



**Speech by**  
**Mr. M.M. Venkatachalam, Chairman**  
**at the 50th Annual General Meeting**  
**on**  
**Wednesday**  
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**Good afternoon, ladies and gentlemen!**

I extend a warm welcome to all of you to the 50th Annual General Meeting of your Company.

It is a privilege to host you today and connect with you all through this Video Conference. The Directors' Report and the Audited Accounts for the Financial Year ended March 31, 2025, have been with you for some time now and with your consent, I shall take them as read.

So, as we reflect on a year defined by resilience and transformation, your Company's journey has always been shaped by two constants: challenge and change. In 2024-25, we faced both in unprecedented measure - across businesses, supply chains, and the evolving expectations of a more sustainable world.

Yet, through every headwind, our purpose remained clear - whether delivering quality nutrition, advancing cleaner energy through biofuels, or adding value across the sugar value chain, we stood firm, guided by science, strengthened by innovation, and united by our commitment to progress.

Before I take you through the company's operations and developments, let

me briefly touch upon our choices, current trends in the economy and the industry in which your Company operates.

### **Enduring Challenges, Embracing Change:**

India's agri-based industries stand at a pivotal crossroads: where tradition meets transformation. The sugar industry, long a backbone of rural economies, continues to face cyclical pressures due to volatile prices, climate impacts, and the shifting consumption patterns. Yet, it has shown remarkable resilience, driven by diversification into ethanol production and green energy. The ethanol blending programme, a key pillar of India's energy security strategy, has opened new avenues for sustainable growth, positioning the sugar not just as a commodity, but as a catalyst in the biofuel revolution.

Against this backdrop, the premise of "Enduring Challenges. Embracing Change.", defines not just our operating reality, but our strategic mindset. It reflects our commitment to adapt, to innovate responsibly, and to create shared value across the food, fuel, and feed spectrum. As stewards of industries vital to India's economy and food security, we remain grounded in our purpose and bold in our vision for the future.

## **Economy**

FY 2024-25 marked a pivotal year for the Indian economy, which maintained its growth trajectory despite global volatility. The Reserve Bank of India, in its June 2025 policy review, cut the repo rate by 50 bps to 5.5% and Cash Reserve Ratio by 100 bps, signalling strong support for domestic demand and liquidity. GDP growth for FY 2025-26 is projected at 6.5% and risks are being evenly balanced.

For agri-linked sectors like ours, the year was transformational. India surpassed the 20% ethanol blending target in June 2025, a good six years ahead of schedule, reflecting the sector's alignment with national energy goals.

Recent developments, including new US tariff measures on Indian exports, have introduced some external headwinds. While these developments warrant close monitoring, India's growth momentum, domestic resilience, and policy buffers remain strong.

### **Sugar and Bio-fuel:**

#### **Sugar**

For the SY 2024-25, the Indian sugar sector is encountering its first production shortfall in half-a-decade, with the projected output falling approximately to 26.2 Million Metric Tons (MMT), and consumption of

around 28 MMT. This decline was driven by El Niño-induced drought in Maharashtra and Karnataka, followed by excessive rainfall that curtailed sunshine, depressing yields by 10-15 ton/ha.

The sustainability of the sugar and bio-energy sector continues to face headwinds due to policy-price mismatches. Rising cane procurement costs driven by an increase in the fair and remunerative pricing (FRP) of sugarcane have not been matched by corresponding revisions in ethanol procurement prices or the Minimum Selling Price (MSP) of sugar. This has significantly affected the viability of ethanol production and overall industry margins. As an industry, we have urged the Government to urgently revise the MSP and align ethanol pricing with actual production costs. Without such alignment, mills may be forced to reduce ethanol output, risking surplus sugar inventories and delayed farmer payments. Timely action is essential to ensure financial liquidity, encourage ethanol blending, and uphold the farmer welfare.

