into subsidiary.
10.4 The above assets include certain assets used for Research and Development.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 10
FIXED ASSETS (continued)
PREVIOUS YEAR 2011-12

₹ *in lakh*

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION AND AMORTISATION					NET BLOCK	
	Cost/Value As at April 1, 2012	Additions on Acquisitions	Additions	Deletions / Adjustments	Cost/Value As at March 31 2013	As at April 1, 2012	Additions on Acquisitions	For the year	Withdrawn/ for the year adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible assets (A)												
Freehold Land	33,992	7	104	153	**33,950**	-	-	-	-	**-**	**33,950**	33,992
Leasehold Land (Refer note 10.1)	1,908	129	28	(74)	**2,139**	238	15	33	(2)	**288**	**1,851**	1,670
Buildings (Refer 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	2,56,765	14,213	14,653	2,715	**2,82,916**	1,03,956	6,413	13,602	2,402	**1,21,569**	**1,61,347**	1,52,809
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					**22,565**					**1,592**	**20,973**	21,352
Total (A)	**3,45,881**	**17,931**	**20,548**	**3,235**	**4,03,690**	**1,20,024**	**7,453**	**17,333**	**2,771**	**1,43,631**	**2,60,059**	**2,47,209**
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					7					1	6	-
Total (B)	**689**	**1,549**	**1,924**	**(52)**	**4,221**	**337**	**202**	**565**	**(10)**	**1,115**	**3,106**	**352**
Total (A) + (B)	**3,46,570**	**19,480**	**22,472**	**3,183**	**4,07,911**	**1,20,361**	**7,655**	**17,898**	**2,761**	**1,44,746**	**2,63,165**	**2,47,561**
Capital Work - in Progress											60,506	34,348
											3,23,671	**2,81,909**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11
NON-CURRENT INVESTMENTS (AT COST)

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
I. Quoted Investments		
(A) Trade Investments		
(a) Investments in Equity Instruments		
(i) Other Companies	44	33
Total Quoted Investments	**44**	**33**
Market Value of Quoted Investments	**275**	**258**
II. Unquoted Investments		
(A) Trade Investments		
(a) Investments in Equity Instruments		
(i) Other companies	15,934	14,853
(B) Other Investments		
(a) Investments in Equity Instruments		
(i) Other companies	234	162
(b) Investments in Government or trust securities		
Government Securities (Lodged as Security deposit)	1	1
(c) Investments in debentures or bonds		
Rural Electrical Corporation 5 Year 5.5% Redeemable Bonds	64	64
Total Unquoted Investments	**16,233**	**15,080**
Less : Provision for diminution in value of investments	(141)	-
Total Non-Current Investments	**16,136**	**15,113**

11.1 - Refer note 1.16 for valuation of investments.

NOTE 12
LOANS AND ADVANCES

₹ in lakh

Particulars	Long-Term		Short-Term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Unsecured and considered good unless otherwise stated:				
(a) Capital Advances	3,740	6,887	-	-
(b) Security Deposits	6,656	2,429	101	46
(c) Advance Income Tax (net of provisions)	3,062	322	53	89
(d) Balance with Customs and Central Excise Authorities	97	93	3,798	3,548
(e) MAT Credit Entitlement	6,325	125	7,239	2,180
(f) Government Subsidies receivable	-	-	1,37,558	1,62,599
(g) Loans and Advances to related parties (Refer note 12.1)	2,168	-	-	-
(h) Advance recoverable in cash or in kind or for value to be received				
(i) Unsecured and Considered Good	144	2,977	75,591	58,554
(ii) Considered Doubtful	1,125	242	1,131	794
Less: Provision for Doubtful Advances	(1,125)	(242)	(1,131)	(794)
(i) Add: Share in Joint Venture (Refer note 1.4.6)	-	12	-	376
	22,192	**12,845**	**2,24,340**	**2,27,392**

12.1 Represents loan given by Coromandel International Limited, a subsidiary of the Company, to TIFERT which is compulsorily convertible to equity shares at the end of three years from November 2012 (Refer note 44 (d)).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13
CURRENT INVESTMENTS

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
I. Quoted Investments		
(A) Trade Investments		
(a) Investments in Equity Instruments		
(i) Other companies	4	4
(B) Other Investments		
(a) Investments in Equity Instruments		
(i) Other companies	5	40
(C) Investments in Mutual Funds		
(D) Add: Share in Joint Venture (Refer note 1.4.6)	-	2
	9	**46**
II. Un Quoted Investments		
(A) Other Investments		
(a) Investments in Government or trust securitires	1	-
(B) Investments in Mutual Funds	1,810	438
	1,811	**438**
Total	**1,820**	**484**

13.1 Out of the above, Current investments considered as Cash and Cash Equivalent amounts to Nil (2012- ₹ 300 lakh)

NOTE 14
INVENTORIES

(At lower of cost and net realisable value) *₹ in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Raw materials	62,600	1,02,098
(b) Work-in-process (Refer note 14.2)	5,822	8,714
(c) Finished goods	1,59,776	92,187
(d) Stock-in-trade (goods acquired for trading)	26,580	34,660
(e) Stores and spares	12,295	9,379
(f) Add: Share in Joint Venture (Refer note 1.4.6)	-	227
	2,67,073	**2,47,265**

14.1 Mode of valuation of Inventories - Refer note no 1.7
14.2 Includes ₹ 695 Lakh (2012 - ₹ 3,720 Lakh) of property development expenses held as Inventory by a subsidiary.
14.3 Finished goods as at 31st March 2013 is net of provision for obselete inventory.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15
TRADE RECEIVABLES

