



COROMANDEL INTERNATIONAL LIMITED

"COROMANDEL HOUSE" 1-2-10, Sardar Patel Road,
Secunderabad - 500 003

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**IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH
AT HYDERABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION No. 14 OF 2012
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SECTION 391 OF THE COMPANIES ACT, 1956 (1 OF 1956)
AND
IN THE MATTER OF COROMANDEL INTERNATIONAL LIMITED
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN COROMANDEL INTERNATIONAL LIMITED AND ITS MEMBERS**

Coromandel International Limited, a company
Incorporated under the Companies Act, 1956
having its Registered Office at "Coromandel House", 1-2-10,
Sardar Patel Road, Secunderabad 500 003,
Andhra Pradesh, represented by
its Company Secretary, Mr M R Rajaram

..... APPLICANT COMPANY

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF COROMANDEL INTERNATIONAL LIMITED

To
The Unsecured Creditors of
COROMANDEL INTERNATIONAL LIMITED

Notice is hereby given that by an Order made on the 24th day of January 2012, the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad has directed that a Meeting of the Unsecured Creditors of Coromandel International Limited (Applicant Company), be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement proposed to be made between the Applicant Company and its Members for the issue of Unsecured, Redeemable, Non Convertible, Fully Paid Up Bonus Debentures of the Applicant Company from its General Reserve to its Members.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Unsecured Creditors of the said Applicant Company, to whom the Applicant Company owes Rs.1 lakh or more, will be held at Hotel Minerva Grand, CMR Complex, Secunderabad 500003 on 22nd February, 2012 at 2.00 PM at which time and place the said Unsecured Creditors are requested to attend.

Copies of the said Scheme of Arrangement, and of the statement under Section 393 of the Companies Act, 1956 can be had free of charge at the registered office of the Applicant Company, or at the office of its Advocate Mr. Pushyam Kiran, Flat No.D, 1st Floor, 8-2-584, Uma Enclave, Road No.9, Banjara Hills, Hyderabad 500 034.

Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that proxies in the prescribed form are deposited at the Registered Office of the Applicant Company at "Coromandel House", 1-2-10, Sardar Patel Road, Secunderabad 500 003, not later than 48 hours before the meeting.

Forms of proxy can be had at the Registered Office of the Applicant Company.

The Court has appointed Smt. Vanga Anita, Advocate, AP High Court, as the Chairman of the said meeting. The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to subsequent approval of the Court.

Sd/-

Vanga Anita

Advocate, A.P. High Court
Chairman appointed for the meeting

Dated : 24th January 2012
Place : HYDERABAD

**IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH
AT HYDERABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION No. 14 OF 2012
IN THE MATTER OF THE COMPANIES ACT, 1956
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..... APPLICANT COMPANY

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 24th January 2012, passed by the Hon'ble High Court of Andhra Pradesh in the Company Application referred to above, a meeting of the Members/Unsecured Creditors of Coromandel International Limited, the Applicant above named, is being convened for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between the Company and its Members for the issue of Unsecured, Redeemable, Non-Convertible, fully paid up Bonus Debentures of Coromandel International Limited from its General Reserve, under Section 391 of the Companies Act, 1956 (hereinafter referred to as the "Scheme"). A copy of the Scheme is annexed to the Notice of the Meeting.
2. In this statement, the Applicant, Coromandel International Limited, a company incorporated under the Companies Act, 1956 (the "Act"), is hereinafter referred to as the "Company" and its equity shareholders are hereinafter referred to as the "Members". The other definitions contained in the Scheme shall apply to this statement as well.
3. The Company was originally incorporated under the name and style of 'Coromandel Fertilisers Private Limited in the State of Andhra Pradesh on 16th October 1961. Subsequently, the Company was converted into a public limited Company after complying with the necessary provisions of The Companies Act, 1956, on 16th April, 1964. The name of the Company was changed to Coromandel International Limited with effect from 23rd September, 2009 and a fresh Certificate of Incorporation consequent to the change of name of the Company was obtained from the Registrar of Companies, Andhra Pradesh.
4. The registered office of the Company is situated at "Coromandel House", 1-2-10, Sardar Patel Road, Secunderabad 500 003, Andhra Pradesh.
5. The Share Capital structure of the Company as on December 31, 2011 is as under:

A.	Authorised Share Capital	Amount in Rs.
	35,00,00,000 equity shares of Re.1/- (Rupee one only) each	35,00,00,000
	TOTAL	35,00,00,000
B.	Issued Share Capital	
	28,23,91,058 equity shares of Re.1/- (Rupee one only) each	28,23,91,058
	TOTAL	28,23,91,058
C.	Subscribed and Paid up Share Capital	
	28,23,91,058 equity shares of Re.1/- (Rupee one only) each	28,23,91,058
	TOTAL	28,23,91,058

The equity shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

The Company has outstanding employee stock options under the Employees Stock Option Scheme, 2007, the exercise of which may result in an increase in the issued and paid-up share capital of the Company on or prior to the Record Date.

