



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



Regd. Office: Dare House, Parry's Corner, Chennai - 600 001.
Website: www.eidparry.com

25th October, 2004

Dear Shareholder,

Unaudited Financial Results for the half-year ended 30th September, 2004

The turnover of E.I.D.-Parry (India) Limited (E.I.D.-Parry) for the half-year ended 30th September, 2004 was **Rs.273.38 crore** as against Rs.236 crore for the same period last year. The Profit before Tax for the period after providing for interest cost of **Rs.1.53 crore** (Rs.4.39 crore) and depreciation of **Rs.13.68 crore** (Rs.15.11 crore) was **Rs.62.63 crore** (Rs.26.05 crore). The profit includes a one-time extra-ordinary income of **Rs.22.28 crore** (comprising of Rs.6.62 crore from sale of undertaking, Rs.6.13 crore from dividend on investments and Rs.9.53 crore from sale of investments). The Profit after Tax for the current half-year more than doubled to **Rs.49.92 crore** (Rs.18.75 crore) after providing for the current tax of **Rs.10.77 crore** (Rs.2.65 crore) and deferred tax of **Rs.1.94 crore** (Rs.4.65 crore).

Stable/improved domestic prices of sugar enabled the sugar division to show good growth in both top and bottom line. E.I.D.-Parry had imported raw sugar to substitute the non-availability of cane and ensured better utilisation of capacity. The commissioning of the refinery plant at Nellikuppam (during the quarter) for producing refined sugar will enable E.I.D.-Parry to launch its branded sugar. The Pudukottai sugar division received Best Cane Development Award for 2003-04 from South Indian Sugar Cane and Technology Association.

Parryware division continued to turn in good performance with more than 20% growth in top line over the same period of previous year. The division had extended its taps offering in all the Southern States and had been well accepted by the consumers. The modernisation programme at the Alwar and Ranipet factories have been completed during the quarter. With the innovative marketing strategies, complementary product profile, **Superbrand Accreditation** and its No.1 status in its industry segment, Parryware is expected to report better performance in the second half also.

The Bio-products division had shown good improvement, by increasing the turnover to **Rs.4.58 crore** (Rs.2.73 crore). The division had almost halved its losses to **Rs. 1.44 crore** (Rs.2.97 crore). The division's NeemAzal range of products is being well accepted across countries.

Interest cost continued to show a downward trend, showing a drop of 65% to **Rs.1.53 crore**. Continuous focus on tapping low cost funds, effective working capital management and interest subsidy provided by the Government of India on the sugar buffer stocks enabled the drop in interest cost. With its improved credit rating from CRISIL for Non-convertible Debentures to **AA/Stable** from AA-/Stable, E.I.D.-Parry expects to reduce the interest cost further.

Seasons Greetings and wishing you and your family a very happy and prosperous new year.

Yours sincerely,

P. Rama Babu
Managing Director

P.S. Unaudited financial results (provisional) for the half-year ended 30th September, 2004, along with segment -wise results are enclosed.



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Unaudited Financial Results (Provisional) for the Half Year ended 30th September, 2004

Rs. crore

	Unaudited				Audited
	Quarter ended		Half year ended		Year ended
	30 th Sept., 2004	30 th Sept., 2003	30 th Sept., 2004	30 th Sept., 2003	31 st March, 2004
1. Net Sales /Income from Operations - Gross of Excise Duty	140.50	125.11	293.70	257.79	606.98
Less: Excise Duty	9.55	9.77	20.32	21.79	46.28
Net Sales / Income from Operations - Net of Excise Duty	130.95	115.34	273.38	236.00	560.70
2. Other Income	19.03	8.08	39.10	24.50	34.47
Total Income	149.98	123.42	312.48	260.50	595.17
3. Total Expenditure:					
a) (Accretion)/ Decretion to Stock	(21.49)	(6.65)	0.29	(36.81)	1.94
b) Consumption of Raw Materials	69.03	55.71	113.13	137.92	274.22
c) Purchase of Goods for Resale	12.82	7.86	26.66	16.10	38.55
d) Staff Cost	13.61	19.81	26.77	33.65	58.63
e) Other Expenditure	37.67	31.42	67.79	64.09	130.64
	111.64	108.15	234.64	214.95	503.98
4. Gross Profit	38.34	15.27	77.84	45.55	91.19
5. Interest (Net)	0.55	2.49	1.53	4.39	7.53
6. Depreciation	6.82	7.59	13.68	15.11	30.37
7. Profit before Taxation (PBT)	30.97	5.19	62.63	26.05	53.29
8. Provision for Taxation					
Current Tax	5.37	0.90	10.77	2.65	6.90
Deferred Tax (Net)	0.23	4.04	1.94	4.65	3.16
9. Net Profit after Taxation (PAT)	25.37	0.25	49.92	18.75	43.23
10. Paid-up Equity Share Capital (Face Value – Rs.10 per Equity Share)	17.85	17.84	17.85	17.84	17.85
11. Reserves excluding Revaluation Reserve					314.42
12. Earnings per Share (EPS) - Basic and Diluted (Not annualised) (Rs. per Equity Share)	14.21	0.14	27.97	10.50	24.22
13. Aggregate of Non-Promoter Shareholding					
No. of Shares			10852788	10580103	10936126
% of Shareholding			60.8	59.3	61.2

