

MESSAGE FROM THE CHAIRMAN

A great team always demonstrates its ability to remain cohesive, surmount challenges, define new directions and excel.



Dear Shareholders,

We began the year 2011-2012 with a resolve and certainty, that, irrespective of economic trends and industry indicators, we would correct the trend of the past fiscal in our main sugar business and achieve a turnaround. I am indeed very happy to share with you the significant growth that your company achieved during the year, with each of the businesses putting in a creditable performance.

Sugar : The Sugar Division did exceedingly well despite it being a challenging year for the overall industry. This was made possible by a concerted effort to optimize efficiencies, sweat assets and achieve stretch targets. The team touched the highest ever record in production and process capabilities in sugar and co-products. The team has clearly demonstrated its ability to surmount challenges, define new directions and still remain cohesive. We are also encouraged by the appointment of Rangarajan Committee to look at moving towards de-control of the sugar industry. This is a move which has been awaited for a long time and should augur well for our Company. An indication of the thinking of the Government was the release of sugar exports without licensing. This itself is a move in the right direction and should help the Sugar Division earn a better price parity for its sugar in the overseas markets.

Acquisitions made during the previous years were consolidated with a 100% increase in stake in Sadashiva Sugars. The process of gradual merging of Parrys Sugar Industries Limited into E.I.D. has also begun and during the year 2012-13 this will be given effect to. This would enlarge E.I.D.'s scope of operations in the future. Technology upgradation, reduction in cyclicity and diversification into value added products, would be the drivers of future growth.

Bio-Products and Nutraceuticals : The Bio Products business capitalized on the growing demand for organic farming crop protection products. The division posted a robust growth, establishing itself as a Provider of Total Solutions in Crop Protection. Nutraceuticals expanded its market presence in health and body care, with a range of differentiated product offerings for the OTC segment.

Last year was a challenging one for the Company, but the team demonstrated its capabilities to excel in difficult circumstances and is well poised to continue this performance into the next year.

As we march into another year with confidence, I thank all our shareholders for their continued support and patronage.

Yours sincerely

A Vellayan

Chairman