As on date, there has been no material change in the capital structure of the Company from the capital structure set out above.

6. The objects for which the Company has been established are set out in Clause 3 of its Memorandum of Association.
7. The Company is in the Farm Inputs Business consisting of manufacturing and sale of phosphatic fertilisers, pesticides, speciality nutrients and rural retail providing quality farm inputs to the Indian farming community.
8. The details of financial position of the Company as per the latest audited Balance Sheet as at 31st March, 2011 are as under:

SOURCES OF FUNDS

Shareholders' fund
Share capital
Reserves and surplus

(Rupees in Lakhs)

Loan funds

Secured loans
Unsecured loans

Deferred Tax Liability (net)

TOTAL

2818.34
187593.23
190411.57

38768.71
108347.42
147116.13
8145.49
345673.19

APPLICATION OF FUNDS

Fixed Assets

Gross Block
Less: Depreciation
Net Block
Capital Work-in-progress (including capital advances)

Investments

Current Assets, Loans and Advances

Inventories
Sundry Debtors
Cash & Bank Balances
Other current Assets
Loans and Advances

Current Liabilities & Provisions

Current Liabilities
Provisions

Net Current Assets

TOTAL

134421.12
55050.92
79370.20
5949.29
85319.49
21232.52

151312.12
20517.67
90205.59
42997.87
111992.78
417026.03

164677.59
13227.26
177904.85
239121.18
345673.19

9. RATIONALE FOR ISSUANCE OF DEBENTURES

The Company had, over the last few years, generated cash surplus and built up significant reserves from its retained profit. Considering the fact that the Company's internal accruals along with borrowed funds would be adequate to take care of the requirements for ongoing capital expenditure, it was felt prudent to reward the Members by issue of bonus debentures by appropriating the general reserves.

To commemorate the Golden Jubilee and to reward the shareholders for their continued support, the Board of Directors considered and approved the issue of Bonus Debentures through a Scheme of Arrangement which would be subject to approval of the Shareholders, Hon'ble High Court of AP, and regulatory authorities.

The Board considered various options such as Buyback of Shares, Issue of Redeemable Preference Shares, Issue of Bonus Shares, payment of Special Dividend and Issue of Bonus Debentures. Out of all the options, Bonus Debentures was considered the preferred option as the Company would continue to have access to the cash in the near term to meet business opportunities and at the same time provides liquidity for the shareholders as these debentures are tradable on listing.

10. The Scheme was placed before the Board of Directors of the Company on 18th October, 2011, at which time the Board approved the Scheme and the issuance of Unsecured Redeemable Non Convertible Fully Paid up Bonus Debentures in the ratio of 1 (one) Debenture of the face value of Rs. 15/- for every 1 (one) equity share of Re.1/- (Rupee one only) each fully paid up held by such member in accordance with the Scheme. In the interests of transparency, good corporate governance, to secure full involvement of all Members and also by way of abundant caution the Board has decided to present this proposal as a Scheme under Section 391 of the Act.

11. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are:

Issuance and Key terms of the Debentures

- a. Pursuant to the Scheme and in accordance with its terms, the Company will issue and allot out of its General Reserve by way of distribution as bonus, to each Member whose name is recorded in the Register of Members or records of the depository as member of the Company on the Record Date, Debentures in the ratio of 1 (one) Debenture of the face value of Rs.15/- (Rupees fifteen only) each fully paid up in the Company for every equity share of Re.1/- (Rupee one only) each fully paid up held by such Member. The Debentures will be unsecured, redeemable, non-convertible and fully paid up bonus debentures.
- b. The total size of the Debenture issue shall be not less than Rs.422,75,12,970/- (Rupees Four hundred twenty two Crore seventy five lakhs twelve thousand nine hundred seventy only) but not more than Rs.429,16,02,420/- (Rupees four hundred twenty nine crore sixteen lakhs two thousand four hundred twenty only).
- c. The Debentures shall be redeemable at par in three equal installments at the end of 2nd, 3rd and 4th year with right to prepay by giving prior notice. The Debentures shall carry a coupon rate of 9% p.a. The interest on the Debentures shall be payable at the end of each 12 calendar month period from the date of allotment on the unredeemed balance of each Debenture. The Debentures are proposed to be rated. The Debentures are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and/or Bombay Stock Exchange Limited ("BSE"). The Board will appoint a Debenture Trustee in respect of the Debentures to formalize with the Company detailed terms and conditions for issue of Debentures.
- d. The issuance of Debentures pursuant to the Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall be pending settlement of dispute by Order of Court or otherwise, be held in abeyance by the Company.
- e. The Debentures issued to the Members pursuant to the Scheme shall be issued in dematerialized form to the Members who are recorded as holding equity shares of the Company in dematerialized form, or