1. The Statutory Minimum price of sugarcane for the sugar year 2002-2003 of Rs. 695/MT notified by the Central Government on 9th January, 2003 has been legally challenged by the South Indian Sugar Mills Association (of which the Company is a member), and the matter is sub-judice. Further, a minimum price of Rs.730/MT has been notified for the sugar year 2003-2004. This is also being legally challenged. Based on legal advice, pending disposal of the cases, no provision has been considered in the above results.



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2. Other income for the quarter includes Rs.6.62 crores being profit on sale of businesses of Netlon, General Marketing and Travels to Parry Engineering & Exports Limited on 1st July, 2004.
3. The Board of Directors has approved sale/lease of the assets of the Acetic Acid plant at Thyagavalli, Tamil Nadu, subject to receipt of requisite approvals.
4. The Sugar Refinery Plant at Nellikuppam has been commissioned and trial production has started.
5. During the second quarter, eleven investor complaints were received and were resolved. There were no complaints pending both at the beginning and end of the quarter.
6. The Statutory Auditors of the Company have carried out a Limited Review of Unaudited Financial Results for Half-year ended 30th September, 2004.
7. The above statement of Unaudited Financial Results (Provisional) for the Half-year ended 30th September, 2004 was approved by the Board of Directors at their meeting held on 11th October, 2004.
8. Previous year's figures have been restated after considering the effect of Scheme of Arrangement (Demerger) of Farm Inputs Division into Coromandel Fertilisers Limited and amalgamation of Parry & Company Limited and Mofussil Warehouse and Trading Company Limited.
9. Figures for the previous year have been regrouped wherever necessary.

Segment Reporting under Clause 41 of the Listing Agreement with Stock Exchange for the Half Year ended 30th September, 2004

Rs. Crore

	For the				Year ended
	Quarter ended		Half year ended		
	30 th Sept., 2004	30 th Sept., 2003	30 th Sept., 2004	30 th Sept., 2003	31 st March, 2004
1. Segment Revenue (Net Sales/Income from each Segment Gross of Excise)					
a. Sugar	93.02	82.48	193.23	172.38	420.01
b. Parryware	47.32	38.66	95.88	78.82	159.93
c. Bio-products	2.45	1.21	4.58	2.73	16.01
d. Others	17.80	12.11	41.04	31.72	51.27
Sub-total	160.59	134.46	334.73	285.65	647.22
Less: Inter-segmental Revenue	1.06	1.27	1.93	3.36	5.77
Net Sales /Income from Operations	159.53	133.19	332.80	282.29	641.45
2. Segment Results (Profit (+)/ Loss (-) before Tax and Interest from each Segment)					
a. Sugar	12.31	7.31	23.52	12.93	34.58
b. Parryware	4.72	4.19	10.49	8.57	18.04
c. Bio-products	(0.64)	(1.46)	(1.44)	(2.97)	1.32
Sub-total	16.39	10.04	32.57	18.53	53.94
Less: (i) Interest (Net)	(0.55)	(2.49)	(1.53)	(4.39)	(7.53)
(ii) Other un-allocable expenditure net of un-allocable income	15.13	(2.36)	31.59	11.91	6.88
Total Profit before Tax	30.97	5.19	62.63	26.05	53.29
3. Capital Employed (Segment Assets - Segment Liabilities)					
a. Sugar	377.89	411.48	377.89	411.48	339.12
b. Parryware	86.70	80.02	86.70	80.02	74.61
c. Bio-products	26.21	34.91	26.21	34.91	29.65
d. Others (including Investments)	153.38	146.64	153.38	146.64	167.44
Total	644.18	673.05	644.18	673.05	610.82