



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

# **INVESTOR PRESENTATION**

## **JUNE 2012**

*Enriching life by creating value from agriculture*

This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

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- Company Overview
- Sugar Business
  - ▶ World and Indian Sugar Balance
  - ▶ EID – Sugar Business
- Bio Products Business
  - ▶ Nutraceuticals
  - ▶ Bio Pesticides
- Financials
- Awards & Accolades

# COMPANY OVERVIEW





# Overview

REACHING NEW HEIGHTS

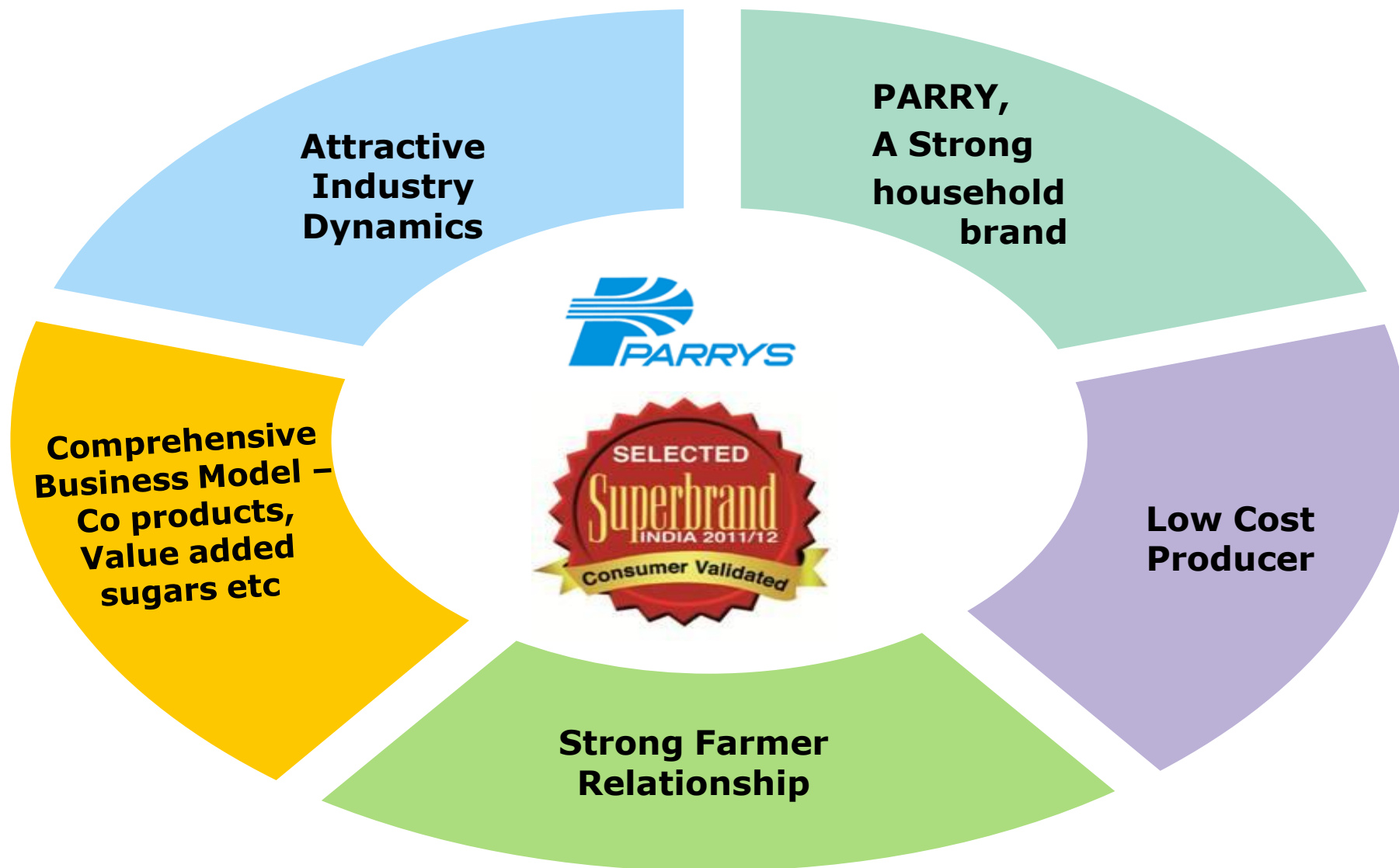
POWERING LIVES

PIONEERING GROWTH



**Serving stakeholders for more than 225 years....**

- Flagship company of Murugappa Group since 1981.
- **Pioneers in:**
  - Sugar from 1842
  - Distillery from 1848
  - Fertilisers from 1906
  - Bio-pesticides from 1995
  - Co-generation- Exportable Power from 1997
  - Algal Nutraceuticals from 1997
  - Branded Retail sugar from 2004



# Parry's Sugar – Prestigious Superbrand



**“Parry’s”** has been selected and has been awarded the prestigious consumer Superbrand for 2011-12 by popular consensus among both Consumers and Industry Experts.

**Parry’s Sugar** is THE ONLY SUGAR BRAND in India to be conferred Superbrand status.

- 1.38 lakh acres brought under cane cultivation



- 48 lakh Tons cane crushing in the year
- 296 days of operations vis a vis less than 200 in earlier years
- Focus on the export business - about 25% of production exported

- 2<sup>nd</sup> Largest sugar exporter in India

- Focus on organic growth by debottlenecking & sweating the assets





# Strategic Tie-ups during the Year

- Tie up with New Holland on mechanization during the year.



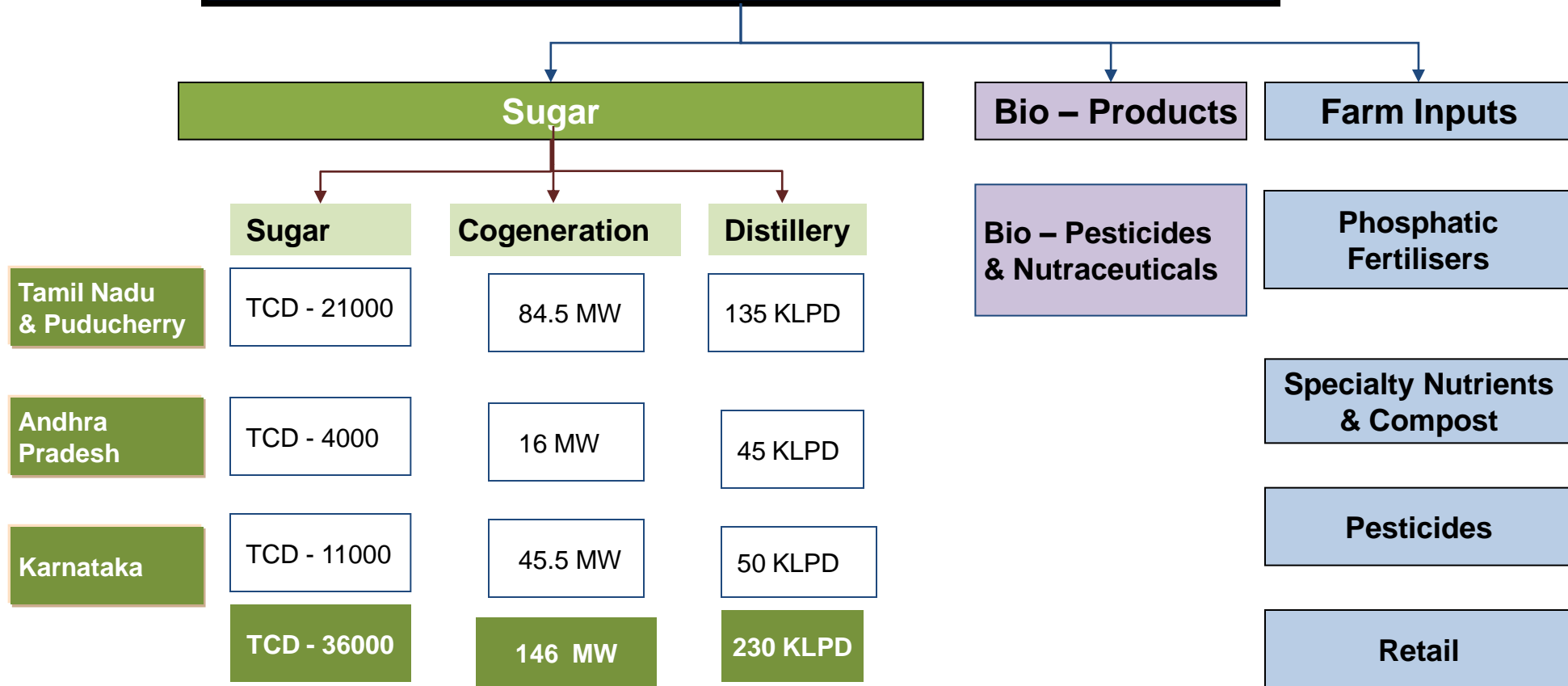
- Tie up with Coromandel on selling value added by - products Godavari Gold and Kash, yielded significant value added contributions.





# Capacity & Financials

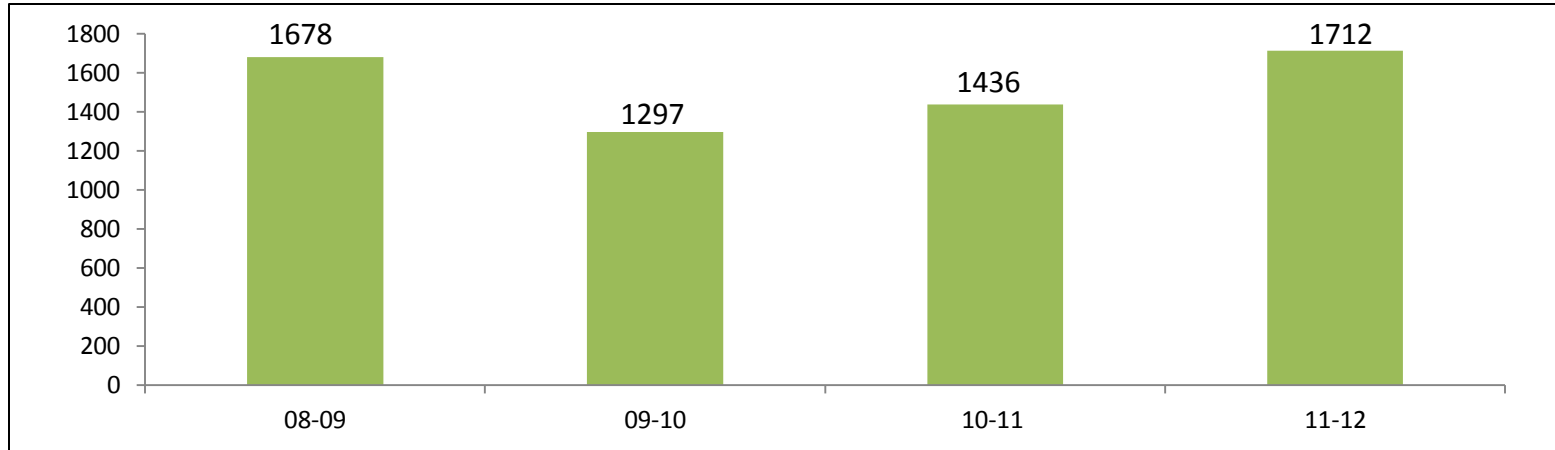
# Businesses in EID



- TCD – Tons crushed per day
- MW – Mega Watt
- KLPD – Kilo Litres per day
- LMT – Lakh Metric Ton

