

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

MINUTES OF THE THIRTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF E.I.D.- PARRY (INDIA) LIMITED HELD ON TUESDAY, THE 31ST JULY, 2012 AT 4.00 P.M. AT TAMIL ISAI SANGAM, RAJAH ANNAMALAI MANDRAM, 5 ESPLANADE ROAD, CHENNAI - 600 108.

PRESENT:

**Mr. A. VELLAYAN
Mr. V. RAVICHANDRAN
Mr. RAVINDRA S. SINGHVI
Mr. V. MANICKAM
Mr. R.A. SAVOOR**

Mr. ANAND NARAIN BHATIA

Mr. M.B.N. RAO

**CHAIRMAN
VICE CHAIRMAN
MANAGING DIRECTOR
DIRECTOR
DIRECTOR & CHAIRMAN OF
AUDIT COMMITTEE
DIRECTOR & CHAIRMAN OF
SHARES & SHAREHOLDERS/
INVESTORS GRIEVANCE
COMMITTEE
DIRECTOR**

IN ATTENDANCE

Mr. SURESH KRISHNAN

Mr. P. GOPALAKRISHNAN

Mr. SAJIV K. MENON

COMPANY SECRETARY

VICE PRESIDENT - FINANCE

**BUSINESS HEAD - BIO &
NUTRACEUTICALS**

1764 Shareholders present in person

128 Shareholders represented by proxy

Since the requisite quorum was present, the Chairman called the meeting to order.

1. Mr. A. Vellayan, Chairman, took the Chair in accordance with Article 72 of the Articles of Association of the Company.
2. Mr. A. Vellayan, Chairman, extended a warm welcome to the members to the 37th Annual General Meeting of the Company.

The Chairman then briefly introduced the Directors and the senior executives of the Company present on the dais.

3. The Chairman announced that the Register of Directors' shareholdings maintained under Section 307 of the Companies Act 1956, was available for inspection by the members at any time during the meeting.
4. The Chairman also announced that the Certificate dated 25th April, 2012 received from the Company's Auditors, Messrs. Deloitte, Haskins & Sells certifying that the Employee Stock Option Scheme had been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Special Resolution passed by the members in this regard at the General Meeting held on 26.07.2007 was on the table and was available for inspection by the members at any time during the meeting.
5. The Chairman informed the members that 128 proxies for 10,48,47,282 Equity Shares were received and duly recorded.
6. With the unanimous consent of the members present, the Notice dated 25th April, 2012, convening the Thirty Seventh Annual General Meeting was taken as read.
7. Mr. Suresh Krishnan, Company Secretary, then read the Report of the Auditors to the Members.
8. The Chairman in his speech expressed his happiness to be part of this illustrious organization which has entered 225th year of its existence. Dealing with the economic scenario, he informed that the Indian Economy after growing at 8.5-9% in the past 2 years had seen a downward trend during the year 2011-12 recording a growth of 6.5%. Coming to the Sugar Industry, he informed that the Indian Sugar Industry is a highly regulated industry, wherein the entire value chain, from the price of sugarcane to the distribution of sugar and the use of its by products, is under the regulatory purview. While the Central Government exercises various controls like levy sugar obligation, regulated release mechanism, import and export regulations, the State Governments exercise controls like minimum distance criteria, cane area reservation, dual cane pricing etc. Over all the Sugar industry is the only industry in India to bear the burden of social welfare program of Government (PDS). He stressed the need for de regulation of Sugar Industry, the removal of sugar from Jute Packaging Material Act, 1987 and about the Government's enlightened policy prevailing in the States of both Tamilnadu and Karnataka which is reflected in the higher production from these two States.