₹ in lakh

Particulars	Non Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
(i) Secured - Considered good	-	-	730	230
(ii) Unsecured - Considered good	-	526	12,356	6,146
(iii) Unsecured - Considered doubtful	-	-	3,593	2,338
Less: Provision for doubtful debts	-	-	(3,593)	(2,338)
	-	**526**	**13,086**	**6,376**
(b) Other Trade Receivables				
(i) Secured - Considered good	-	-	5,303	5,871
(ii) Unsecured - Considered good	-	-	1,84,978	1,09,880
	-	**-**	**1,90,281**	**1,15,751**
(c) Other receivables - Considered good	-	-	-	697
(d) Add: Share in Joint Venture (Refer note 1.4.6)	-	-	-	1
	-	**526**	**2,03,367**	**1,22,825**

NOTE 16
CASH AND CASH EQUIVALENTS

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Cash on hand	253	75
(b) Cheques, drafts on hand	815	1,690
(c) Balances with banks		
(i) In Current account	21,910	42,987
(ii) In Deposit account	17,041	56,372
(iii) In earmarked accounts		
- In Dividend account	1,714	1,681
- Margin Money account	3,601	1,557
- Escrow account	11,301	-
(d) Add: Share in Joint Venture (Refer note 1.4.6)	-	349
	56,635	**1,04,711**

16.1 Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 39,556 Lakh (2012 - ₹ 1,01,339 Lakh)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17
OTHER ASSETS

₹ in lakh

Particulars	Non Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
(a) Income Accrued on Deposits etc.	-	-	5,020	1,299
(b) Unbillled revenue	-	-	11,943	5,689
(c) Mark to market provision	-	-	240	-
(d) Others	229	-	368	-
(e) Add: Share in Joint Venture (Refer note 1.4.6)	-	299	-	-
	229	**299**	**17,571**	**6,988**

NOTE 18
REVENUE FROM OPERATIONS

₹ in lakh

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
(a) Sales of Products (Refer note 18.1 for details)	8,51,165	7,60,297
(b) Sales of services	156	434
(c) Government Subsidies	2,97,129	4,74,639
(d) Other operating revenues (Refer note 33)	8,996	13,521
(e) Add: Share in Joint Venture (Refer note 1.4.6)	84	16,185
	11,57,530	**12,65,076**

18.1 DETAILS OF PRODUCTS SOLD

₹ in lakh

Classes of goods	For the year Ended March 31, 2013	For the year Ended March 31, 2012
Farm inputs	6,13,169	5,13,280
Sugar	1,74,186	1,90,468
Sale of Flats	6,250	5,536
Others	57,560	51,013
	8,51,165	**7,60,297**

NOTE 19
OTHER INCOME

₹ in lakh

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
(a) Interest Income	6,262	5,745
(b) Dividend Income		
(i) Current investments	1,228	1,984
(ii) Long term investments	335	656
(c) Profit on sale of fixed assets (Net)	180	338
(d) Other non-operating income	1,710	1,878
(e) Add: Share in Joint Venture (Refer note 1.4.6)	-	100
	9,715	**10,701**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 20
COST OF MATERIALS CONSUMED *₹ in lakh*

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
(a) Farm Inputs	5,17,289	5,90,623
(b) Raw Material for Sugar Business (Refer note 20.1)	1,83,821	1,61,308
(c) Others	27,695	23,634
	7,28,805	**7,75,565**

20.1 Includes liability relating to earlier years : Current year - Nil (2012 - ₹ 826 lakh)

NOTE 21
PURCHASES OF STOCK-IN-TRADE *₹ in lakh*

CLASSES OF GOODS	For the year Ended March 31, 2013	For the year Ended March 31, 2012
(a) Farm Inputs	1,52,071	1,93,663
(b) Sugar	4	-
(c) Others	1,568	1,213
	1,53,643	**1,94,876**

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

₹ in lakh

Particulars	For the year Ended March 31, 2013		For the year Ended March 31, 2012	
(Increase)/Decrease in Stocks				
(a) Opening Stock:				
Work-in-process	4,994		5,237	
Finished goods	92,310		86,255	
Stock-in-trade	34,660		6,513	
	1,31,964		98,005	
Stock on date of acquisition of subsidiary:				
Work-in-process	43		-	
Finished goods	5,458		-	
	5,501		-	
(b) Closing Stock:				
Work-in-process	5,127		4,994	
Finished goods	1,59,936		92,310	
Stock-in-trade	26,580		34,660	
	1,91,643	(54,178)	1,31,964	(33,959)
(c) Add: Share in Joint Venture (Refer note 1.4.6)		1		7,194
		(54,177)		**(26,765)**

NOTE 23
EMPLOYEE BENEFIT EXPENSE *₹ in lakh*

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
(a) Salaries, Wages and Bonus	31,749	26,609
(b) Contribution to Provident and Other Funds	2,431	2,138
(c) Workmen and Staff Welfare Expenses	3,763	3,399
(d) Add: Share in Joint Venture (Refer note 1.4.6)	44	222
	37,987	**32,368**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24
FINANCE COSTS *₹ in lakh*

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
Interest expense		
(a) Debentures	2,870	1,273
(b) Other term loans	27,812	21,736
(c) Other borrowing costs (Refer note 24.1)	5,650	3,726
(d) Exchange difference to the extent considered as an adjustment to borrowing costs	1,255	740
(e) Add: Share in Joint Venture (Refer note 1.4.6)	1,191	1,888
	38,778	**29,363**