## **Biofuel**

The Ethanol Blended Petrol (EBP) programme stands out as a significant milestone in India's journey towards sustainability. Ethanol blending has seen a sharp rise from 12% of Ethanol Supply Year (ESY) 2022-23 to 19.8% as of June 2025. This progress has been driven by a robust policy

framework instituted by the Government and an exceptional response from the sugar and ethanol industry. With India's Gross Sugar Production expected to rise for the sugar season 2026, aided by an above average monsoon, thereby boosting cane acreage and yields in the sugar producing states. The surge is expected to give the industry some relief from the challenges of cane costs, subdued ethanol prices and muted exports.

With improved supplies, and potentially higher diversion for ethanol blending with petrol, there is some hope for improvement in the operating margins of sugar mills.

Additionally, diversion for ethanol is expected to rise to nearly 4 MMT, supported by a higher sugar output and the government's importance to the Ethanol Blending Programme.

### **Consumer Products Group:**

FY 2024-25 was a year of strong growth and strategic progress for our Consumer Products Group. Anchored in rice, millets, and pulses, we expanded our footprint across Southern India, surpassing 200,000 retail outlets. This wide reach reflects both consumer trust and our sustained efforts to deliver quality and nutrition at scale.

Alongside our growing portfolio of staples, we made notable progress in the value-added sweeteners segment. Our offerings including traditional jaggery produced at our Pugalur plant with enhanced crushing capacity, and nutritionally mindful products like Amrit, Parry's Gold, and SweetCare Low GI Sugar continued to gain consumer traction. This segment reflects our commitment to deliver healthier, natural alternatives in line with the rising demand for clean-label and minimally processed sweetening solutions.

The broader business environment offered tailwinds and challenges. Rising health awareness and government support, especially for millets, drove demand for traditional staples in modern formats. We responded with new product launches in value-added millets, premium rice and high-quality pulses, aligning with shifting consumer preferences.

As the agri-markets remained volatile, our agile supply chain and distributor relationships allowed us to stay ahead of disruptions. Enhanced route-to-market strategies, deeper market penetration, and continued focus on quality helped us deliver value while strengthening brand equity.

As consumer expectations evolve, we remain committed to combining tradition with innovation: bringing better nutrition to more homes, more efficiently.

## **Sugarcane and Farmers: Industry Woes**

Sugarcane remains at the core of our integrated business model, serving as a critical feedstock not just for sugar production but also for ethanol and industrial alcohol.

During FY 2024-25, our operations were significantly impacted by declining recovery rates, shrinking cane area, and procurement disruptions. Nationally, average sugar recovery fell sharply from 10.10% to 9.30%, reducing sugar production by nearly 18% y-o-y. In major producing states Maharashtra, Karnataka, and Uttar Pradesh where production dropped 19-22%, with UP also suffering red-rot disease outbreaks that impeded yields.

Challenges were even more pronounced in Tamil Nadu, where cane cultivation contracted from approximately 1.5 million acres to just 0.5 million acres - the steepest state-level decline recorded. Rising production costs, pest-related losses (notably from yellow aphids), and limited processing infrastructure have prompted growers to shift acreage towards more remunerative crops.

In Andhra Pradesh, the sugarcane area fell sharply from 17,000 ha in 2018-19 to only around 3,200 ha in 2024-25 following mill closures and flood-related yield declines; production in the region remained well below



mill requirements, with factories operating at half capacity in certain districts.

Amidst these challenges, we ramped up farmer engagement efforts: delivering agronomy training on varietal selection, nutrient & water management, deploying digital advisory platforms reaching our farmers, and conducting regular field visits. These initiatives are critical to rebuilding resilience, securing raw material supply, and reinforcing our deep partnership with farming communities across the states where your Company operates.

## **Performance and Financials**

The past year presented a series of unexpected and unfavourable developments in the sector, which posed considerable challenges to our operations. While these disruptions called for timely course correction and greater resilience, they inevitably impacted our performance. Consequently, the Company witnessed a climb down in its operational and financial performance.