Dealing with the Industry Outlook and the Developments in the sugar industry in the year 2011-12, the Chairman informed the Members that:

- ❖ Indian Sugar Industry is the 2nd largest producer of sugar in the world and is an Rs.80,000 Crore (approximately) industry
- ❖ It covers 5 million hectares and 50 million cane farmers and dependants
- ❖ Cane payment of Rs.55,000 Crore are directly paid to farmers without middlemen
- ❖ 65% of sugar is consumed by bulk consumers comprising of Multinationals, Beverage Companies, FMCG and the Pharma Sector
- ❖ Located in the rural heartland, directly contributes to rural economic development & employment
- ❖ Indian Sugar Mills Association (ISMA) has estimated that the sugar production in the ongoing 2011-12 season will be 260 lakh tons. Till June this year, 257 lakh tons has been produced. ISMA lowered its all India sugar production estimate for 2012-13 by close to 4% as it expects output in biggest sugar-producing state Maharashtra to decline by about 16%.
- ❖ According to ISMA due to delayed rains over India which has affected the sugar production for 2012-13, the country's output is estimated to be lower than 2011-12 at 250 lakh tons from current year's estimated output of 260 lakh tons.

He then briefly summarised the highlights of the performance of the Company during the year 2011 – 2012 and other major happenings as given below:

Sugar

He informed that the Brand "**Parry's**" has been selected and was awarded the consumer Superbrand for 2011-12 by popular consensus among both Consumers and Industry Experts. This global acknowledgement has placed the Company in an elite league of the world's best brands. Parry's Sugar is the only sugar brand in India to be conferred Superbrand status.

Sugar Division

During the year 2011-12, the total cane crushed was 48.02 Lakh MT which showed a 169% growth against 28.35 Lakh MT of the previous year. In terms of sugar production, the Company produced 4.37 Lakh MT as compared to 2.89 Lakh MT representing growth of 151%. Distillery sales increased to 398 Lakh litres from 275 Lakh litres representing a

144% growth and Power Export to Grid was 3427 Lakh Units as against 3147 Lakh Units representing 8% growth.

In terms of Revenue, Sugar division registered a revenue of Rs. 1448 Crore for the year 2011/12 as against Rs.1189 Crore in the previous year with a profit of Rs. 58 Crore (loss of Rs.51 Crore) registering a growth of around 122%.

Bio products

Bio Pesticides

The Bio Pesticides division registered revenue of Rs.76.66 Crore (Rs.58.33 Crore) showing a growth of 31% and a PBIT of Rs. 13.05 Crore (Rs.11.51 Crore).The sales of Azadirachtin in US Home & Garden segments continued to register an impressive growth. The domestic business had recorded an impressive growth of 42% over last year. The 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

The Nutraceuticals division clocked revenue of Rs. 43.59 Crore (Rs.43.94 Crore) incurring a loss of Rs.1 Crore (Rs.1.19 Crore). About 78% of the revenue represents exports.

The company has initiated an effort to leverage the Parry brand into the wellness sector in the Indian Nutraceutical market by launching a range of OTC products under the Parry brand addressing preventive as well as health specific management segments. Two new products were added during the year viz., "GreenT6" and "Rejuveneyes" to its existing portfolio of Spirulina, Pro9, Pro9D and NBC9.

Turning his attention to major listed Subsidiaries/Joint Venture, the Chairman further informed the Members that the Company's major listed subsidiary - Coromandel International Limited, had a record year of performance and contributed substantially by way of dividend income to the Company.

He further informed that the Board of Directors at its meeting held on April 25, 2012 have approved a Scheme of Arrangement (Demerger) between the Company and Parrys Sugar Industries Limited (PSIL), a subsidiary of the Company, under Sections 391 to 394 of the Companies Act, 1956 pursuant to which the Sankili and Haliyal undertakings of PSIL would be merged into the Company with effect from 1st April, 2012. This was subject to the approval of the shareholders and various other statutory and regulatory approvals.