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 *₹ in lakh*

Particulars	For the year Ended March 31, 2013		For the year Ended March 31, 2012	
(a) Consumption of Stores, Spares and Consumables		11,159		11,967
(b) Power and Fuel		21,678		13,772
(c) Rent		2,880		2,603
(d) Repairs and Maintenance				
- Building	714		330	
- Plant and Machinery	7,378		6,670	
- Others	3,847	11,939	3,040	10,040
(e) Insurance		1,370		1,118
(f) Rates and Taxes (Refer note 25.1)		4,723		2,922
(g) Packing, Despatching and Freight		58,056		54,164
(h) Commission to Selling Agents		281		203
(i) Rebates and Discounts		20		29
(j) Directors' Fees and Commission		194		303
(k) Sales Promotion and Publicity		1,738		1,936
(l) Fixed Assets scrapped		33		16
(m) Professional Charges		3,581		3,014
(n) Provision for Doubtful Debts and Advances		2,467		2,226
(o) Bad Debts/Advances written off	1,430		341	
Less: Transfer from provision	(813)	617	-	341
(p) Impairment of investment in subsidiary		900		-
(q) Impairment of Other investments		47		-
(r) Loss on sale of investments		1		-
(s) Loss on sale of fixed assets		226		-
(t) Loss on sale of Fertiliser Special Bonds (Refer note 33)		-		5,275
(u)General Manufacturing, Selling and Administration Expenses		25,517		23,761
(v)Net Loss on foreign currency transaction and translation (other than considered in finance cost)		21,919		15,325
(w) Add: Share in Joint Venture (Refer note 1.4.6)		252		3,601
		1,69,598		**1,52,616**

25.1Total 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 Rates & Taxes.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26. Acquisition of Liberty Phosphates Limited ("LPL") and Liberty Urvarak Limited ("LUL")

(a) Liberty Phosphate Limited :
Consequent to the share purchase agreement entered into by Coromandel International Limited (CIL), a subsidiary of the Company, on January 24, 2013 with the erstwhile promoters of Liberty Phosphate Limited (LPL), CIL on March 7, 2013 acquired 70,19,406 equity shares (representing 48.62%) from the erstwhile promoters of LPL at a price of ₹ 241/- per share and the Board of Directors of LPL was reconstituted and effective March 7, 2013, LPL became a subsidiary of CIL. CIL also made a detailed public announcement to acquire upto 37,53,933 equity shares (26% of the equity share capital) of LPL at a price of ₹ 241/- per share through an open offer from the shareholders in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, the total Open offer consideration aggregating ₹ 9,047 Lakh has been deposited by CIL in an escrow account. The draft letter of offer has been filed with SEBI and approval is awaited.

(b) Liberty Urvarak Limited:
Consequent to the share purchase agreement entered into by Coromandel International Limited (CIL), a subsidiary of the Company, on January 24, 2013 with the shareholders of Liberty Urvarak Limited (LUL), CIL acquired 29,97,552 (100%) equity shares of LUL for a consideration of ₹ 7,800 Lakh thereby making LUL a wholly owned subsidiary of CIL. LUL holds 5% of the voting share capital of LPL and by virtue of acquiring the controlling stakes (100%) in LUL, CIL along with LUL holds 77,42,334 (53.62%) equity shares of LPL.

(c) Business undertaking of Tungabhadra Fertilizers and Chemicals Company Limited:
The Board of Coromandel International Limited (CIL), a subsidiary of the Company, has also approved the acquisition of Business undertaking of M/s. Tungabhadra Fertilizers and Chemicals Company Limited (TFCCL), as a going concern on a slump sale basis, which acquisition is pending.

27 Acquisition of Sabero Organics Gujarat Limited ("Sabero") during year ended 31 March 2012

(a) Pursuant to the approval from Securities Exchange Board of India (SEBI) for the Open Offer under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, Coromandel International Limited (CIL), a subsidiary of the Company, had acquired 1,05,00,000 (31%) equity shares of Sabero Organics Gujarat Limited (Sabero) at a price of ₹ 160/- per share. Further, pursuant to the Share Purchase Agreement entered into with the erstwhile promoters of Sabero, CIL completed the acquisition of 1,42,98,112 (42.22%) equity shares of Sabero and effective 17 December 2011 Sabero became a subsidiary of CIL.

(b) Non-compete fee aggregating ₹ 3,553 lakh paid to the erstwhile Indian promoters of Sabero as per the Share Purchase Agreement has been disclosed as an Exceptional Item for the year ended March 31, 2012.

28 Additional Investments made during the year

During the year, the Company has increased its stake in Silkroad Sugar Private limited, from 50% to 99% by buying out the entire stake of its foreign Joint Venture partner- Cargill Asia Pacific Holdings Pte Limited. Consequent to this acquisition, Silkroad Sugar Private Limited has become a subsidiary of the Company, with effect from 12th December, 2012.

The Company also acquired additional 500 Lakh Equity shares of ₹ 10/- each, in Sadashiva Sugars Limited, a wholly owned subsidiary of the Company, by conversion of ₹ 5,000 lakh of Unsecured loan.

The Company also acquired 150 Lakh of Preference shares of ₹ 10/- each, in Parrys Sugar Industries Limited, by conversion of ₹ 1,500 lakh of Unsecured loan.