Your Company, during the FY 2024-25, recorded a crushing of around 37.42 LMT as compared to the corresponding period of the previous year at 50.09 LMT and the average recovery was at 8.45% as against 9.06% of

previous season. Sugar production was around 3.16 LMT as against 4.55 LMT of previous year. The Standalone revenue from operations for the year ended March 31, 2025, was Rs. 3,168 Crore against previous year of Rs. 2,809 Crore and Earnings before depreciation, interest, taxes, and exceptional items (EBITDA) for the year ended was Rs. 252 Crore as against previous year of Rs. 307 Crore. The Standalone Profit after tax was Rs. (428) Crore, compared to Rs. 107 Crore in the previous year, after considering the impairment of investment in your Company's subsidiary, Parry Sugars Refinery India Private Limited.

The year under review presented a challenging and evolving market environment, marked by adverse climatic conditions, rising input costs, and regulatory headwinds. While our standalone operations concluded with a net loss, we remained resilient across core segments and laid a strong foundation for future growth. Revenue growth was driven by higher distillery sales, with an increase from 799 Crore in FY 24 to Rs. 1102 Crore in FY 25, thanks to the addition of new capacities at Nellikuppam, Haliyal; and a robust 65% increase in the newly launched Consumer Products Group. However, profitability was significantly constrained by higher sugarcane procurement costs and reduced cane availability in Tamil Nadu and Andhra Pradesh, compounded by lower recovery rates and inflationary pressures. Despite these constraints, we sustained market presence through focused brand and distribution strategies, ensured operational

continuity in sugar and distillery and navigated ethanol policy shifts with agility.

In conclusion, FY 2024-25 was a year marked by renewed strategic clarity, disciplined execution, and steady momentum. We entered the year with a focused mandate: to strengthen our core, accelerate scalable growth platforms, and maintain robust margins through prudent feedstock management and operational efficiencies.

## **Nutraceuticals**

The Nutraceuticals Division achieved a standalone revenue of Rs. 37 Crore in 2024-25 and the Company's wholly owned subsidiary, US Nutraceuticals Inc. registered a revenue of 21 million USD.

Our Nutraceuticals business continued to strengthen its position in global markets, driven by a growing demand for natural, science-based wellness solutions. During the year, the business focused on deepening customer engagement, diversifying its product portfolio, and expanding into newer geographies. With increased consumer awareness around preventive health and immunity, we believe the Nutra segment is well-positioned for long-term growth and value-creation.

## **Subsidiary Company, Parry Sugars Refinery India Pvt Ltd (PSRIPL)**

PSRIPL's performance in FY 2024-25 was shaped by sharp shifts in the global sugar trade. While the first half benefitted from steady refined sugar demand and moderate raw sugar prices, the second half saw a steep correction in white premiums driven by higher output from the EU and firming raw sugar prices amid lower Brazilian production. White premiums hit five-year lows from September 2024, compressing margins across the toll refining industry.

Despite these headwinds, PSRIPL maintained a sales at 8.3 LMT, deepened relationships with global F&B majors, and achieving a record 40% of volumes via container shipments, reflecting operational agility and enhanced supply chain execution. However, the margin pressure led to a revenue decline to Rs. 4,262 Crore (from Rs. 4,400 Crore), and a net loss of Rs. 118 Crore, including an impairment on its overseas investment, Parry International DMCC.

## **Towards Intelligent, Connected Operations**

Technology and innovation will be the key differentiators as we move ahead in a dynamic and evolving industry. At your company, we are actively embedded cutting-edge technologies such as Artificial Intelligence

(AI), Internet of Things (IoT), and advanced analytics into our operations to create a more agile, responsive, and efficient enterprise.

Our operations are becoming increasingly intelligent and interconnected. Each mill, distillery, and production unit is integrated into a smart network where real-time data drives decisions, optimizes processes, and improves outcomes across the value chain: from cane procurement and crushing to ethanol production and delivery.

