

COROMANDEL INTERNATIONAL LIMITED

MINUTES OF THE PROCEEDINGS OF THE 49TH ANNUAL GENERAL MEETING HELD AT 10.30 AM ON JULY 21, 2011 AT HOTEL MINERVA GRAND, CMR COMPLEX, SAROJINI DEVI ROAD, SECUNDERABAD 500003

PRESENT

Directors

Mr A Vellayan	Chairman. Also, Representative appointed under Sec.187 of the Companies Act, 1956 by EID Parry (India) Ltd.
Mr V Ravichandran	
Mr K Balasubramanian	
Dr B V R Mohan Reddy	
Mr R A Savoor	
Mr M K Tandon	
Mr M M Venkatachalam	
Mr Kapil Mehan	Managing Director
Mr M R Rajaram	Company Secretary
Mr Anupam Dhawan	Representative, Price Waterhouse, Auditors
Ms Saritha M	-do-

456 Members including 81 through proxies duly appointed by them were present when the meeting commenced.

Mr A Vellayan took the chair in accordance with Article 82 of the Company's Articles of Association.

The Chairman, before calling the meeting to order, introduced the Members of the Board and also the Management Team of Coromandel. He then stated that the requisite quorum being present he would commence the Meeting. The Chairman stated that the Registers required to be placed before the Meeting under the provisions of Companies Act, 1956, were so placed and available for inspection of members.

The Chairman then sought the consent of the members to take the Notice convening the Meeting as read. Such consent being given, he requested the Company Secretary to read the Report of the Auditors to the Members.

The Secretary read the Report of the Auditors to the Members.

The Chairman then addressed the Meeting, the text of which is annexed to this Minutes.

1.0 ADOPTION OF ANNUAL ACCOUNTS AND DIRECTORS' REPORT:

- i) The Chairman stated that the Directors' Report and the Accounts for the financial year ended March 31, 2011 had been with the members for some time and with their consent took these documents as read.

ii) Mr V Rajamouli proposed the following resolution as an Ordinary Resolution:

– “RESOLVED that the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the financial year ended on that date, together with the Report of the Auditors and the Report of the Directors for the relevant period, now submitted to this Meeting be and are hereby received and adopted.”

Mr C S Naidu seconded the resolution.

Before putting the resolution to vote, the Chairman invited comments / questions, if any, from the Members on the accounts.

Certain queries raised by Members were replied to by Mr A Vellayan, Chairman and Mr Kapil Mehan, Managing Director. Thereafter, the Chairman put the resolution to vote and declared it carried unanimously.

2.0 DECLARATION OF DIVIDEND

Mr M R Rao proposed the following resolution as an Ordinary Resolution:

“RESOLVED that a Dividend of Rs. 7.00 per equity share (including Interim Dividend of Rs 4.00 per share) be and is hereby declared on the equity share capital of the Company for the financial year 2010-11 and the said dividend be paid to those shareholders who are on the Register of Members of the Company as on July 21, 2011, and in respect of shares held in dematerialised form to the beneficial owners, as per the list provided by the depositories.”

Mr T D Bhagwandass seconded the resolution, which was then put to vote by the Chairman and declared it carried unanimously.

3.0 REAPPOINTMENT OF MR V RAVICHANDRAN AS DIRECTOR

Mr Tumuluru Krishnamurthy proposed the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr V Ravichandran be and is hereby elected as a Director of the Company”.

Mr V Ramachandra Murty seconded the resolution, which was then put to vote by the Chairman and declared it carried unanimously.

4.0 REAPPOINTMENT OF MR K BALASUBRAMANIAN AS DIRECTOR

Mr Rajkumar Khandelwal proposed the following resolution as an Ordinary Resolution:

“RESOLVED that Mr K Balasubramanian be and is hereby elected as a Director of the Company.”

Mr N Parameshwar seconded the resolution, which was then put to vote by the Chairman and declared it carried unanimously.

5.0 REAPPOINTMENT OF DR B V R MOHAN REDDY AS DIRECTOR

Mr A C Gupta proposed the following resolution as an Ordinary Resolution:

“RESOLVED that Dr B V R Mohan Reddy be and is hereby elected as a Director of the Company.”

Mr Shyam Sundar seconded the resolution, which was then put to vote by the Chairman and declared it carried unanimously.

6.0 APPOINTMENT OF AUDITORS

Mr V Rajamouli proposed the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, bearing Registration No.008072S with the Institute of Chartered Accountants of India, be and they are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs.28.00 lakhs (Rupees twenty eight lakhs only) plus reimbursement of out of pocket expenses and service tax.”

Ms M Nagamani seconded the resolution, which was then put to vote by the Chairman and declared carried unanimously.

7.0 ELECTION OF MR KAPIL MEHAN AS DIRECTOR

Mr Tumuluru Krishnamurthy proposed the following resolution as an Ordinary Resolution:

“RESOLVED that Mr Kapil Mehan be and is hereby elected as a Director of the Company.”

