

Outcome of Board Meeting held on 20.03.2006 **NEW!**

Press Release

Following significant decisions were taken by the Board of Directors of EID Parry at the meeting held today (20/03/2006).

Parryware

Pursuant to the approval of shareholders, Parryware business was transferred by EID Parry into its wholly owned subsidiary, Parryware Glamourooms Private Limited on 1st March, 2006. Today, the EID Parry Board approved EID Parry partnering with ROCA of Spain who are world leaders in the bathroom products for a 50:50 joint venture for the Parryware Business.

ROCA is ranked the second largest company in the world in the business of the bathroom ceramics industry. Roca has a commercial presence in more than 100 countries with a business volume amounted to Euro 1.6 billion. Together ROCA and Parryware will become the world's largest Bathroom Products Company.

ROCA will be investing 50 Million Euro for their 50% stake. This will be through a combination of direct subscription into the Joint Venture Company and acquisition from EID Parry. This investment is subject to the approval of FIPB.

This Joint Venture will help Parryware to register significant growth through better technology, improved manufacturing practices, better product offering increased presence in international market and improve the overall business value.

Sugar

The Board cleared the Long Term Strategy of sugar business which envisages investment proposals aggregating to about Rs.850 crore to be implemented over the next two years including the Rs.300 crore which are under implementation. These include expanding the production capacities in existing manufacturing facilities. Besides this, the company will be setting up co-generation power plants in all the factories and increase alcohol production capacities as well. Thus all the factories will be converted into integrated sugar complexes. On completion of all these projects, the sugar production will increase to around 8 lakh tonnes, Power 130 MW and distillery capacity to 240 KLPD.

Bio

Products

The Board also decided to acquire Parry Nutraceuticals Ltd. (PNL) for Rs.32 crore and make it a wholly owned subsidiary. Murugappa Group has been investing in Algae based Nutraceuticals for over 10 years and succeeded in bringing certain certified products to a viable market state which are on the verge of take off.

EID Parry, which is already in bio products business, has identified the Nutraceuticals business as an opportunity for profitable growth in the years to come and hence will be acquiring Parry Nutraceuticals Ltd., which has presence in the developed countries in the world and the products cater mainly to the export markets.

Thus, with the restructuring of Parryware business as a separate company, EID Parry is predominantly a sugar and bio products focused company and continues to hold investments in Coromandel Fertilisers Limited, Parryware Glamourooms Private Limited, Parrys Sugar Limited and Parry Monsanto Seeds Private Limited. With the above investment proposals, both the Sugar and bio products businesses are expected to grow significantly.

For further information, please contact:

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