### **Redefining Automation in Agri-Industry**

We are not just automating but are redefining how natural resources are cultivated, converted, and consumed. Whether it's precision farming solutions, or smart manufacturing systems, we are leveraging technology to minimize waste, lower emissions, and ensure sustainable productivity.

### **Embracing Sustainability in Our Journey**

For us, sustainability is as much about people as it is about the planet. Our commitment to farming communities goes beyond agricultural support: we invest in their progress through structured skill-building, timely financial settlements, and accessible credit solutions. We believe the strength of a sugar company lies in the well-being of those who cultivate its foundation,

and we remain dedicated to ensure that our growers grow with us.

Sustainability remained integral to EID Parry's purpose and operations in FY 2024-25. In line with our commitment to responsible growth, we continued to embed environmental, social, and governance (ESG) principles across the value chain: from farm to factory. Significant strides were made in water stewardship through increased condensate recovery, zero liquid discharge at all distilleries, and enhanced water recycling initiatives. On the social front, we expanded community development programs in health, education, and livelihoods in our rural catchments, going well beyond to respond to real, on-ground needs. I am happy to share that your Company is on track to reach its target of having 5% of women workforce in a manufacturing by 2030.

At this juncture, it is worth noting our landmark initiative—Project NANNNEER, supported by the AMM Foundation, the century-old CSR arm of the Murugappa Group. We have initiated the rejuvenation of seven water bodies in the districts of Tamil Nadu in 2024-25. The next phase of project to be expanded to Karnataka and Andhra Pradesh. With nearly four billion litres of water already under management, Project NANNNEER has positively touched over 21,000 farmers and is steadily advancing towards its ambitious target of restoring ten billion litres by 2026.

Our efforts have not gone unrecognised. Your company was recognised with multiple sustainability awards, while the 'Parry' brand retained its Superbrand status for the fifth successive year, reflecting our commitment to excellence and trust.

## **Outlook**

The sugar industry stands at a pivotal juncture - navigating structural headwinds while embracing emerging opportunities. Unseasonal weather and climatic shifts have impacted sugarcane yields in several regions, yet India's overall sugarcane production has displayed relative resilience. The government's continued support through FRP, proactive ethanol blending targets, and calibrated export policies has provided the sector with a more stable operating framework, even as regulatory controls remain dynamic.

Looking ahead, your Company is strategically positioned to respond to this evolving landscape. Our integrated business model: spanning sugar, distillery, co-generation, nutraceuticals and now the Consumer Products Group - enables risk diversification and enhances margin stability. We continue to deepen our focus on sustainable agriculture, digital technologies, and energy-efficient operations to future-proof our core business. The ethanol blending programme has emerged as a key growth driver, cushioning against sugar price volatility and reinforcing our role in

India's clean energy transition.

We believe that the Indian sugar sector is undergoing a transformation: from being price-sensitive and cyclical to becoming a cornerstone of the bioeconomy. With the right policy support and industry alignment, it has the potential to evolve into a renewable energy hub that is globally competitive while contributing meaningfully to the country's rural economy and carbon reduction goals. EID Parry remains committed to leading this shift with responsibility, innovation, and long-term vision.

### **Acknowledgements**

I am very grateful to all our employees, shareholders, farmers, customers, suppliers, distributors, banks, the Government, oil marketing companies and other stakeholders for their continued support, partnership, and invaluable contribution in facilitating the Company's operations. Your trust and support have been instrumental in our journey. Together, we will continue to drive growth, create value, and make a positive impact.

We, as a Board, have confidence in the excellent leadership team of your Company to lead the way for next growth phase of the business in a competent, compliant, socially responsible, and transparent manner. I look forward to witnessing the continued growth journey of EID Parry with all



your support. EID Parry is well positioned to take on future challenges with passion.

**With Best Wishes**

**Thanking You**

**M.M.Venkatachalam**