Mr K Janakiram seconded the resolution, which was then put to vote by the Chairman and declared it carried unanimously.

8.0 APPOINTMENT OF MR KAPIL MEHAN AS MANAGING DIRECTOR

Mr B Venkataratnam proposed the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and 310 and all other related and applicable provisions, read with Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval be and is hereby given for the appointment of Mr Kapil Mehan as the Managing Director of the Company for a period of 5 years from October 19, 2010 to October 18, 2015.

RESOLVED FURTHER THAT Mr Kapil Mehan, Managing Director, be paid remuneration by way of salary, allowances, incentive, and perquisites subject to the requirements as contained in Sections 198, 309 and 310 read with Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and further subject to an overall limit of 5% of the net profits of the company for

each financial year computed in the manner prescribed in sections 349 and 350 of the Companies Act, 1956, as specified below with effect from October 19, 2010:

a. **Salary**

Rs. 3,55,000/- per month in the range of Rs.3,50,000/- to Rs.10,50,000/-

The Increments to be decided by the Remuneration & Nomination Committee (R&NC).

b. **Allowances**

Allowances like House Rent Allowance, Leave Travel Allowance, Personal Allowance, Special Allowance, Additional Special Allowance Grade Allowance and/ or any other allowance as determined by the Remuneration and Nomination Committee

c. **Incentive**

As determined by the Remuneration and Nomination Committee for each year.

d. **Perquisites**

As determined by the Remuneration and Nomination Committee such as Furnished / Unfurnished accommodation or House Rent Allowance in lieu thereof, reimbursement of medical expenses incurred by Mr Kapil Mehan and his family, club fees, provision of cars and encashment of leave as per the rules of the company in force from time to time, and any other perquisites, benefits, amenities as applicable to senior management staff of the company, from time to time.

e. **Retiral Benefits**

Provident Fund/Superannuation Fund

Contribution to the Provident Fund and Superannuation Fund shall be in accordance with the approved schemes of the company as in force from time to time.

Gratuity

Gratuity payable in accordance with the rules of the approved scheme of the company as in force from time to time.

f. **Employee Stock Option Scheme 2007**

Participate in the Employee Stock Option Scheme 2007 of the Company.

g. General

- (i) Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes) the perquisites shall be valued as per income tax rules.
- (ii) Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.
- (iii) Mr Kapil Mehan would not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
- (iv) Mr Kapil Mehan would be subject to all other service conditions as applicable to any other employee of the Company.

THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr Kapil Mehan's office as Managing Director, the remuneration by way of salary, perquisites, special allowance, benefits, amenities and facilities shall not, unless approved by the Central Government, exceed the limits prescribed under the Companies Act, 1956 and rules made there under or any statutory modifications or re-enactment thereof."

Mr C S Naidu seconded the resolution, which was then put to vote by the Chairman and declared it carried unanimously.

The Chairman then declared the meeting concluded and thanked the members for attending the meeting.

Chairman

17/8/2011

ANNEXURESPEECH BY CHAIRMAN

Ladies and Gentlemen!

It gives me great pleasure to welcome you all to the Forty Ninth Annual General Meeting of Your Company COROMANDEL INTERNATIONAL LIMITED.

The Indian Economy is growing at 8.5% to 9% and the heartening factor is that the agriculture had grown at 6.6% last year which augurs well for the Economy going forward as agriculture always recorded sluggish growth in the past. The Nutrient Based Subsidy Policy which was introduced by the Government had created a win win situation for the Government, Industry and more importantly for the farmers. The policy had indeed paved the way for farmers to access the soil compatible Fertilisers and Companies have to now produce new products to meet the emerging demands from the Farmers. I am glad to inform you that your Company has been proactive in its response to this new need through innovation and investment in the development of new grades of fertilisers, which, I am sure would go a long way in helping the farming community in the years to come. Your Company is currently implementing a project to expand fertilizer production from 3 Million MT to 4 Million MT by adding another complex train at Kakinada plant.

Your Company had in line with its long term strategy, started implementing plans to grow the share of non subsidy based businesses viz., Crop Protection, Specialty Nutrients and Rural Retailing etc and this is likely to yield results in the next couple of years. As a major step in this direction, your Company had on May 30, 2011 signed a share Purchase Agreement with the promoters of Sabero Organics Gujarat Limited, a Listed, profit making and Dividend paying Company based at Gujarat. Sabero is engaged in the business of manufacturing and marketing of Crop Protection Chemicals with major presence in Global Markets. Your Company currently is going through the process of complying with the Open Offer requirements of SEBI take over regulations and is hopeful of completing the entire process of take over by end of September this year. Sabero's products are complimentary to the products of Coromandel and have a strong export market with about 240 registrations in over 50 countries with Manufacturing facilities in Sarigam and Dahej in the State of Gujarat.

Your Company plans to expand its Retail network to Karnataka and Tamil Nadu with value added products and services to the farming community. Your Company, as part of its strategy, would continue to focus on growth in non subsidy based businesses.