This would enlarge EID'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. Operations of Parrys Sugar have improved substantially since EID Management took over and the units of this Company were well placed to have a profitable year ahead. Under the merger scheme, the Company shall issue equity shares of the Company to the shareholders of PSIL in the ratio of 5 (Five) equity shares of Re. 1/- each fully paid for every 19 (Nineteen) equity Shares of Rs.10/- each fully paid, held by them in PSIL.

During the financial year ended 31st March 2012, the Joint Venture entity viz. Silkroad Sugar Private Ltd. had temporarily suspended the plant operations from 1st November, 2011 due to stoppage of natural gas supplies and officials are working hard in an uncertain environment to seek resolution to this stalemate despite the joint venture project being allotted gas by EGOM.

Acquisitions made during the previous years were consolidated in the year with an increase in stake in Sadashiva Sugars Ltd. to 100%.

During the year, the company increased the voting rights in its subsidiary company, US Nutraceuticals LLC (doing business as Valensa International), Florida, USA to 100% level.

Valensa International is a leading science-based developer and provider of high quality botanically sourced products for nutritional supplements and functional foods and has launched health condition specific formulations including for eye and joint health. This increase in holding provides the platform for the company to move up the value chain by manufacturing value added formulations from its ingredients, apart from cross selling opportunities in the US and in the rest of the world for both the company and Valensa.

The Chairman also briefed on the following:

- ❖ EID Parry registered a total income of Rs.1712.17 Crore with a Profit before Tax (PBT) of Rs. 136.07 Crore.
- ❖ For the year, an interim dividend of Rs. 4/- (400%) per equity share of Re.1/- each was paid in March, 2012.
- ❖ The Board had not recommended final dividend for the year ended 31st March, 2012.
- ❖ The Company continues to have "AA" rating from CRISIL for its various debt placements signifying Stable Outlook.

He then thanked the shareholders for their continued and valuable support and also thanked his colleagues on the Board for their valuable counsel and support.

He also placed on record his appreciation for the commitment and team work put in by the employees of the Company at all levels.

He also thanked all the other stakeholders comprising of the cane growers, suppliers, banks, depositors, financial institutions, and the customers who have contributed to the Company's successful operations during the year.

9. Taking up the agenda, the Chairman stated that the first item of business was to receive, consider and adopt the audited accounts together with the Directors' Report and the Auditor's Report for the year ended 31st March, 2012. Since the reports were available with the members for quiet sometime, it was taken as read, with the unanimous consent of the members.

Mr. Joseph Nathan proposed the following Resolution as an Ordinary Resolution:

RESOLVED that the Report of the Directors, the Report of the Auditors and the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended 31st March, 2012 be and they are hereby adopted.

Mr. S. Rajath seconded the Resolution.

The queries raised by the members on the Company's operations for the year ended 31st March, 2012 and the annual accounts relating to the said year were collated and answered by the Chairman and the Managing Director, to the satisfaction of the members.

Thereafter, the resolution for adoption of Accounts was put to vote and was carried with requisite majority.

10. On being proposed by Mr. R.S. Basker and seconded by Mr. V. Ramachandran, the following Resolution proposed as an Ordinary Resolution was put to vote and was carried with requisite majority.

RESOLVED that the Interim dividend of Rs.4/- per equity share of Re.1/- each (400%) already paid on the equity share capital of the company for the year ended 31st March, 2012 be and the same is hereby approved.

11. On being proposed by Mr. K. N. Radhakrishnan and seconded by Mr. V Thangaraju, the following Resolution proposed as an Ordinary Resolution was put to vote and was carried unanimously.

RESOLVED that Mr. V.Manickam who retires in terms of Articles 102 and 103 of the company's Articles of Association and being eligible offers himself for reappointment, be and he is hereby reappointed a Director of the company.

12. On being proposed by Mr. S. Rajath and seconded by Ms. S.Nandhini, the following Resolution proposed as an Ordinary Resolution was put to vote and was carried unanimously.