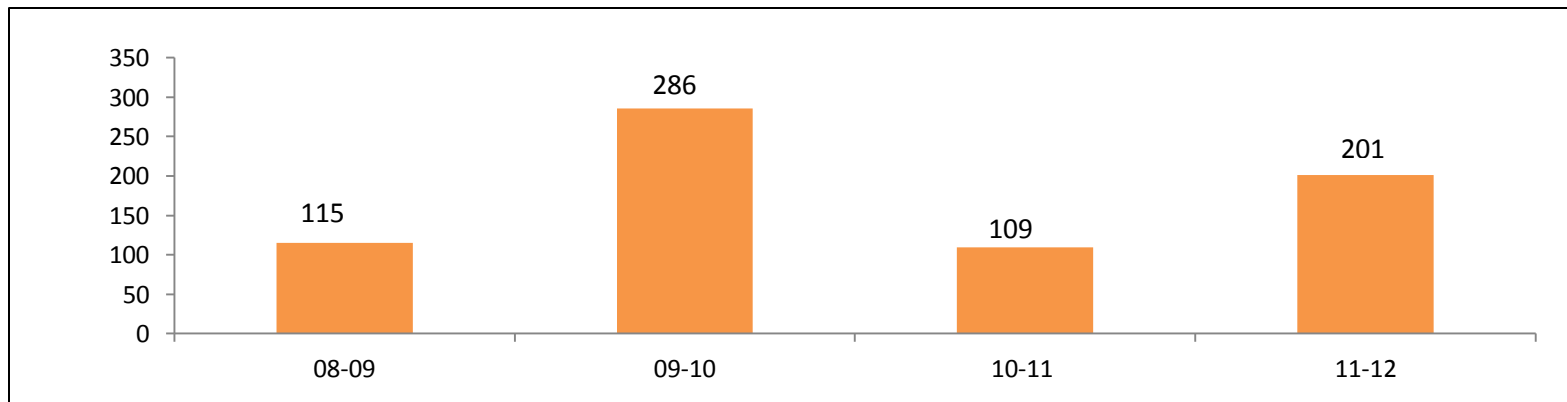
## Gross Income

Rs Crores



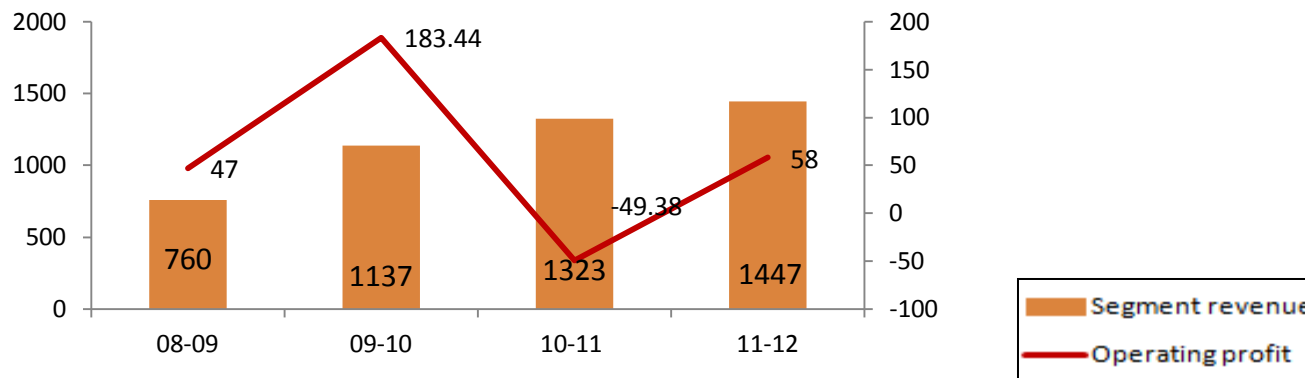
## EBIT

Rs Crores

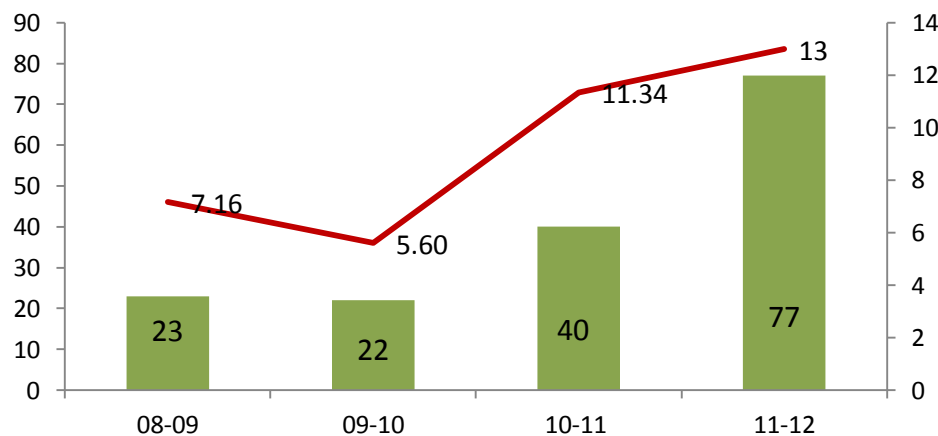


## Sugar

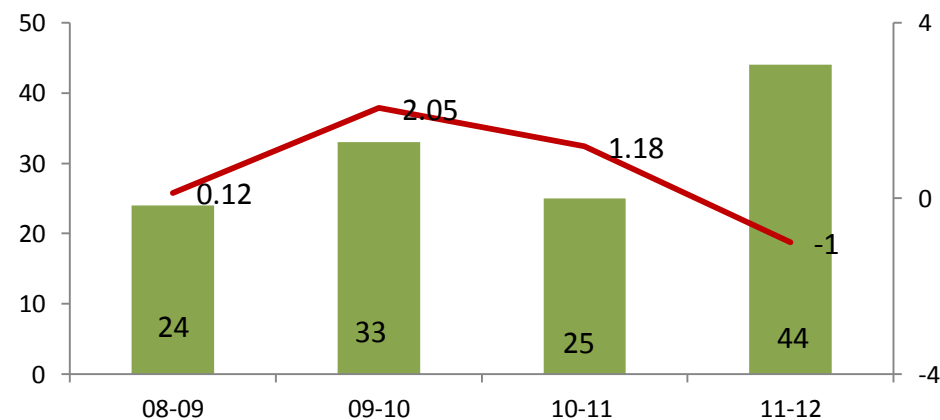
Rs Crores



## Bio- Pesticides



## Nutraceuticals

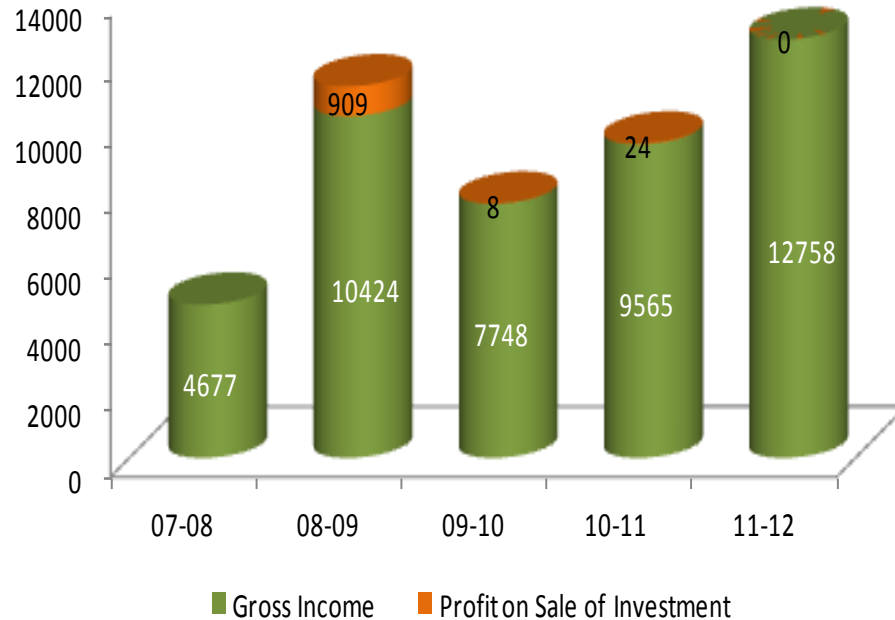


Making Sugar since 1842



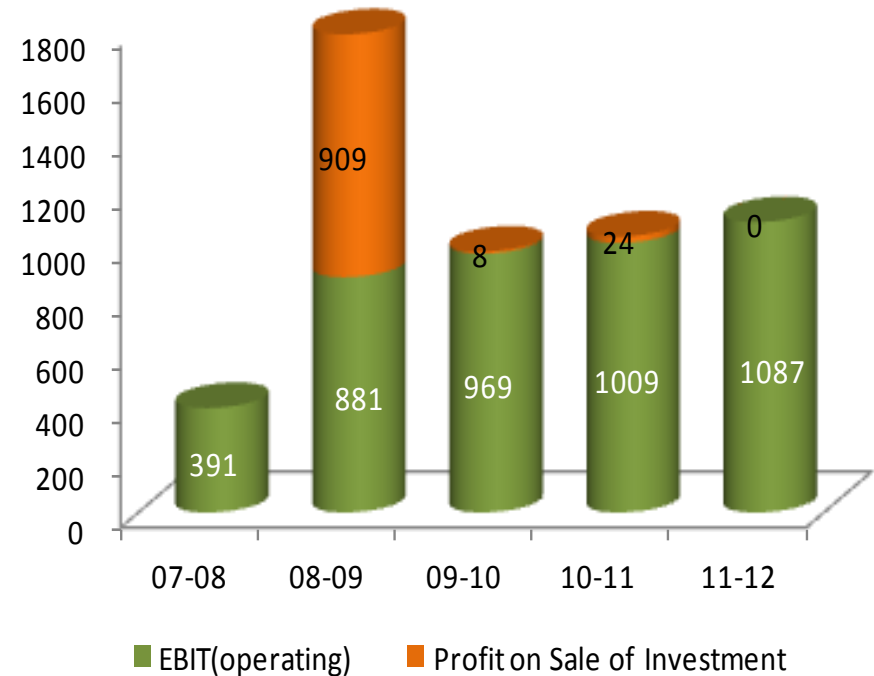
## Consolidated Gross Income

Rs Crores



## Consolidated EBIT

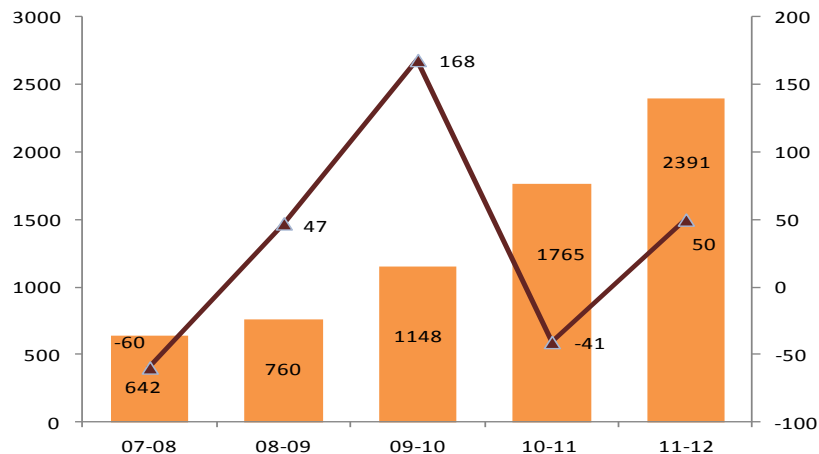
Rs Crores



EBIT includes Minority Interest

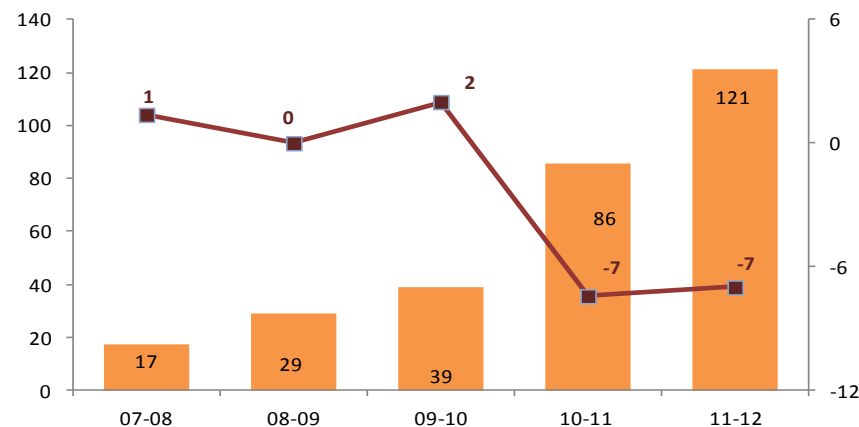
Rs Crores

## Sugar

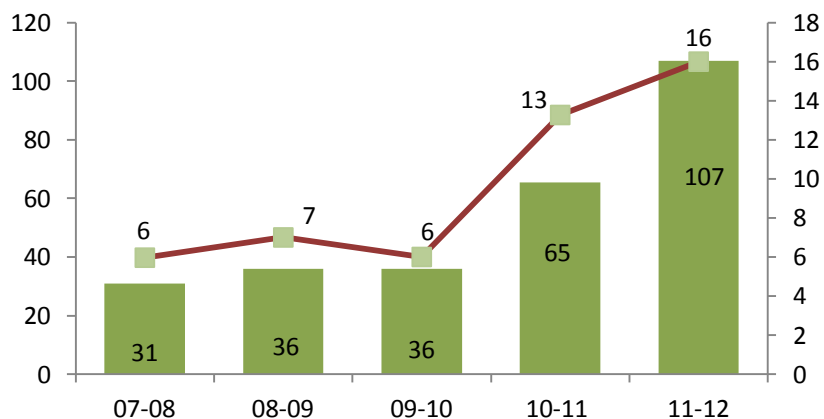


Orange bar: Gross Revenue, Red line: EBIT

## Nutraceuticals

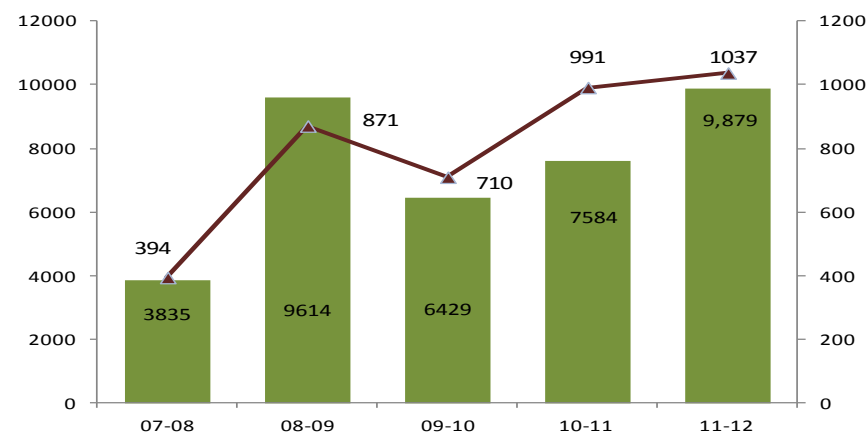


## Bio- Pesticides



Green bar: Gross Revenue, Red line: EBIT

## Farm Inputs



Note: Revenue & EBIT of 2008-09 includes Rs. 159 Crs Business Assistance Agreement

# SUGAR BUSINESS

## -WORLD AND INDIAN SUGAR BALANCE



# SUGAR – DEMAND & SUPPLY

## World Sugar (million MT)

Particulars	Change			
	SY 2010-11	SY 2011-12	Change in mln tons	in %
Production	165	173	8	5
Consumption	164	168	4	2
Surplus / (Deficit)	1	5	4	400
Import demand	53	49	(4)	(8)
Export Availability	53.22	53.27	0.05	-
End Stocks	56.53	57.57	1.04	2