Coming to our performance, the Report of the Directors and the Accounts of the Company for the year ended March 31, 2011 have been circulated to you and I am sure, the continued good performance of the Company must have delighted you. The Company achieved total revenue of Rs 7716 crore. The Profit before Tax was Rs.988 crore and the Profit After Tax was Rs.694 crore. Let us together congratulate the Management Team for this continued record of good results.

Based on the above performance, the Board has recommended a total Dividend of Rs. 7/- per share of Re.1/- each (700%, including the Interim Dividend of 400% already declared for the year), for your approval, at this meeting. I am sure you will appreciate the Company's efforts in sustaining the good returns to the shareholders.

The year gone by was yet another eventful year for Coromandel with an all time high sales of fertilisers of 31.0 lakh MT. The Plant protection Business performed well and registered a turnover of Rs.440 crore recording an increase of 23% over the previous year. During the year under review, your Company acquired Pasura Bio-Tech Pvt Ltd and also amalgamated with the Company. The new facilities commissioned at Ankleshwar for manufacturing

various technicals had seen a significant improvement in operations. The Specialty Nutrient Division consisting of Water Soluble Fertilisers and Micro Nutrients and Municipal Compost achieved profitable growth and established new sales records. Your Company's pioneering effort in improving the soil health and increasing the Carbon Content through use of Municipal Compost has been well received by the Farming community and the Company has set up its own facilities at Puduchery and EID Parry's sugar plants to augment the supplies.

I am also pleased to inform you that your Company's Rural Retail initiative to enrich Farmers lives through 'Mana Gromor Centres' continued to receive good response. Your Company has plans to expand this initiative into the neighboring states of Karnataka and Tamil Nadu. Through these retail outlets, the Company provides a number of agri products/services as well as select non agri products to the Farmers. This direct interface with the customers continues to strengthen the Company's bondage with the farmers. The exclusive outlets 'Mitramart' provides life style products, enabling rural customers to experience urban lifestyle.

During the year, with your approval, the equity shares of the Company were sub-divided from Rs 2/- per share to Re.1/- per share. I am sure this action had resulted in increased liquidity of the shares in the Market place.

Your Company along with CFL Mauritius Ltd. holds 14% of the equity of FOSKOR. The Company had renewed the Technical Assistance Agreement with FOSKOR for a period of 2 years effective from April 2010. As business partners we value their relationship.

The commissioning of the new phosphoric acid project being put up by TIFERT, the joint venture company set up in Tunisia in collaboration with Group Chimique Tunisien (GCT), Campagnie Des Phosphates De Gafsa (CPG) of Tunisia and Gujarat State Fertilisers Corporation Limited (GSFC), is delayed mainly due to the recent political developments. The Plant is expected to be now commissioned by second half of 2011-12. The tie-ups with FOSKOR and the Tunisien partners would enable the Company to secure uninterrupted supply of Phosphoric acid.

I am pleased to inform you that the JV Company Coromandel SQM India Pvt. Ltd. incorporated for manufacturing different grades of Water Soluble Fertilisers in Kakinada has since obtained necessary statutory approvals and the project is expected to go on stream during the course of the current year.

Coromandel continued to receive number of awards/accolades from Industry forums. Some of the important awards received during the year include:

- Best Operating Phosphoric Acid Plant Award by Visak Plant from The Fertiliser Association of India
- National Award for Excellence in Water Management received by Visak Plant from the CII
- Significant Achievement in HR excellence at National Level from the CII

For the strong commitment to excel, Coromandel's Kakinada Plant received CII's commendation for Significant Achievement in Business Excellence in the CII-Exim Bank Business Excellence Award.

I am sure you would join me in congratulating the team on the accolades and wish them many more in the future.

During the year, Mr V Ravichandran had moved on to the Corporate Board as Lead Director for Fertiliser and Sugar businesses. He continues to be a Non-Executive Director on the Board of Directors of Coromandel. During his tenure as Managing Director of Coromandel, the Company had grown multifold in terms of turnover, profitability and market capitalization. The Board places on record its sincere appreciation of the valuable contributions made by Mr V Ravichandran during his tenure as MD of the Company.

Mr Kapil Mehan joined Coromandel as the Managing Director in October 2010. He was with the Tata Group for three decades and was the Executive Director of Tata Chemicals Limited

prior to joining Coromandel. I am sure with his wide experience and stewardship your Company will continue to perform well and reach greater heights. On your behalf and on my own, I welcome Mr Kapil Mehan to Coromandel.

I would also like to take this opportunity to thank all the shareholders for reposing unstinted faith in the Company by extending wholehearted support to all the initiatives. I would also like to thank the Central and State Governments, the suppliers, the Banks and Financial Institutions, employees at all levels, and the Customers who have contributed to the successful operations of the Company.

I would like to place on record my gratitude to the Board Members for contributing to the progress of the Company and extending their utmost cooperation in the discharge of my functions as the Chairman of the Board.

Thank you.