RESOLVED that Mr. M.B.N.Rao who retires in terms of Articles 102 and 103 of the company's Articles of Association and being eligible offers himself for reappointment, be and he is hereby reappointed a Director of the company.

13. On being proposed by Mr.V.Thangaraju and seconded by Mr.R.Parthasarathy, the following Resolution proposed as an Ordinary Resolution was put to vote and was carried unanimously.

RESOLVED that Mr. V.Ravichandran who retires in terms of Articles 102 and 103 of the company's Articles of Association and being eligible offers himself for reappointment, be and he is hereby reappointed a Director of the company.

14. On being proposed by Mr. V. Ramachandran and seconded by Mr. R. S. Basker, the following Resolution proposed as an Ordinary Resolution was put to vote and was carried with requisite majority.

RESOLVED that Messrs. Deloitte Haskins & Sells, Chartered Accountants, Chennai, bearing registration number 008072S with the Institute of Chartered Accountants of India, be and they are hereby reappointed 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.17,00,000/- (Rupees Seventeen Lakhs only) in addition to reimbursement of actual travelling and out-of-pocket expenses incurred by them.

15. On being proposed by the Chairman and seconded by Mr. V.Narasimhan, the following Resolution proposed as an Ordinary Resolution was put to vote and was carried unanimously.

"RESOLVED that the consent of the Company be and the same is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all or any of the specific immovable and movable properties of the Company wheresoever situate, present and future, and/or conferring power to enter upon and to take possession of the assets of the Company in certain events, to or in favour of IDBI Trusteeship Services Ltd. Mumbai and HSBC Bank (Mauritius) Ltd. Mauritius, to secure:

i) IDBI Trusteeship Services Limited, Mumbai in its capacity as Debenture Trustees relating to 400 – 10.25% Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each aggregating to Rs.40 Crore (Rupees Forty Crore only) issued on private placement basis;

ii) IDBI Trusteeship Services Limited, Mumbai in its capacity as Debenture Trustees relating to 600 – 10.40% Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each aggregating to Rs.60 Crore (Rupees Sixty Crore only) issued on private placement basis;

iii) Foreign Currency Loan of US Dollar 50,00,000 (US Dollars Five Million only) under External Commercial Borrowing Scheme from HSBC Bank (Mauritius) Ltd., Mauritius

together with interest, additional interest, liquidated damages, compound interest, premia on prepayment or on redemption, remuneration payable to the Trustees, costs, charges, expenses and other monies including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange of foreign currencies involved, payable under the Loan Agreement / Subscription Agreement / Trustee Agreement / Debentures/ Letters of Sanction, as amended from time to time in respect of the said Debentures/External Commercial Borrowing Scheme.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with IDBI Trusteeship Services Ltd. Mumbai and HSBC Bank (Mauritius) Ltd., Mauritius, the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

16. On being proposed by the Chairman and seconded by Ms. K. Raji, the following Resolution proposed as a Special Resolution was put to vote and was carried unanimously.

"RESOLVED that in partial modification of the special resolution passed at the 32nd Annual General Meeting of the Company held on July 26, 2007 ("said Resolution") and pursuant to Section 81(1A) of the Companies Act, 1956 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any other applicable regulatory requirement and such other approvals and consents as may be required in this regard, the Company do hereby accord its approval for extending the exercise period of options granted under the Employee Stock Option Scheme 2007 ('ESOP Scheme') constituted pursuant to the said resolution from the earlier approved three years to six years.

RESOLVED FURTHER that the amendment to Clause 7(b) of the Employee Stock Option Scheme 2007, for extending the exercise period from three years to six years (with such exceptions as considered necessary or appropriate) be and is hereby approved.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation & Nomination Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard."

17. On being proposed by the Chairman and seconded by Ms. S.Nandhini, the following Resolution proposed as a Special Resolution was put to vote and was carried unanimously.