Stock to Consumption Ratio %	34.46	34.31		

Source: MECAS Quarterly Market Outlook

**Note: "SY" refers to Sugar year.**

## India's Sugar Balance (million MT)

Particulars	SY 2010-11	SY 2011-12 Est.
Opening stock	6	6
Production	24	26
Imports	0	0
Consumption	21	23
Exports	3	3
Closing stock	6	6
Stock to Consumption Ratio %	29	26

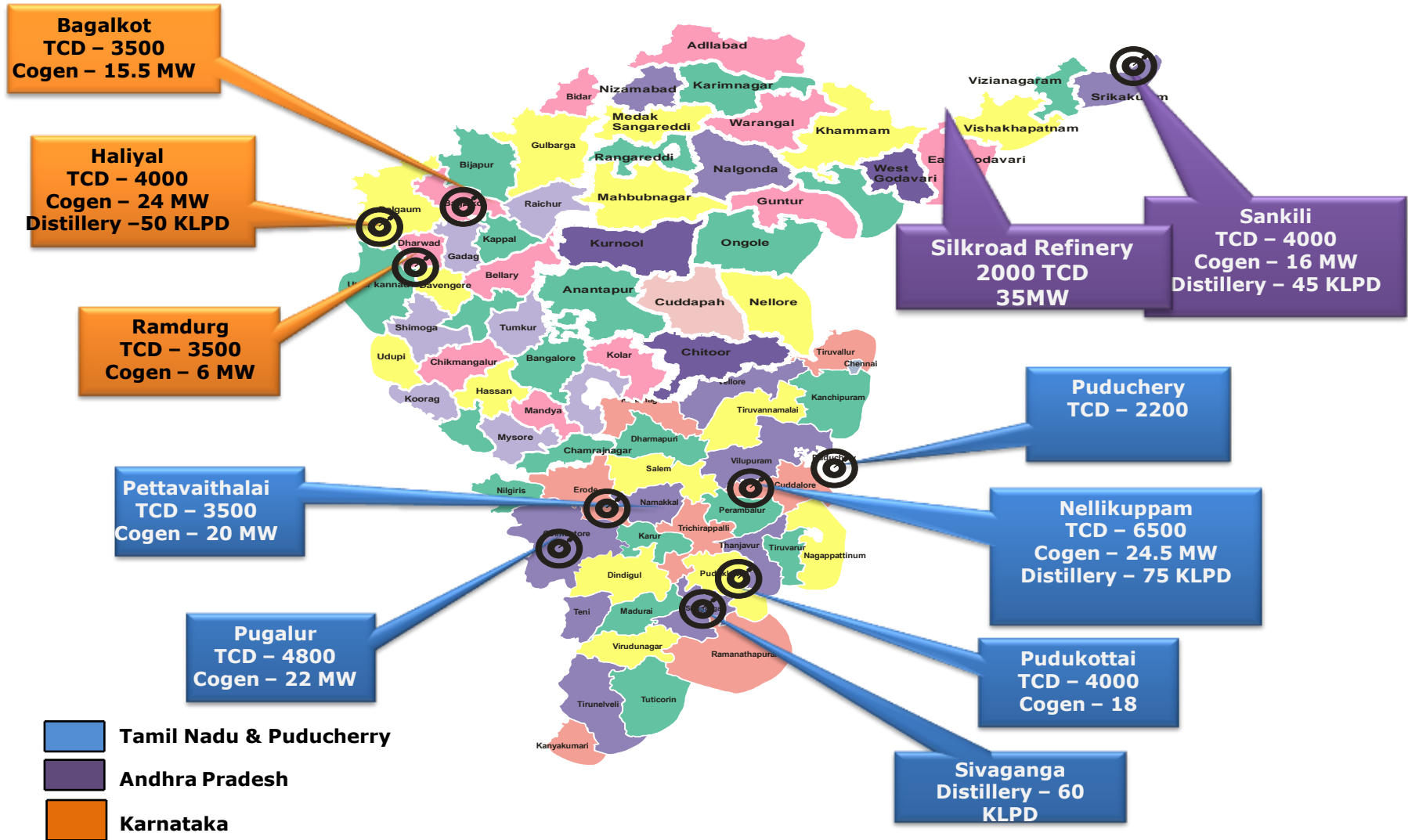
Source: ISMA

- ➔ Rangarajan committee formed to look into the decontrol of Sugar Industry. Recommendations expected in few months.
- ➔ Exports have been opened up on first come first served basis rather than quota regime. EID stands to gain significantly considering flexibility in manufacturing Whites and Raws; proximity to ports; strong capability to export.
- ➔ The Monthly release mechanism for selling Sugar has been changed to Quarterly release mechanism commencing this financial year, providing flexibility in managing sales volume.
- ➔ Levy Sugar, in respect of prior years, not already delivered – companies are not required to continue with levy obligations – Patna High Court ruling in favour of industry.



# EID – SUGAR BUSINESS





## Longer Crushing

- Number of days crushing > 270 days
- Complete integration by-products into Cogen, Distillery and value added products.