29 Merger of units of subsidiary into the Parent Company

Pursuant to the Scheme of Arrangement (the Scheme), between Parry Sugar Industries Limited (Demerged Company), subsidiary of the Company and the Company, as sanctioned by the Honourable High Court of Judicature at Madras, and filed with ROC on March 18, 2013 the assets and liabilities of manufacturing facility at Haliyal and Sankili was transferred to and vested in the Company from April 1, 2012. Excess of consideration over assets over

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

liabilities of ₹ 12,542 Lakh has been adjusted in Reserves as per the Scheme of Arrangement. In consideration for the above, the company, in the ratio of five equity shares of ₹ 1/- each credited as fully paid up, for every nineteen equity shares of ₹ 10/-each held in the Demerged Company, issued 18,38,578 equity shares of ₹ 1/- each aggregating to ₹ 18.39 Lakh to the external shareholders of Demerged company on March 28, 2013.

NOTE 30 (A)
COMMITMENTS

₹ in lakh

Particular	As at March 31, 2013	As at March 31, 2012
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	9,403	21,779
(ii) Uncalled liability on shares and other investments partly paid *	12,308	380
(iii) Other commitments - Purchase order given for items such as rawmaterials, services etc.,	248	1,258

*Excludes ₹ 9,047 Lakh in respect of the total open offer consideration relating to Liberty Phosphate Limited which has been deposited in escrow account.

(iv) During the previous and in the current year, the subsidiary company, Coromandel International Limited (Coromandel) issued comfort letters to certain banks who have lent to Sabero Organics Gujarat Limited (Sabero), its subsidiary, in terms of which Coromandel has undertaken that it shall not reduce its shareholding in the subsidiary below 51%. In connection with the credit rating for the Commercial Paper programme of Sabero, the Coromandel has issued a similar comfort letter (which also includes the assurance of making funds available, if required, to Sabero to enable it to meet its obligation under the aforesaid programme).

(v) Maximum obligation of the subsidiary company, Coromandel, on long term lease of land - ₹ 174 lakh (2012 - ₹ 273 lakh)

NOTE 30 (B)
OTHER MONIES FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE

₹ in lakh

Particulars	As at March 31, 2013	As at March 31, 2012
(i) Letters of Credit and Bank Guarantees established for Purchases of Raw Materials, Spares and Capital Goods	10,424	8,504
(ii) 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	3,263	18,000
(iii) Guarantees to third parties by Coromandel International Limited, a subsidiary on behalf of its subsidiary CFL Mauritius Limited	1,098	6,716
(iv) Guarantees by Coromandel International Limited, a subsidiary towards borrowing of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT), a joint venture company	25,191	26,330
(v) Corporate Guarantees given by the Company to banks in respect of crop loans to farmers and H&T loan etc.,	3,702	4,599
(vi) Disputed Income Tax Demands which are under various stages of Appeal	2,857	2,917
(vii) Disputed Sales Tax, Excise Duty and Custom Duty Demands	11,136	9,233

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ *in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
(viii) Other Contingent Liabilities:		
(a) In respect of assignment of receivables from fertiliser dealers and dealers financing by bank	7,958	2,500
(b) In respect of assignment/ sale of trade and subsidy receivables where option to buy-back rests with the subsidiary company, Coromandel International Limited	25,000	20,000
(ix) Certain Industrial Disputes are pending before Tribunal / High Courts. The liability of the Group in respect of this disputes depends upon the final outcome of such cases and the quantum of which is not currently ascertainable.		

31. Coromandel International Limited (CIL), a subsidiary of the company, has entered into certain operating lease agreements and an amount of ₹ 1,602 lakh (2012 - ₹ 1,281 lakh) 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.

    Parrys Sugar Industries Limited (PSIL), a subsidiary of the Company has entered in to a non cancellable operating lease agreement with Shri DhanaLakshmi Sahakri Sakkari Karkhane Niyamit, Ramdurg for the lease of sugar factory together with the specified assets on Build, Own, Operate and Transfer basis (BOOT) for a period of 25 years. Lease rentals of ₹ 770 Lakh (2012 - ₹ 747 Lakh) in respect of the obligation under such lease agreement have been recognized in the Profit and Loss Account.

    Future obligations of lease rentals applicable to the above lease agreement aggregate to ₹ 13,469 Lakh (2012 - ₹ 14,238 Lakh) and are due:

₹ *in lakh*

Particulars	March 31, 2013	March 31, 2012
Not later than one year	793	770
Later than one year and not later than five years	3,417	3,317
Later than five years	9,259	10,151
	13,469	**14,238**

32. In respect of subsidiary company, Coromandel, has recognised subsidy income as per the prevalent Nutrient Based Subsidy (NBS) Policy announced by Government of India. Such income is included in "Government Subsidies" in the Statement of Profit and Loss. The subsidy income for the year includes ₹ 10,884 lakh (2012 - ₹ 4,612 lakh) relating to earlier years comprising of freight subsidy income consequent to the final notification by the Government and subsidy income on opening inventories as at April 1, 2011 based on the communication issued by the Department of Fertilisers vide letter dated August 22, 2012 with respect to the earlier Office Memorandum dated July 11, 2011.

33. During the previous financial year, consequent to the sale of the Government of India Special Bonds and receipt of losses claimed from the Government of India, Coromandel International Limted (CIL), a subsidiary of the Company, accounted for the loss of ₹ 5,275 lakh and the same is included under 'Other expenses' (Refer note 25) for the year ended March 31, 2012. The provision toward mark to market loss made earlier on such bonds amounting to ₹ 6,889 lakh has been reversed and is presented as 'Other operating revenue' for the year ended March 31, 2012.

