

The turnover of E.I.D.- Parry (India) Limited for the half-year ended 30th September, 2004 was Rs.273.38 Crore (Rs.236 Crore). 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). 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), the Profit after Tax for the current half-year was Rs.49.92 Crore (Rs.18.75 Crore).

Stable/improved domestic prices of Sugar enabled the sugar division to show good growth in both top and bottom line. The commissioning of the refinery plant at Nellikuppam (during the quarter) for producing refined sugar will enable the Company to launch its branded sugar. The Company has imported raw sugar to substitute the non-availability of cane and ensured better utilisation of capacity. The Government of India has been announcing series of measures for the sugar industry including changes in price fixation mechanism for sugar cane, which augurs well for the industry. With the release of Cauvery water in the addressable areas, it is expected that cane availability will improve in the ensuing sugar season. Performance for the second half looks promising.

Parryware division continues to turn in a good performance with more than 20% growth in topline over the same period of previous year. The division has extended its taps offering in all the Southern States and has been well accepted by the consumers. The modernization 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 has shown good improvement, wherein the turnover has increased to 4.58 crore (2.73 crore). The division has almost halved its losses to 1.44 crore (2.97 crore). The division's Neemazal range of products is being well accepted across countries. The division is expected to report profits during the second half of the current year.

Interest cost continues 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.

CRISIL has upgraded the rating for Non-Convertible debentures to AA/stable from AA-/ Stable. The Company expects to reduce the interest cost further with its improved credit rating.

The Company's Pudukottai sugar division has received Best Cane Development Award for 2003-04 from South Indian Sugar cane and technology association.

E.I.D.- Parry (India) Limited is part of the Rs. 5200 Crore Murugappa Group. A pioneer and market leader in several fields with manufacturing operations all over India, the Group has a strong presence in Abrasives, Engineering, Bio-Products, Sanitaryware, Plantations, Sugar, Farm Inputs, Finance, General Insurance, and Nutraceuticals.