## Location advantage

- Factories closer to Port facilitating export of Sugar.
- Availability of cane, both within our command area and outside.

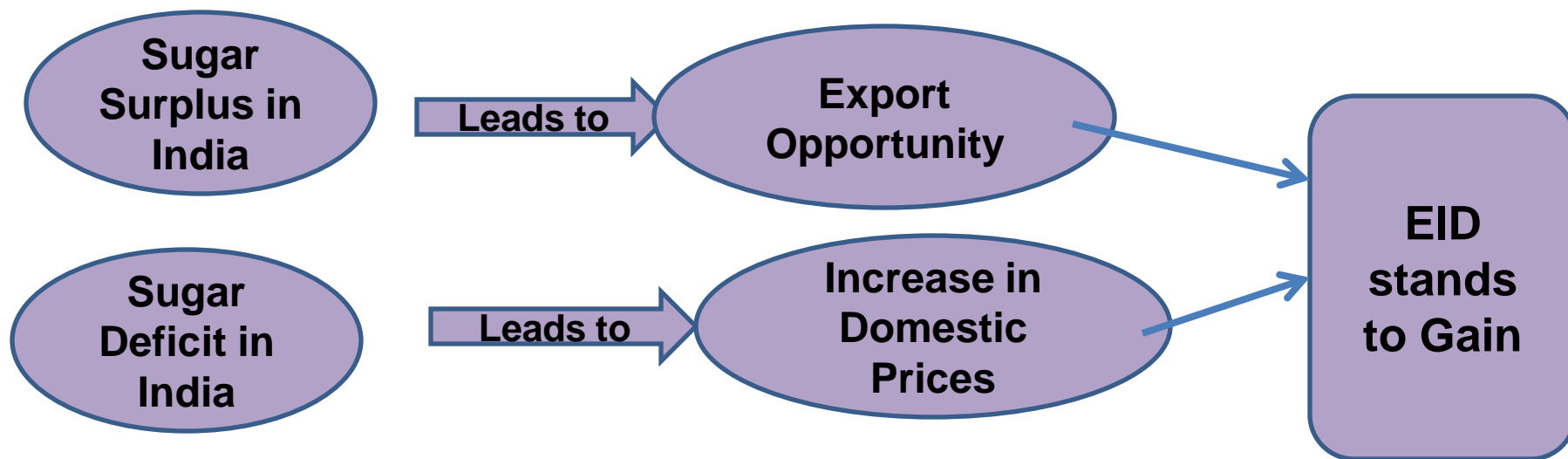
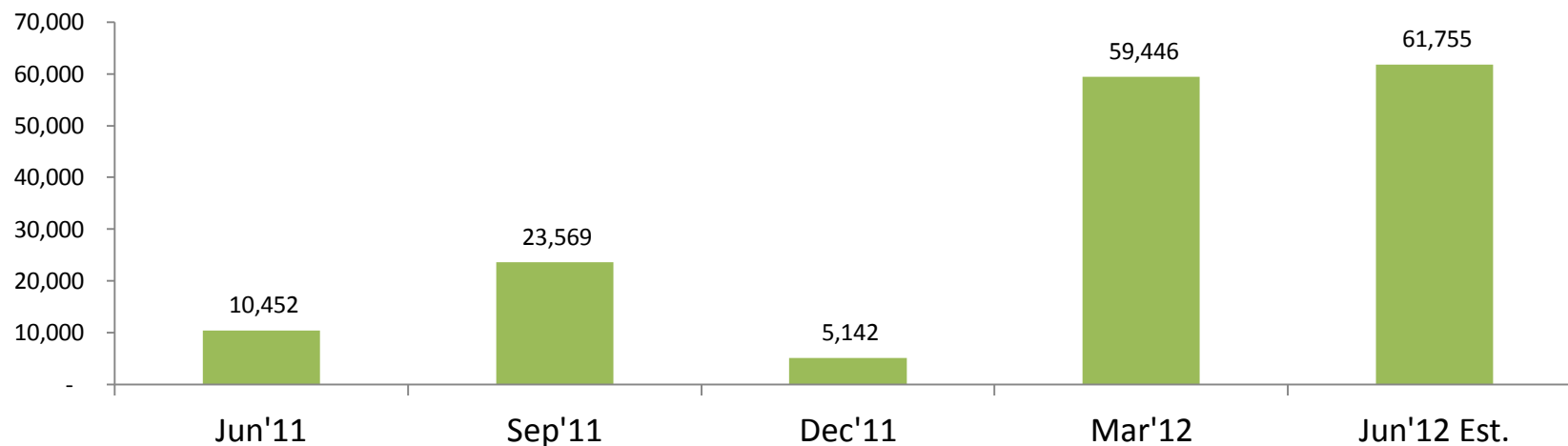
## Marketing Strength

- Diversified mix of selling... Institutions, Retail and Exports.
- Flexibility in Raws production to take advantage of export pricing.

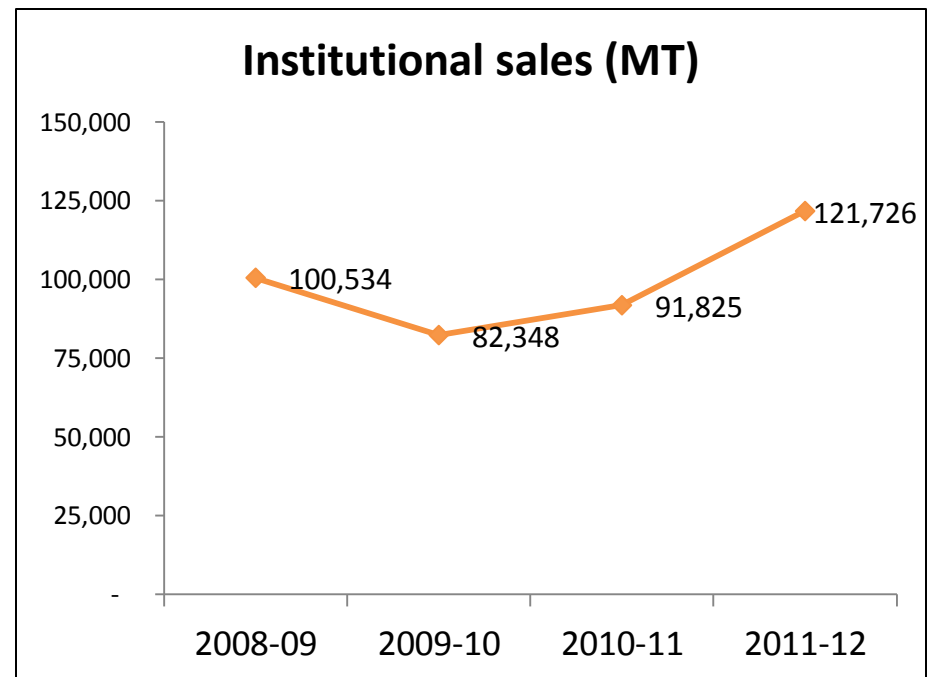
## Farmer's Loyalty

- Payments to farmers made with 14 days.. No arrears.
- Focus on yield improvement to address profitability to farmers.

Quarterly Volume (MT)



- Sales to institutional customers has increased from 27% in 2010-11 to 30% of total sugar sold in 2011-12.
- Key institutional customers include Pepsi, Coke Cadburys, Britannia, Rasna.
- Innovations to customize the products and delivery mechanism ensures the growth in institutional sales.
- The company's products has several certifications including ISO 9001-2008, Kosher, Halal, Indian Pharmacopoeia, Japanese Pharmacopoeia







- First private sector in sugar to start in-house varietal development - to meet specific command area needs
- Participate in All India Coordinated research Project on Sugarcane of Central Government (AICRP) and Coordinated Agronomic trials of State Government (CAE) - access to government R&D programs in advance
- Member of International Sugarcane Consortium for Biotechnology (ISCB) and Member of Global Sugarcane Sustainability Initiative – Bonsucro
- DSIR recognized R&D centers at three locations
- Key Activities
  - Tissue culture - for faster multiplication of new varieties and de-risking against major disease calamities if any
  - Soil analysis and soil fertility maps for balanced nutrient application
  - Development of Neem and non Neem Bio products for organic pest management.

# Capacities and Operating Parameters

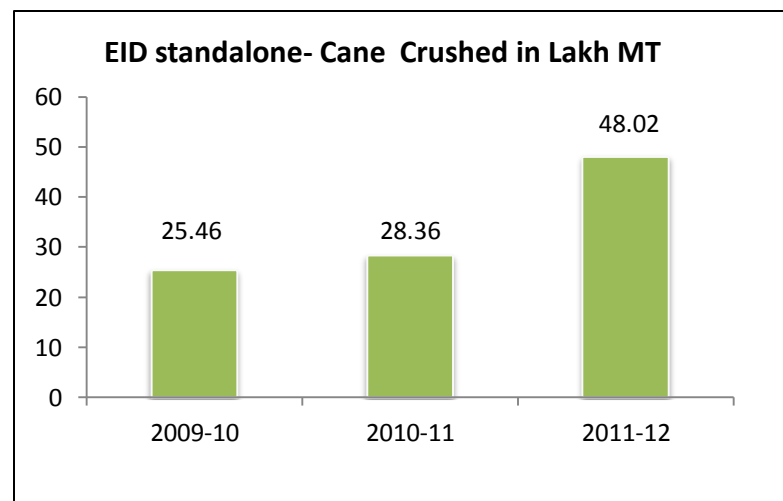
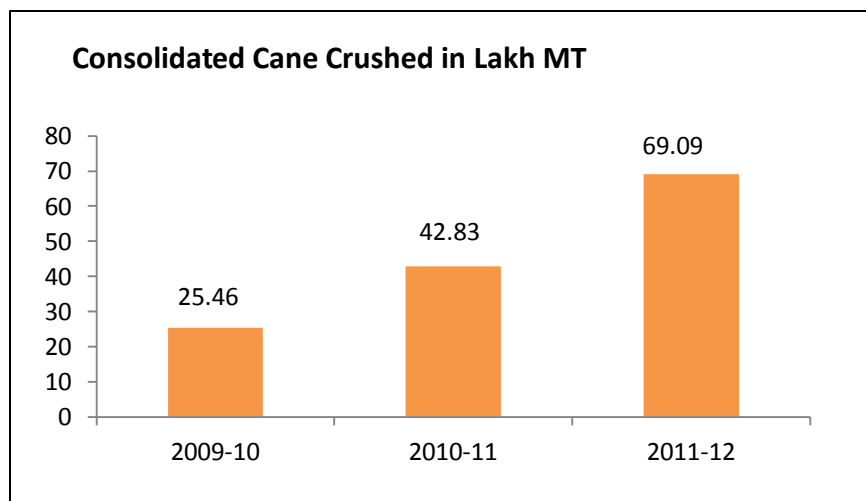
## Sugar Capacity – 36000 TCD