34. During the year ended March 31, 2012, the Members of the subsidiary company, Coromandel pursuant to the provisions of Section 293(1)(a) of the Act approved the transfer/assigning of the lease rights on the land located at Navi Mumbai to prospective buyers. As at March 31, 2013, the Company is in the process of identifying potential buyers.

35. During the year, Coromandel International Limited (CIL), a subsidiary of the Company, has issued and allotted 28,28,17,658 - 9% Unsecured Redeemable Non-convertible Fully Paid Bonus Debentures of ₹ 15/- each for every equity share, aggregating ₹ 42,423 lakh to the shareholders (out of this, debentures worth ₹ 26,573 lakh have been alloted to the Parent Company and has been eliminated in the Consolidated Financial Statements) by appropriating the General Reserve through a Scheme of Arrangement (Scheme) approved by Hon'ble High Court of Andhra Pradesh and other relevant authorities. Further, in terms of the accounting treatment set out in the Scheme, dividend distribution tax paid on the aforesaid Debentures aggregating ₹ 6,882 lakh was also transferred from the General Reserve. The Company has also created a debenture redemption reserve amounting to ₹ 2,553 lakh as per the requirements of the Act and in accordance with the clarifications given by the Ministry of Corporate Affairs.

36. Exchange difference in respect of forward exchange contracts relating to Coromandel International Limited (CIL), a subsidiary of the Company, to be recognised in the Consolidated Statement of Profit and Loss in the subsequent accounting period is ₹ 4,686 lakh debit (2012: ₹ 1,969 lakh debit).

37. Segment Reporting as at March 31, 2013

Composition of Business Segments:
Primary Segment :

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

Secondary Segments
Geographical Segment:

India	North America	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.

37. Segment Reporting as at March 31, 2013

Composition of Business Segments

₹ *in lakh*

Particulars	PRIMARY SEGMENTS															
	Farm Inputs		Sugar		Cogeneration		Distillery		Bio Products		Others		Elimination		Overall	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue (Sales/Income) : (Gross of Excise Duty)																
External Customers	9,10,629	9,87,919	1,74,233	1,90,835	17,062	15,826	20,139	16,780	26,184	22,714	203	5,716	-	-	11,48,450	12,39,790
Inter-segmental Sales	-	-	1,925	4,293	10,002	6,155	-	-	-	-	-	-	(11,927)	(10,448)	-	-
Total	**9,10,629**	**9,87,919**	**1,76,158**	**1,95,128**	**27,064**	**21,981**	**20,139**	**16,780**	**26,184**	**22,714**	**203**	**5,716**	**(11,927)**	**(10,448)**	**11,48,450**	**12,39,790**
Results :																
Operating Profit/(Loss)	69,683	1,03,725	(468)	(3,139)	8,237	8,672	7,083	3,813	1,562	922	(2,097)	(553)	-	-	84,000	1,13,440
Profit/(Loss) on Sale of Investment															-	(5,275)
Interest Income															6,262	5,745
Dividend Income															1,563	2,640
Share in Joint Venture PBT															(1,191)	(4,301)
Interest Expenses															(38,778)	(29,363)
Profit before Tax and Exceptional items															**51,856**	**82,886**
Exceptional items															-	(3,553)
Profit before Tax															51,856	79,333
Income Tax - Current															(12,601)	(29,995)
- MAT Credit Entitlement															11,259	750
- Deferred															(14,187)	2,572
Net Profit After Tax															**36,327**	**52,660**
Less: Share of Minority Interest															(15,633)	(21,390)
Net Profit relating to the Group															**20,694**	**31,270**
Other Information :																
Segment Assets	8,41,205	7,96,506	2,61,343	1,51,025	56,741	59,030	24,789	25,701	27,314	22,504	872	261	-	-	12,12,264	10,55,027
Share in Joint Venture															-	23,744
Unallocated Corporate Assets															31,656	30,953
Total Assets															**12,43,920**	**11,09,724**
Segment Liabilities	6,10,920	2,55,394	1,30,518	61,039	3,316	3,577	2,051	1,609	8,759	7,223	16,633	13,473	-	-	7,72,197	3,42,315
Share in Joint Venture															-	15,390
Unallocated Corporate Liabilities															1,35,114	4,16,862
Minority Interst															93,327	92,772
Total Liabilities															**10,00,638**	**8,67,339**
Capital Expenditure	33,953	31,634	16,632	12,255	2,871	1,804	1,322	963	1,601	1,209	177	765	-	-	56,556	48,630
Depreciation	7,111	5,970	8,032	5,687	3,642	3,544	1,566	1,521	816	777	348	1,462	-	-	21,515	18,961
Non-cash expenditure (excluding Depreciation)															5,556	7,864

Particulars	SECONDARY SEGMENTS									
	India		North America		Europe		Rest of the World		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Revenue	10,82,768	11,92,466	20,109	13,717	37,769	24,532	7,804	9,075	11,48,450	12,39,790
Carrying Amounts of :										
Segment Assets	12,30,634	10,94,273	11,668	9,327	879	3,837	739	2,287	12,43,920	11,09,724
Segment Liabilities	9,93,726	8,60,174	4,170	3,936	-	-	2,742	3,229	10,00,638	8,67,339
Capital Expenditure	56,269	47,995	287	635	-	-	-	-	56,556	48,630

38. Employee Benefit Plans

(i) Defined Contribution Plans

In respect of the defined contribution plans of the Company, an amount of ₹ 1,534 lakh (2012 - ₹ 1,467 lakh) has been recognised as an expense in the Consolidated Statement of Profit and Loss during the year.