A)**"RESOLVED** that in accordance with the applicable provisions of the Companies Act, 1956, as amended from time to time (hereinafter referred to as the "Act") provisions in the Memorandum and Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, (hereinafter referred to as the "SEBI ESOP Guidelines") (including any statutory modification(s) or re-enactment of the Act or SEBI ESOP Guidelines, for the time being in force) and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India, the Listing Agreement entered into with the Stock Exchanges where the

securities of the Company are listed and all other regulations/ guidelines prescribed by any other relevant Authority, from time to time to the extent applicable, and subject to such other approvals, permissions or sanctions as may be necessary including conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation & Nomination Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), the consent of the Members be and is hereby accorded to the Board to constitute at any time a scheme called "Employee Stock Option Plan 2012" or "ESOP 2012" (hereinafter referred to as "the Plan/the Scheme"), to create, offer and grant such number of Stock Options to the permanent employees of the Company, existing and future, from time to time, including any Managing Director and Wholtime Director of the Company, as may be decided solely by the Board, exercisable into fully paid up Equity Share of Re. 1/- each, which shall be acquired from the secondary market through an ESOP Trust set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP - 2012 and the applicable laws and regulations, provided that such outstanding options arising out of the current ESOP Scheme and/or the earlier ESOP Scheme(s), upon exercise, shall in aggregate not exceed 5% of the paid up Equity Capital of the Company as at March 31, 2012, being 8683123 Equity Shares of Re.1/- each.

RESOLVED FURTHER that in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 86,83,123 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER that in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Re.1/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER that the Company be and is hereby authorised to constitute an employee welfare trust, namely, "E.I.D.-Parry ESOP 2012 Trust" ("the Trust") for the purpose of giving effect to the Scheme, which shall hereby be authorised to acquire equity shares of the Company from the open market for the benefit of the Employees in accordance with the Scheme / the Plan and hold the shares till the settlement of options.

RESOLVED FURTHER that the Company be and is hereby authorised to provide financial assistance to the Trust (including without any interest), as may be deemed fit, to enable the Trust to acquire or purchase the equity shares of the Company subject to compliance with the applicable provisions of the Act, including any statutory modification(s) or amendment(s) thereof.

RESOLVED FURTHER that the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the Scheme, from time to time or to suspend, withdraw or revise the Scheme from time to time and settle all questions, queries, difficulties or doubts that may arise in relation to the implementation of the Scheme and incur expenses in relation thereto, as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

B)"**RESOLVED** that in accordance with the applicable provisions of the Companies Act, 1956, as amended from time to time ("the Act"), the Memorandum and Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and / or such other approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee including the Compensation & Nomination Committee which the Board may, at its discretion authorise to exercise certain or all of its powers, including the powers, conferred by this resolution), the consent of the members be and is hereby accorded to the Board to extend the benefits of the said ESOP Scheme referred to in the resolution under Item No.9(A) of this Notice to the benefit of such person(s) who are in permanent

employment of the Subsidiary Companies including any Managing Director or Wholetime Director of the Subsidiary Company, by way of grant of options exercisable into fully paid up Equity Share of Re.1/- each provided that such outstanding options arising out of the current ESOP Scheme and/or the earlier ESOP Scheme(s) shall in aggregate not exceed 5% of the paid up Equity Capital of the Company as at March 31, 2012, being 86,83,123 Equity Shares of Re.1/- each prescribed in the resolution under Item No.9(A) of this Notice, which shall be acquired from the secondary market through an ESOP Trust set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP -2012 and the applicable laws and regulations.

RESOLVED FURTHER that the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the Scheme, from time to time or to suspend, withdraw or revise the Scheme from time to time and settle all questions, queries, difficulties or doubts that may arise in relation to the implementation of the Scheme and incur expenses in relation thereto, as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

18. There being no further business to be transacted, the meeting was terminated with a vote of thanks to the Chair.

(A. VELLAYAN)
CHAIRMAN