	2007-08	2008-09	2009-10	2010-11	2011-12
Nellikuppam	5000	6000	6000	6000	6500
Pugalur	4000	4000	4000	4000	4800
Pettavaithalai	2500	3000	3000	3000	3500
Pudukottai	4000	4000	4000	4000	4000
Puducherry	2000	2000	2000	2000	2200
<b>Tamil Nadu &amp; Puducherry</b>	<b>17500</b>	<b>19000</b>	<b>19000</b>	<b>19000</b>	<b>21000</b>
Sankili				4000	4000
<b>Andhra Pradesh</b>				<b>4000</b>	<b>4000</b>
Bagalkot			2500	2500	3500
Haliyal				3500	4000
Ramdurg				2500	3500
<b>Karnataka</b>			<b>2500</b>	<b>8500</b>	<b>11000</b>
<b>TOTAL</b>	<b>17500</b>	<b>19000</b>	<b>21500</b>	<b>31500</b>	<b>36000</b>

# Sugar Operating Parameters – Company wise

	EID Parry			PSIL			SSL		
	2010-11	2011-12	Growth	2010-11	2011-12	Growth	2010-11	2011-12	Growth
<b>Sugar</b>									
Cane Registration in Acres	105,061	137,999	31%	68,837	92,402	34%	18,446	24,025	30%
Cane Crushed LMT	28.36	48.02	69%	11.11	16.45	48%	3.36	4.62	38%
Recovery %	8.90%	9.04%		10.76%	11.41%		10.91%	11.68%	
Production Qty LMT	2.89	4.34	50%	1.20	1.87	56%	0.37	0.54	46%
Sales Qty LMT	3.23	4.04	25%	0.81	1.89	133%	0.16	0.57	256%
No of days operated	179	296	92%	134	166	24%	167	166	(0.01)

Particulars	2009-10	2010-11	2011-12
Cane Registration(in acres)	94,553	192,344	254,426
Cane Crushed(LMT)	25.46	42.83	69.09
Recovery %	8.89	10.30	10.30
<b>No. of. Operating days</b>	198	190-280	160-300





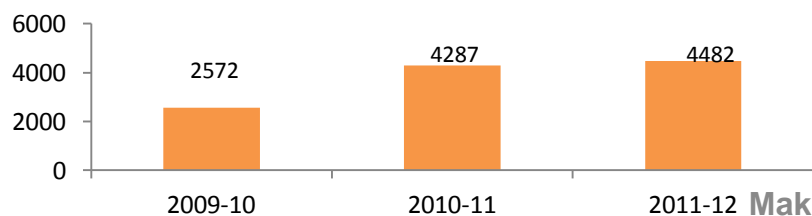
# Cogeneration- Particulars

## Cogeneration Capacity - 146MW

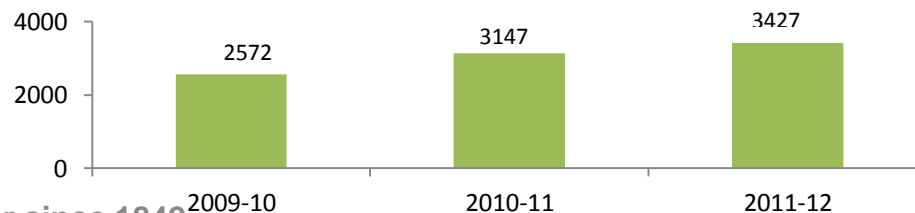
	2009-10	2010-11	2011-12
Nellikuppam	24.5	24.5	24.5
Pugalur	22.0	22.0	22.0
Pettavaithalai	20.0	20.0	20.0
Pudukottai	18.0	18.0	18.0
Sankili		16.0	16.0
Bagalkot	15.5	15.5	15.5
Haliyal		24.0	24.0
Ramdurg		6.0	6.0
<b>Total</b>	<b>100.0</b>	<b>146.0</b>	<b>146.0</b>

	EID Parry			PSIL			SSL		
<b>Power Exported</b>	<b>2010-11</b>	<b>2011-12</b>	<b>Growth</b>	<b>2010-11</b>	<b>2011-12</b>	<b>Growth</b>	<b>2010-11</b>	<b>2011-12</b>	<b>Growth</b>
In Lac units	3147	3427	9%	760	708	-7%	380	347	-9%

**Consolidated Power export to grid(Lac units)**



**EID Standalone Power export to grid(Lac units)**



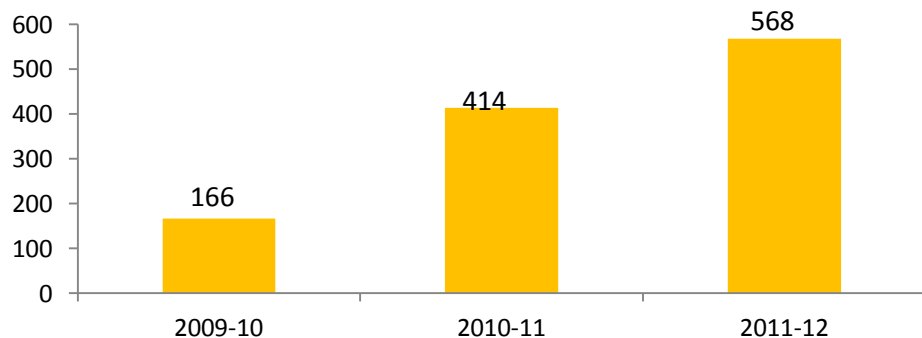
Making Sugar since 1842

## Distillery Capacity– 230 KLPD

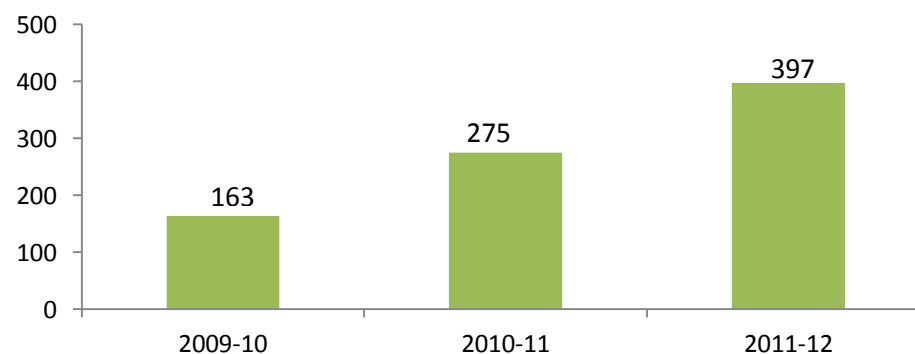
	2009-10	2010-11	2011-12
Nellikuppam	75	75	75
Sivaganga	60	60	60
Sankili		45	45
Haliyal		50	50
<b>Total</b>	<b>135</b>	<b>230</b>	<b>230</b>

	EID Parry			PSIL		
Distillery	2010-11	2011-12	Growth	2010-11	2011-12	Growth
Production(LL)	290	398	37%	139	186	34%
Sales (LL)	275	397	45%	139	171	24%

Consolidated Sales (in lac litres)



EID Standalone Sales (in lac litres)