(ii) Defined Benefit Plans

(a) The details of actuarial valuation in respect of Gratuity plan and the Superannuation and other Pension plans, in respect of parent company and domestic subsidiaries and the amounts recognised in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, are given below:

₹ *in lakh*

Particulars	Gratuity (Funded)		Superannuation and other Pension Plans*	
	2012-13	2011-12	2012-13	2011-12
Present Value of obligations at the beginning of the year	4,175	3,680	31	117
Current service cost	428	341	-	1
Interest Cost	309	269	1	9
Actuarial loss/(gain)	288	228	(24)	(96)
Benefits paid	(662)	(389)	-	-
Present Value of obligations at the end of the period	**4,538**	**4,129**	**8**	**31**
Amounts recognized in the Consolidated Balance Sheet				
Projected benefit obligation at the end of the period	4,538	4,129	8	31
Fair value of plan assets at end of the period	4,335	3,982	-	-
Funded status of the plans – (Asset)/Liability recognised in the Consolidated Balance Sheet	**203**	**147**	**8**	**31**
Cost for the period				
Current service cost	428	341	-	1
Interest Cost	309	269	1	9
Expected return on plan assets	(346)	(306)	-	-
Net actuarial (gain)/loss recognised in the period	302	194	(24)	(96)
Past service cost	-	-	-	-
Net Cost recognised in the Statement of Profit and Loss	**693**	**498**	**(23)**	**(86)**
Assumptions				
Discount rate	8 /8.25%	8/8.50%	8%	8%
Expected rate of planned assets	8%	8/8.50%		
Expected rate of salary increases	5 to 8%	5/6%		

*Nature and extent of investment details of the plan assets and Actual return on plan assets includes details of trusts other than those covered under a Scheme of Life Insurance Corporation of India.

(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 paragraph120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation report and hence, are not furnished.

(c) Employee benefits pertaining to overseas subsidiaries have been accrued based on their respective labour laws.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

39. Details of Research and Development expenditure incurred by the Approved Inhouse R & D Centres during the year

₹ in lakh

Particulars	2012 - 13	2011 - 12
(i) Revenue Expenses :		
(a) Revenue expenses on Research and Development included under various heads of accounts(excluding depreciation and fixed assets scrapped)	827	889
(b) Other Income relating to Research and Development	(65)	(86)
Net Revenue expenses on Research and Development	**762**	**803**
(ii) Fixed Assets additions in R & D Centre made during the year	**170**	**90**

40. 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 are as follows:

(a) Outstanding Forward Exchange / Swap contracts entered into by the Group as at March 31, 2013:

₹ in lakh

Particulars	Currency	Amount (Foreign Currency Millions)		Buy/ Sell	Amount (₹ In Lakh)	
		2012-13	2011-12		2012-13	2011-12
(i) Forward exchange contracts (net)	USD/INR	18.86	63.66	Sell	10,002	32,564
	EURO/INR	2.98	3.50	Sell	2,110	2,406
	USD/INR	543.74	431.70	Buy	2,95,248	2,19,649
(ii) ECB (Swaps) - EID *	USD/INR	5.00	5.00	Buy	2,488	2,488
(iii) ECB (Swaps) - CIL *	USD/INR	80.00	70.00	Buy	43,440	35,616

*The swap contract has been entered into to hedge the currency and interest rate risks on the external commercial borrowings of the Company.

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

(c) The forward contracts have been entered into to hedge the purchase of raw materials and stock-in-trade and the related buyer's credit and in certain cases the foreign currency trade receivables.

(d) Details of foreign currency exposures as at the Balance Sheet date that have not been hedged by a derivative instrument or otherwise are given below:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

40. Derivative transactions (continued)

Particulars	Currency	As at March 31, 2013		As at March 31, 2012*	
		Foreign currency amount in million	Amount ₹ in lakh	Foreign currency amount in million	Amount ₹ in lakh
Trade payables	USD	10.13	5,503	86.68	44,102
	AED	33.98	5,022	32.59	4,510
	EUR	0.21	147	-	-
	GBP	0.01	11	-	-
	PHP	0.12	1	-	-
Advance to suppliers	SEK	-	-	0.3	22
	EUR	-	-	0.18	116
Trade receivables	USD	12.06	6,544	-	-
	EUR	0.09	61	-	-
Borrowings	USD	16.46	8,940	9.48	4,825
	EUR	1.11	770	-	-

* Unhedged exposure relating to Coromandel International Limited.

41. Disclosures in respect of Joint Ventures

Name of the company	Country of incorporation	% of voting power held on March 31, 2013		% of voting power held on March 31, 2012	
		Direct	Indirect	Direct	Indirect
Silkroad Sugar Private Limited*	India	-	-	50	-
Coromandel Getax Phosphates Pte Ltd., (CGPL)	Singapore	-	31.30	-	31.35
Coromandel SQM India Private Limited (CSQMPL)	India	-	31.30	-	31.35
Tunisian Indian Fertilisers SA. (TIFERT)	Tunisia	-	9.39	-	9.40

* Became subsidiary during the year 2012-13

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

42. Employee Stock Option Plan (ESOP)

(a) Pursuant to the decision of the shareholders of EID Parry (India) Limited, at their meeting held on July 26, 2007, the Company has established an 'Employee Stock Option Scheme 2007'.