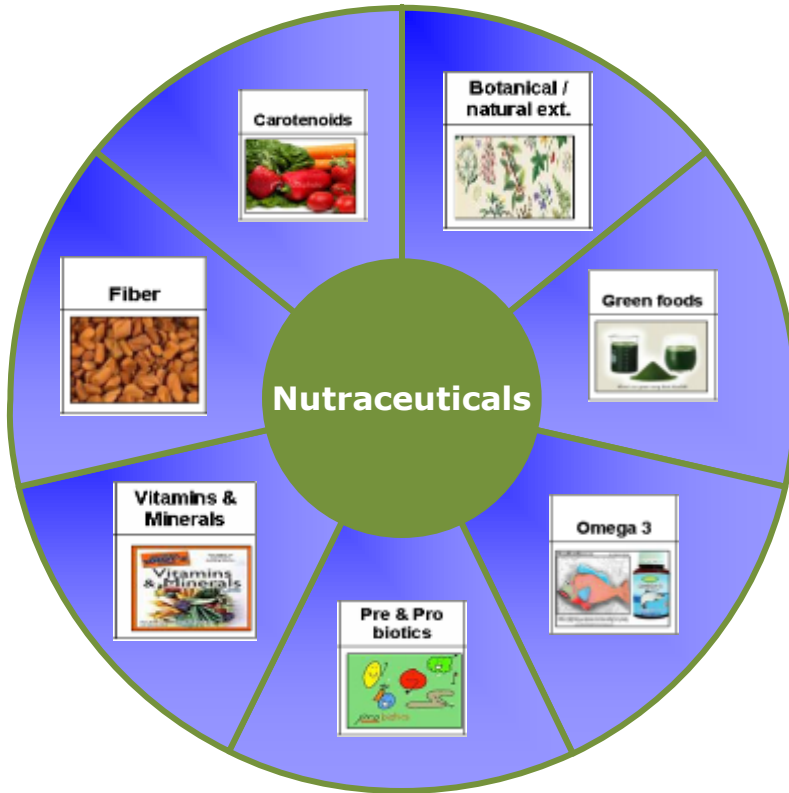
Making Sugar since 1842

# NUTRACEUTICALS



Making Sugar since 1842

## Global Nutraceutical Segments

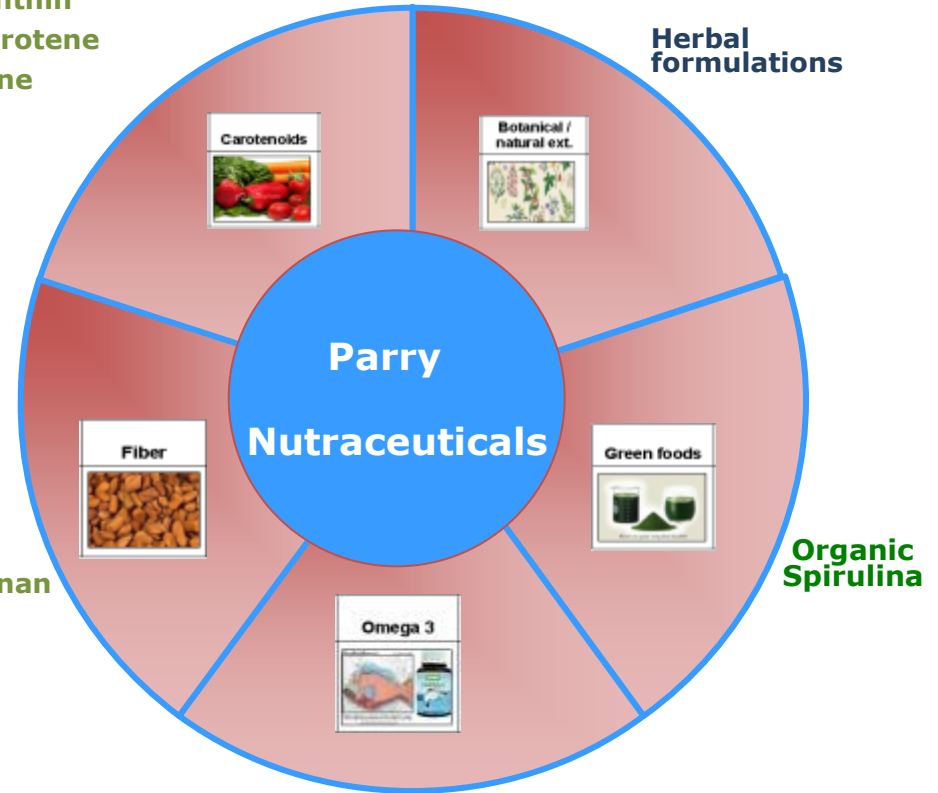


**Global Nutraceutical market size  
- \$ 151 Billions**

## Parry Nutraceuticals "Product portfolio"

Astaxanthin  
Beta carotene  
Lycopene  
Lutein

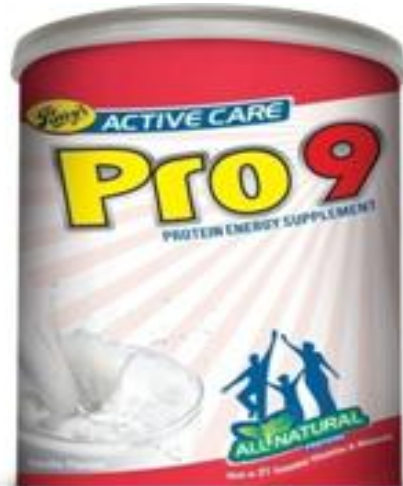
Fenugreek  
Galactomanan



EPA /DHA

**Existing Products**

**Pipeline Products**



Natural  
Nutrition





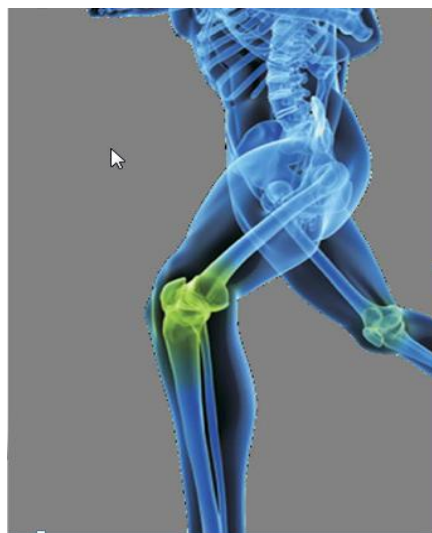
## Cartenoids

- Zanthin® Brand Astaxanthin
- Parry Tomato Lycopene
- Lutein & Trans-Zeaxanthin
- Parry Mixed Carotenoids



## Conditional Specific formulations

- Eye Health (*EyeProMD™*)
- Joint Health (*FlexProMD™*)
- Cardiovascular Health (*DeepOceanKrill™*)
- GI Health (*GoEasy™*)
- Men's Health (*USPlus® Saw Palmetto Extract*)
- Women's Health (*Cran-Gyn DDS®*)



## General Health & Wellness

- *Parry Organic Spirulina*
- *SpiruZan®*
- *Pur-Blue™ SpiruZan®*



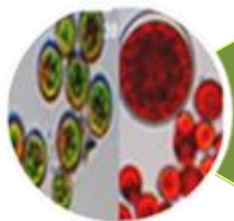
# Products and Opportunities.....



## Organic Spirulina

Current market - \$ 7.5 Mi.

CAGR - 2%



## Astaxanthin

Current market - \$ 35 Mi.

CAGR - 7%



## Lutein

Current market - \$ 150 Mi.

CAGR - 9%



## Lycopene

Current market - \$ 55 Mi.

CAGR - 6%

Making Sugar since 1842



- ▶ Distribution Expansion
  - ▶ Products placed in 13600 outlets
  - ▶ Distribution network comprising of over 70 channel partners
  - ▶ Sales organisation in place in Key towns
- ▶ Product Portfolio
  - ▶ Existing products
    - ▶ Pro 9, Pro 9D (Protein supplements)
    - ▶ Parry's Spirulina
    - ▶ NBC9 (Beta Carotene)
- ▶ New Products Launched
  - ▶ GreenT<sup>6</sup> – Antioxidant to address stress related ageing
  - ▶ Rejuveneyes- Eye Supplement
- ▶ Products under development to position in Immunity , Skin health and other segments



Rs. Crores

Description	08-09	09-10	10-11	11-12
Sales	29.0	37.3	43.9	43.6
PBIT	-	2.0	1.2	(1.0)
Capital Employed	49.3	47.4	51.0	53.3

Rs. Crores

Description	SALES		PBIT	
	10-11	11-12	10-11	11-12
Valensa	42.7	73.7	(7.5)	(2.8)
Phyto	9.6	3.9	(1.0)	(2.6)

# BIO PRODUCTS









- The global pesticide market was valued at approximately \$40 billion in 2008. This figure increased to nearly \$43 billion in 2009 and is expected to grow at a compound annual growth rate (CAGR) of 3.6% to reach \$51 billion in 2014.
- Bio pesticides represent a strong growth area in the global pesticide market. This segment is expected to grow at a 15.6% compound annual growth rate (CAGR) from \$1.6 billion in 2009 to \$3.3 billion in 2014.
- Synthetic pesticides represent the greatest market share, valued at \$41 billion in 2009. This market will be worth an estimated \$48 billion in 2014, a compound annual growth rate (CAGR) of 3%

- ➔ Highest ever consolidated sale of Rs. 83 Crores achieved in 11-12 (against Rs.67 Crores of 10-11). Domestic Sales was 42% over 10-11 & export sales was 20% over 10-11.
- ➔ Achieved production of 6749 Kgs of Technical in 11-12 (6314 kgs in 10-11) and sale of 7730 kgs of Technical in 11-12 (6777 kgs in 10-11)
- ➔ Obtained registrations in 37 countries besides 25 product & process patents Japan, Canada, Australia, U.S.A, India, New Zealand, Argentina, Mexico, China, Hong Kong and South Africa.
- ➔ Increased the sale of ABDA – a plant extract based Plant Growth Regulator Granule in domestic market to 1700 MT in 11-12 against 1100 MT in 10-11.
- ➔ Highest ever profitability achieved in 2011-12.



# Bio – New Products: Abda Variants

Continuing with the success of **Granulated Plant**

**ABDA** – for rice and sugarcane.



**ABDA GOLD** - an improvised ABDA for commercial crops.

Launched– a **Liquid Plant Vitalizer**

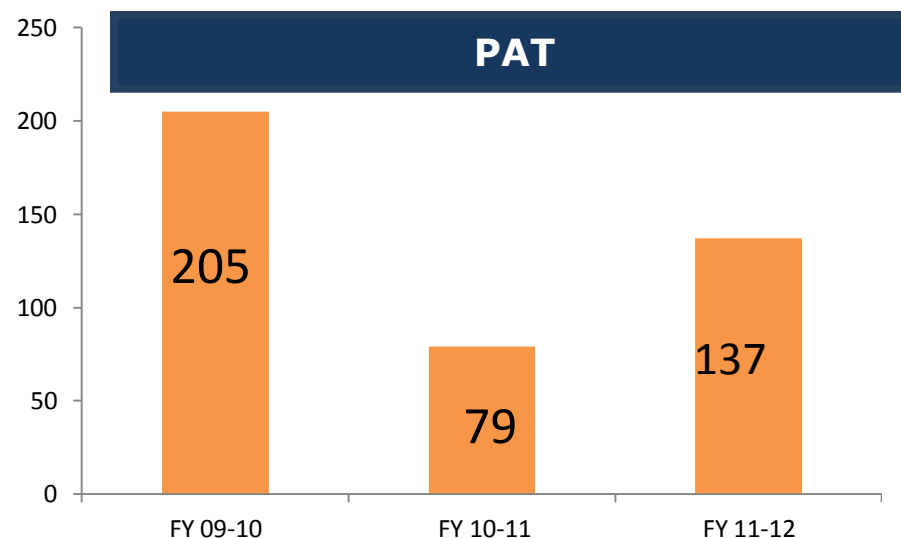
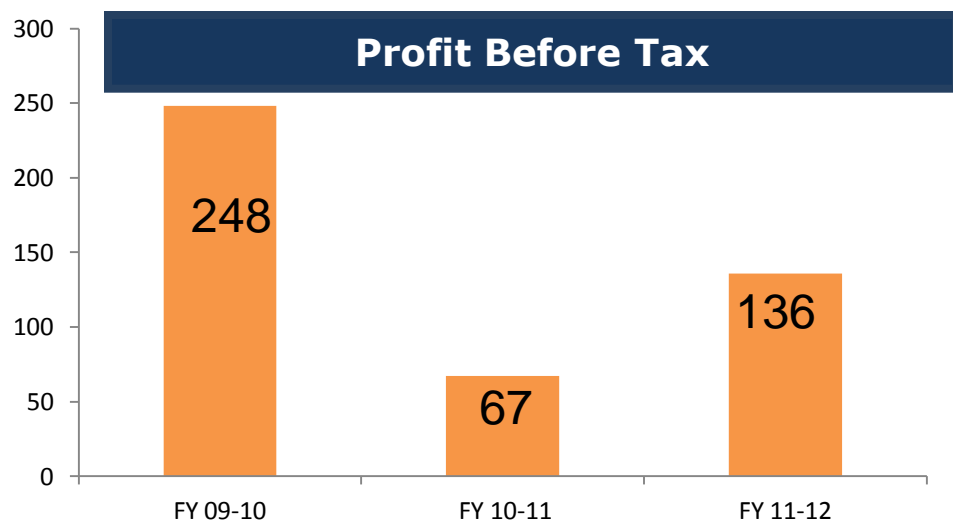
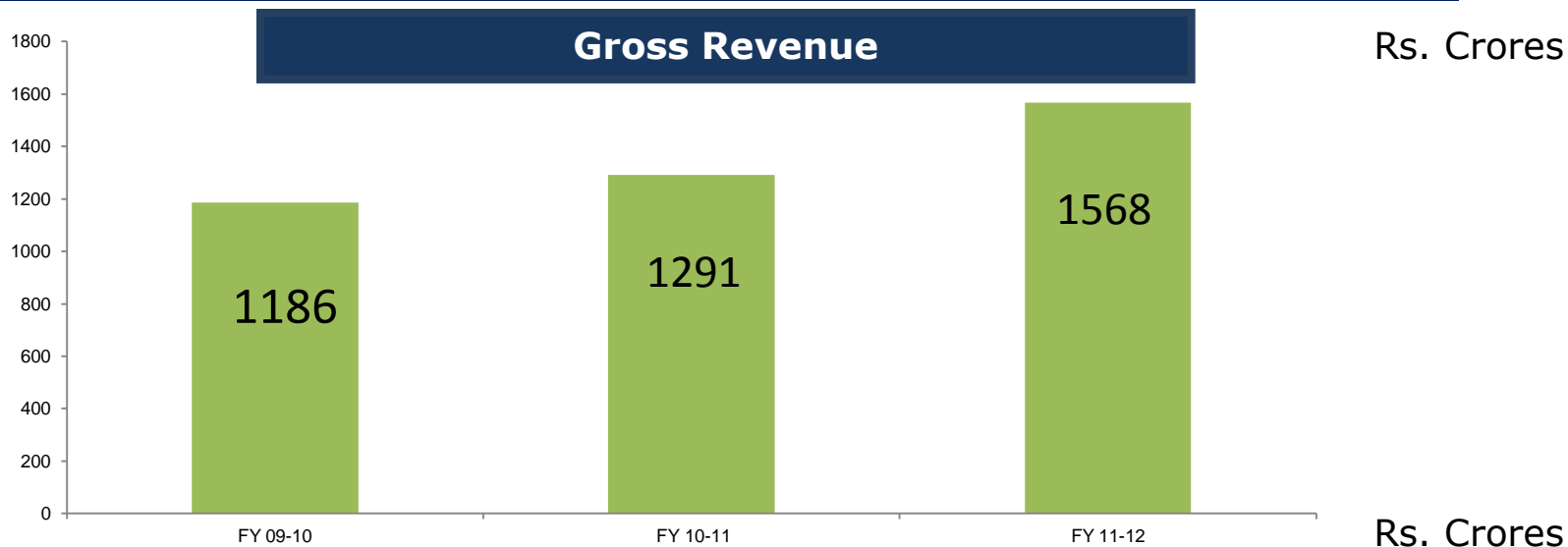
**ABDA FOLIAR** for Fruits & Vegetables in Sep'11.



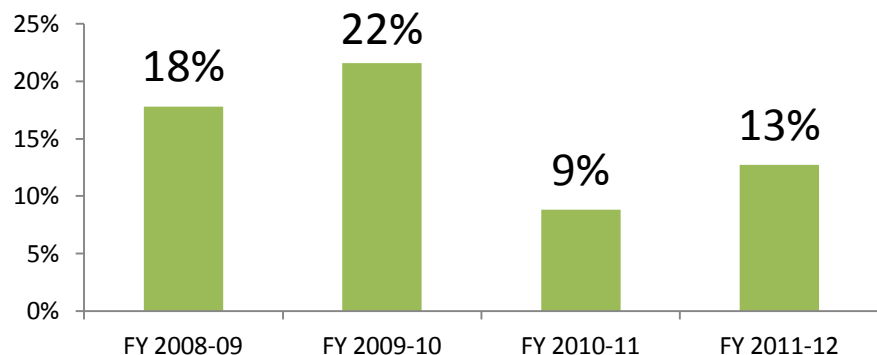
Description	08-09	09-10	10-11	11-12
<b><u>Sales Quantities</u></b>				
Total Technical (in Kgs)	4900	4319	6777	7730
Abda MT	147	509	1136	1714
Sales Value (Rs. Cr.)	35.5	35.0	55.3	77.0
PBIT (Rs. Cr.)	7.2	5.6	11.3	13.0
Capital Employed (Rs. Cr)	45.8	50.0	55.3	57.8
Parry America Sales (Rs. Cr)	13.8	14	24.9	30.2