Under the Scheme, options not exceeding 8,924,850 equity shares of ₹ 1/- each have been reserved to be issued to the eligible employees. Each option comprises one underlying equity share.

As per the Scheme, the Compensation and nomination Committee grants the options to the employees deemed eligible. The exercise price of each 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. 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.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period. Since 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 during the current year.

(b) Employee stock options details as on the balance sheet date (March 31, 2013) are as follows:

Particulars	During the year ended March 31, 2013		During the year ended March 31, 2012	
	No. of Options	Weighted average exercise price per option (₹)	No. of Options	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	11,53,654	158.98	17,33,120	110.76
Granted during the year	-	-	2,85,900	245.60
Vested during the year	2,85,900	245.60	-	-
Exercised during the year	2,65,810	71.59	4,64,276	78.57
Cancelled during the year	2,47,502	150.99	4,01,090	96.95
Lapsed during the year	-	-	-	-
Options outstanding at the end of the year	6,40,342	203.66	11,53,654	158.98

(c) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

₹ in lakh

Assumptions	March 31, 2013	March 31, 2012
Risk Free Interest Rate	8%	8%
Expected Life	4	4
Expected Annual Volatility of Shares	0.46%	0.46%
Expected Dividend Yield	400%	400%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

43. Earnings per Share

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Profit after Taxation (₹ in Lakh) (A)	20,694	31,270
Number of equity shares of Re. 1 each outstanding at the beginning of the year	17,36,62,476	17,31,98,200
Add : Number of shares issued pursuant exercise of Employees Stock option	2,65,810	4,64,276
Add : Number of shares issued to PSIL Shareholders pursuant to merger	18,38,578	-
(a) Number of equity Shares of ₹ 1/- each outstanding at the end of the year	17,57,66,864	17,36,62,476
(b) Weighted Average number of Equity Shares	17,38,06,933	17,34,44,175
(c) Diluted shares on account of issue of ESOP granted	-	2,38,986
(d) Number of potential equity shares of ₹ 1/- each outstanding at the end of the year	17,38,06,933	17,36,83,161
Earnings per Share		
– Basic (₹) (A)/(b)	11.91	18.03
– Diluted (₹) (A)/(d)	11.91	18.00

44. Related Party Disclosure for the year ended March 31, 2013

(a) Associate Company (Investing Company)
Murugappa Holdings Limited

(b) Joint Venture Entities:
i) Silkroad Sugar Private Limited (upto December 11, 2012)
ii) Coromandel Getax Phosphates Pte Ltd. (CGPL)
iii) Coromandel SQM India Pvt Limited (CSQM)
iv) Tunisian Indian Fertilisers S.A (TIFERT)

(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.

(d) Transactions with related parties

₹ *in lakh*

Particulars	For the year ended March 31, 2013 Joint venture	For the year ended March 31, 2012 Joint venture
i) Sale of finished goods/raw materials/services		
Coromandel SQM India Pvt Limited (CSQM)	119	35
ii) Purchase of finished goods and services		
Coromandel SQM India Pvt Limited (CSQM)	1,543	100
iii) Rendering of services		
Silkroad Sugar Private Limited (SRSPL)	-	3
iv) Deputation Charges Received		
Silkroad Sugar Private Limited	-	65
v) Inter-corporate deposit/ loans given		
Coromandel SQM India Pvt Limited (CSQM)	-	25
Tunisian Indian Fertilisers S.A (TIFERT)	2,168	-
vi) Interest received on Inter-corporate deposit/ loan		
Tunisian Indian Fertilisers S.A (TIFERT)	25	-
vii) Subscription to Equity Shares		
Silkroad Sugar Private Limited	-	11,250
Coromandel SQM India Pvt Limited (CSQM)	-	300
viii)Closing Balance - Debit /(credit)		
Silkroad Sugar Private Limited (SRSPL)	-	245
Coromandel SQM India Pvt Limited (CSQM)	197	41
Tunisian Indian Fertilisers S.A (TIFERT)	2,195	-

44.1 Details of remuneration to Directors are disclosed in the respective financial statements of the company and its subsidiaries.

44.2 During the year, dividend paid to Murugappa Holdings Limited (Investing Party) amounts to ₹ 3,524 Lakh (2012 - ₹ 2,349 Lakh).

44.3 The Company has extended guarantees on behalf of CFL Mauritius Limited and TIFERT. Refer note 30 (B)(iii) & 30 (B)(iv).

44.4 The Company has provided comfort letters to certain banks in respect of Sabero. Refer note 30 (A)(iv).

45. Deferred Tax

45.1 Deferred tax liability (Net)

₹ *in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	41,974	24,548
Tax effect of items constituting deferred tax assets		
Unabsorbed Depreciation and Business Loss, Provision for Doubtful Debts, Provision for compensated absences and others	(9,826)	(5,239)
Net Deferred Tax liabilities	**32,148**	**19,309**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company has recognised deferred tax asset amouting to ₹ 2,120 Lakh as on April 1, 2012 arising on timing differences relating to certain assets and liabilities which got transferred from Parrys Sugar Industries Limited pursuant to the scheme of arrangement (Demerger). The corresponding amount has been credited to General Reserve.