# FINANCIALS

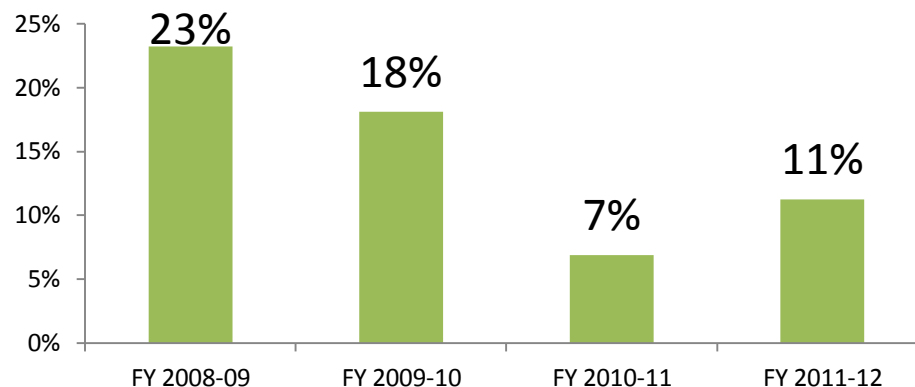




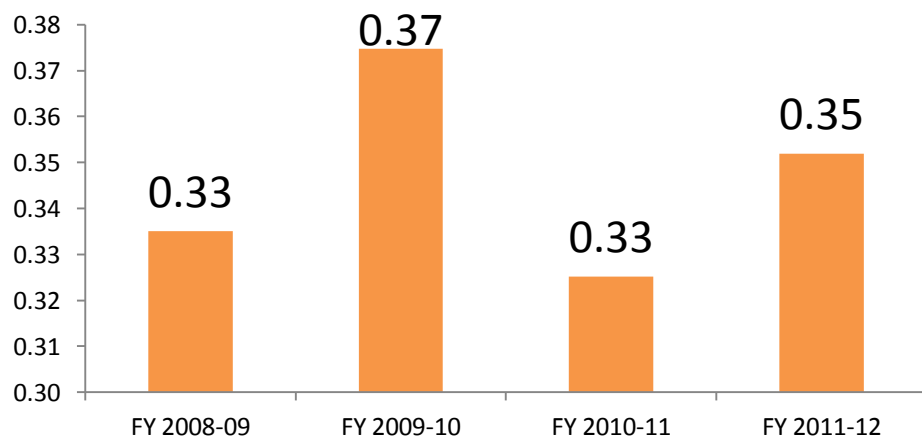
## Operating Margin



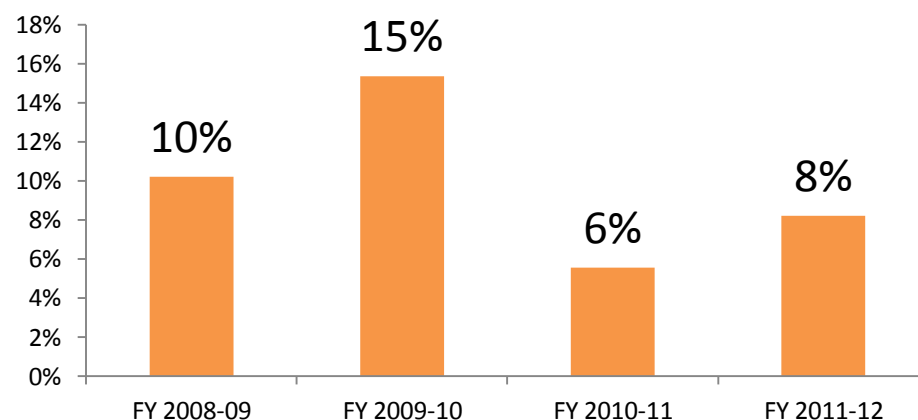
## Return on Equity



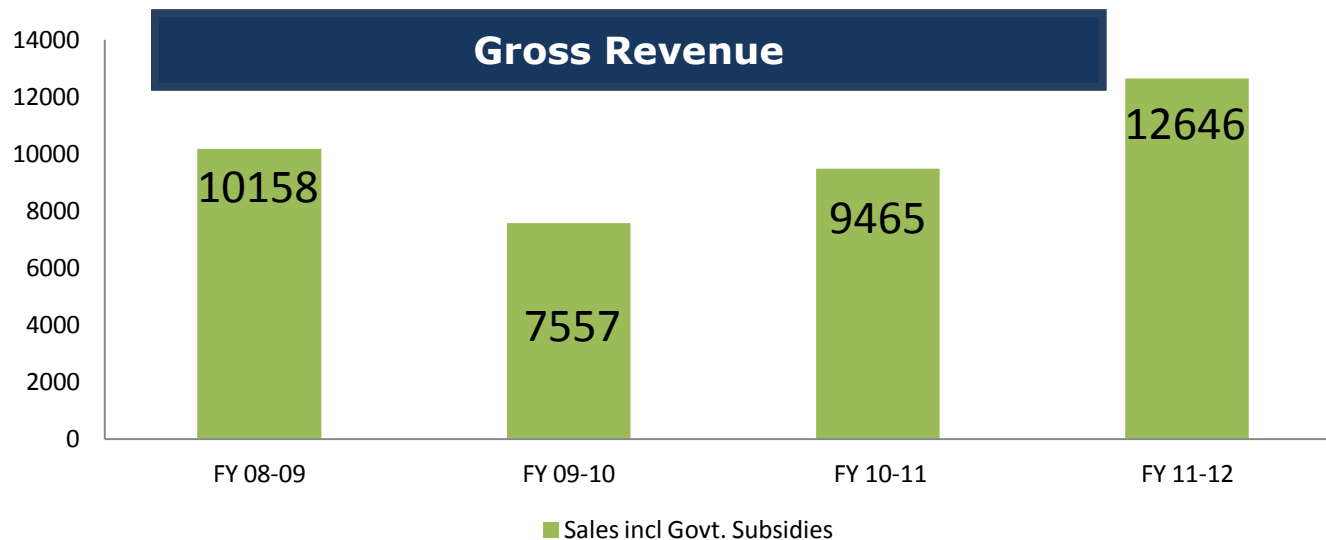
## Long Term Debt : Equity



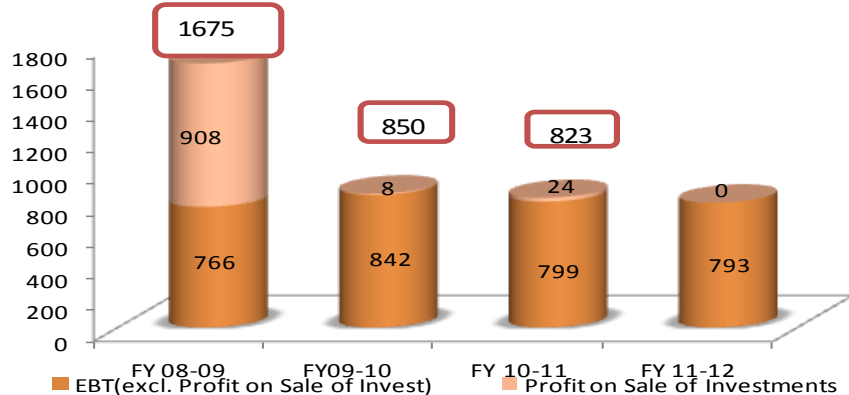
## Return on Capital Employed



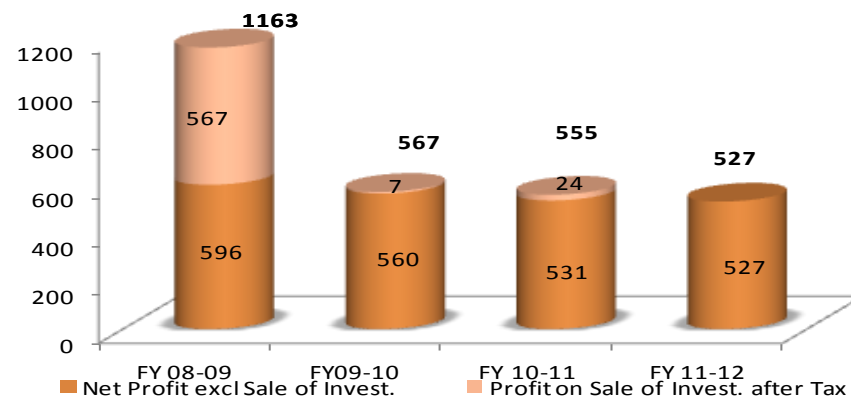
# FINANCIALS SNAP SHOT: CONSOLIDATED



## EBT



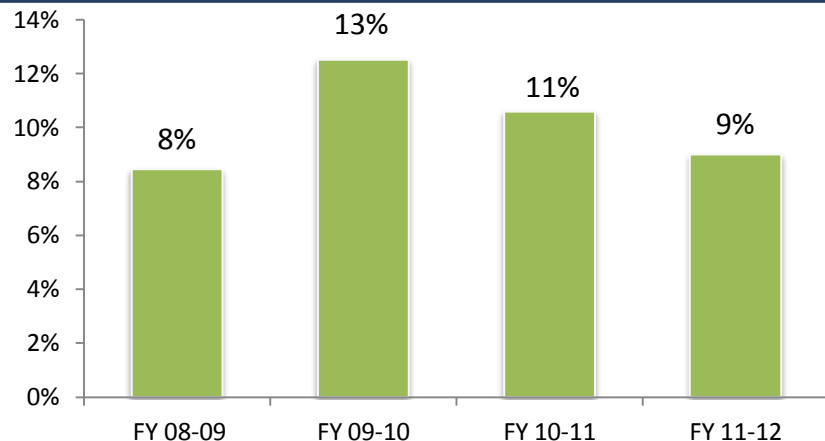
## PAT \*



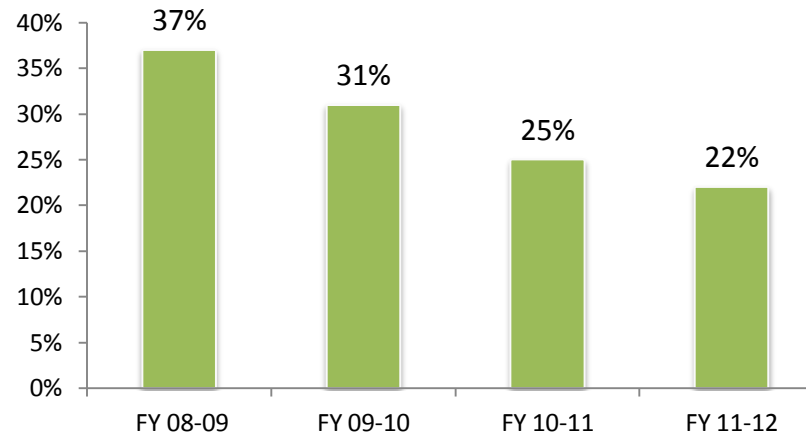
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\* PAT with Minority Interest

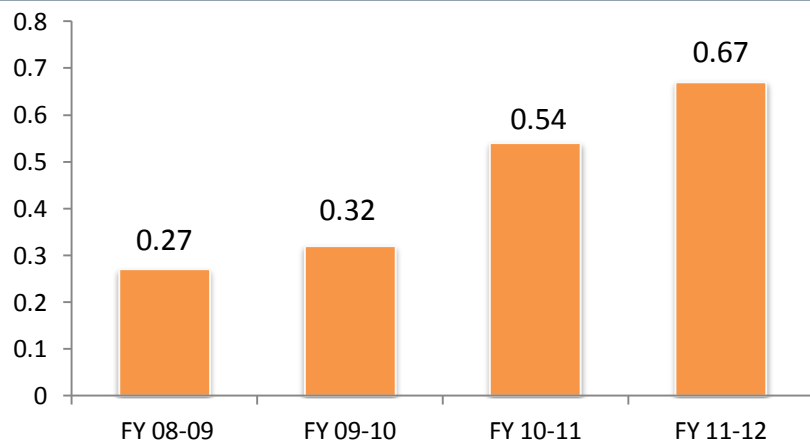
## Operating Margin



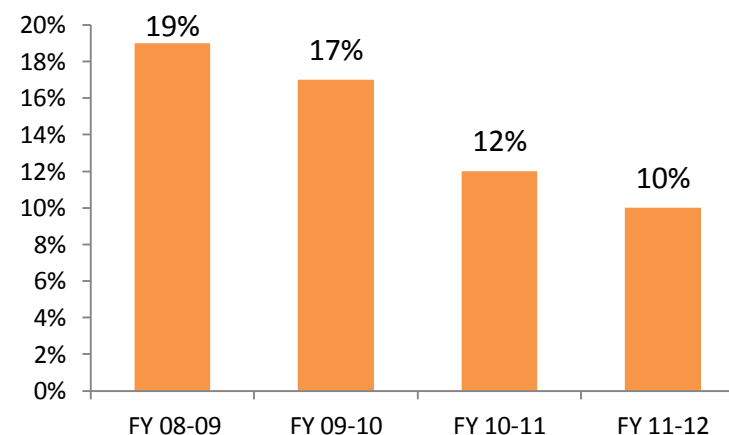
## Return on Equity



## Long Term Debt : Equity



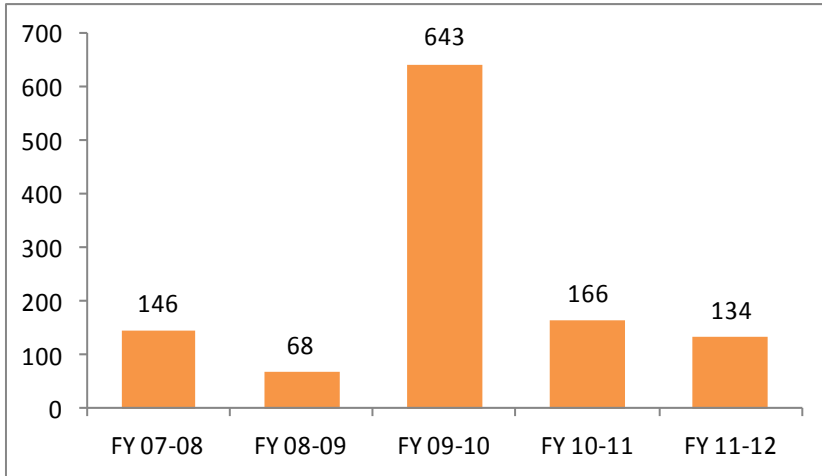
## Return on Capital Employed



**Average Payout over last 5 Years – 34%, amounting to Rs. 368Crores**



## Consolidated Free Cash Flow (in Crs)

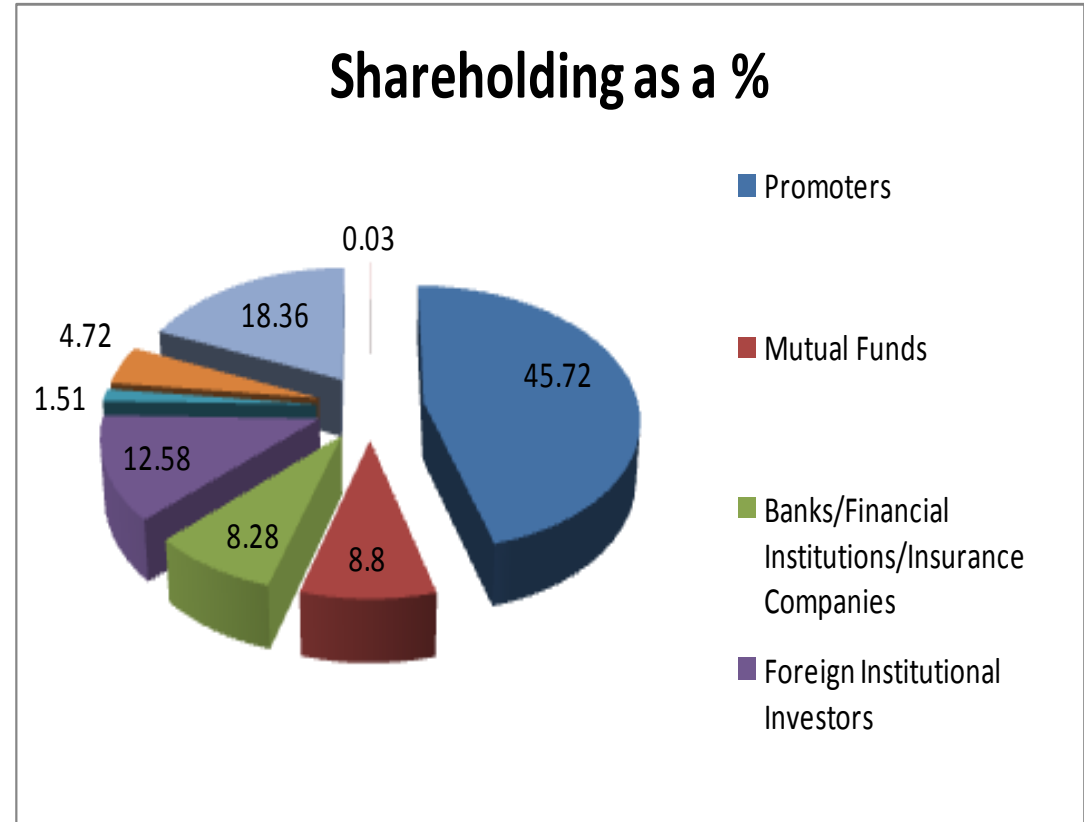


## Rating

### → CRISIL

- Long Term Debt rating AA/Stable outlook
- Short Term Debt rating to A1+
- Same ratings also been assigned by CRISIL as Bank Loan rating as per BASEL II requirement for the existing and proposed Bank Facilities.

## Share Holding Pattern as on 31 MARCH, 2012



# Awards & Accolades



## UK HR EXCELLENCE - AWARD



## Pugalur Factory - Safety award



## CII - HR Excellence



Confederation of Indian Industry  
Since 1895

CII HR Excellence 2011



## Best Industrial Relationship award in Tamil Nadu

## **Investor's Contact**

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Thank You