45.2 Deferred tax asset (Net)

₹ *in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	(2,472)	(2,472)
Tax effect of items constituting deferred tax assets		
Unabsorbed Depreciation	3,073	3,073
Net Deferred Tax assets	**601**	**601**

46. Additional disclosures related to Consolidated Financial Statements

46.1 Goodwill on consolidation

₹ *in lakh*

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Balance	47,605	10,675
Add: On acquisition of subsidiaries during the year	-	2,059
Add/ less: Exchange difference during the year on translation of Goodwill of foreign subsidiaries	92	169
Add / Less : Change in goodwill in subsidiaries' books	12,205	34,702
Add / Less : Addition or Deletion due to Merger	(6,807)	-
Less: On disposal of subsidiaries during the year	-	-
	53,095	47,605
Less: Impairment of Investment in subsidiary	900	
Goodwill at the end of the year	**52,195**	**47,605**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

46.2 The effect of acquisition of subsidiaries / conversion of Joint Ventures Entity into subsidiary

The effect of acquisition of subsidiaries / conversion of Joint Venture Entity into subsidiary, on the financial position and results as included in the Consolidated Financial Statements, is given below:

₹ in lakh

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Liabilities as at date of acquisition		
Non-current liabilities	15,844	6,015
Current liabilities	21,574	25,073
Assets as at date of acquisition		
Non-current assets	31,475	17,326
Current assets	34,432	21,376
Revenue for the period ended	1,866	9,455
Expenses for the period ended	2,950	10,830
Profit/ (loss) before tax for the year ended March 31, 2013	(1,022)	(1,375)
Profit/ (loss) after tax for the period ended March 31, 2013	(1,051)	(1,375)

47. Mr.Ravindra S Singhvi, Managing Director resigned from the Company on April 10, 2013 and Mr.P.Gopalakrishnan has been appointed as the Manager by the Board of Directors, subject to the approval of the Shareholders.

48. Previous year's figures

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

On behalf of the Board

V Ravichandran
Vice Chairman

A Vellayan
Chairman

Chennai
April 30, 2013

Suresh Krishnan
Secretary

P.Gopalakrishnan
Vice President (Finance)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Statement pursuant to exemption received under Section 212(8) of the Companies Act,1956 relating to subsidiary companies for the year 2012-13:

₹ in lakh 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	-	2,831	2,14,730	5,17,167	7,34,728	8,62,727	56,633	12,234	44,399	14,911	87,955
2	Parry Chemicals Limited	INR	-	1,000	158	27	1,185	87	56	20	36	-	-
3	CFL Mauritius Ltd	USD	54.39	7,774	9,886	1,989	19,649	265	47	(2)	49	4,909	19,521
4	Coromandel Brasila Ltda	BRL	26.80	471	(451)	49	69	63	(115)	6	(121)	-	-
5	Sabero Organics Gujarat Limited	INR	-	3,386	3,838	44,509	51,733	51,578	779	6	773	-	821
6	Sabero Europe BV	EUR	69.33	19	(19)	2	2	-	(1)	-	(1)	-	-
7	Sabero Australia Pty.Ltd	AUD	56.64	1	(8)	15	8	-	(2)	-	(2)	-	-
8	Sabero Organics America SA	BRL	26.80	944	(269)	100	775	-	-	-	-	-	-
9	Sabero Argentina SA	ARS	11.16	20	(19)	5	6	-	(7)	-	(7)	-	-
10	Parry Infrastructure Co. Pvt Ltd	INR	-	500	683	16,597	17,780	6,474	521	153	368	-	1,512
11	Parrys Investments Limited	INR	-	25	35	4	64	3	2	-	2	-	64
12	Parry America Inc	USD	54.39	38	618	2,310	2,966	4,154	356	130	226	-	-
13	Parrys Sugar Limited	INR	-	150	71	-	221	14	14	-	14	-	215
14	Parry Phytoremedies Pvt Ltd	INR	-	170	(1,194)	1,768	744	519	(375)	-	(375)	-	-
15	Sadashiva Sugars Limited	INR	-	11,027	(8,761)	38,704	40,970	12,206	(3,004)	-	(3,004)	-	1
16	US Nutraceuticals LLC	USD	54.39	10,645	(5,789)	1,741	6,597	8,072	106	-	106	-	683
17	Parry Agrochem Exports Ltd	INR	-	5	19	-	24	1	1	-	1	-	17
18	Parrys Sugar Industries Ltd	INR	-	3,752	(2,213)	29,353	30,892	10,084	(1,293)	-	(1,293)	-	5
19	Alagawadi Bireshwar Sugars Pvt Ltd	INR	-	102	(7)	1,364	1,459	-	(1)	-	(1)	-	-
20	Silkroad Sugar Pvt Ltd@	INR	-	11,628	(1,500)	34,758	44,886	311	(6,580)	-	(6,580)	-	-
21	Valensa Europe AG	EUR	69.33	35	(113)	83	5	7	5	-	5	-	-
22	La Belle Botanics LLC	USD	54.39	514	(176)	198	536	1,150	(176)	-	(176)	-	-
23	Liberty Phosphate Ltd@	INR	-	1,944	14,922	18,881	35,747	46,965	4,543	1,338	3,205	554	14
24	Liberty Urvarak Ltd@	INR	-	300	3,473	2,704	6,477	9,076	800	263	537	-	524
25	Liberty Pesticides and Fertilisers Ltd@	INR	-	75	144	2	221	-	-	-	-	-	-
26	Dare Investments Ltd@	INR	-	5	-	-	5	-	-	-	-	-	-

@ become subsidiary during the year 2012-13
$ (Non-current liabilities + Current liabilities)
# (Non-current assets + Current Assets)

NOTES

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