from whom the Company has received a notice in writing prior to the Record Date of details of their account with a depository participant and who have provided details thereof and such other confirmations as may be required, by direct credit to the account of such Member. For all other Members or in the event that the Company is unable to credit the demat accounts of the aforesaid Members, the Company shall issue Debentures in physical form to such Member. No letter of allotment would be issued for the Debentures.

Process of Issuance

f. Appointment of Merchant Banker

In terms of the Scheme, the Company will deliver an amount of not less than Rs.422,75,12,970/- (Rupees Four hundred twenty two crore seventy five lakhs twelve thousand nine hundred seventy only) but not more than Rs.429,16,02,420/- (Rupees four hundred twenty nine crore sixteen lakhs two thousand four hundred twenty only); being equal to the aggregate value of the Debentures required to be issued in terms of the Scheme, to a merchant banker to be appointed by the Board ("**Merchant Banker**"), to act on behalf of and as agent and trustee of the Members. The Merchant Banker would receive the aforesaid amount, subject to receipt of necessary regulatory approvals, in an on-shore escrow account to be opened by it with a scheduled commercial bank to be determined by and upon terms and conditions acceptable to the Board, for this purpose. The Merchant Banker shall receive the aforesaid amounts in the Escrow Account for and on behalf of and in trust for the Members entitled to the Debentures, as deemed dividend within the meaning of the term under Section 2 (22)(b) of the Income Tax Act, 1961. The said payment to the Merchant Banker shall constitute a valid and proper discharge of the Company's obligation to make payment hereunder to each Member entitled to such Debentures in terms of the Scheme.

- g. The Merchant Banker shall immediately following receipt of the above funds pay to the Company (without any lien, hold-back or deduction whatsoever), for and on behalf of and as trustee of the Members entitled to Debentures, out of the Escrow Account, as and by way of subscription for allotment of requisite number of Debentures proposed to be issued under the Scheme to the Members. The said payment for and on behalf of the Members by the Merchant Banker shall be deemed to be a payment by the Members entitled to the Debentures under the Scheme towards the cost of acquisition of the Debentures under the Scheme. Thus, the cost of acquisition of each Debenture at the hands of the Members shall be deemed to be its face value i.e. Rs.15/- (Rupees fifteen only) each.
- h. Upon receipt by the Company of the payment from the Merchant Banker for and on behalf of the Members towards subscription of Debentures of the Company, the Company shall proceed to issue and allot to the Members as on the Record Date, the appropriate number of Debentures to which the concerned Member may be entitled by virtue of his/her/its holding in the Company on the Record Date in the ratio stipulated in Clause 11a above.

Liquidity Facility

- i. With a view to providing additional liquidity to the Members, the Board will appoint a Merchant Banker ("**Liquidity Facility Provider**") to provide a liquidity facility to all Debenture holders to, at their option, tender their Debentures for sale (on a spot delivery basis) to the Liquidity Facility Provider at a price to be offered by the Liquidity Facility Provider. The price to be offered by the Liquidity Facility Provider will depend on a number of factors, including the coupon rate of the Debentures, the prevailing market conditions and investor demand for the Debentures at that time. The detailed terms and process for the Liquidity Facility will be formulated by the Liquidity Facility Provider in consultation with the Board, and intimated to the Members by the Liquidity Facility Provider.

Issuance of Debentures to Non-Resident Members

- j. The approval of the RBI may be required under applicable law for issuance of Debentures to certain non-resident Members, including for the holding or transfer of Debentures by such Members and repatriation of sale proceeds. The Company shall apply to the RBI for the requisite approvals for issuance and allotment to such non-resident Members of the Company, and the issuance and allotment to such Members will be made subject to and in compliance with the terms and conditions as may be prescribed by the RBI.

Tax Treatment

- k. The issuance of Debentures pursuant to the Scheme will constitute "Deemed Dividend" as defined in section 2(22)(b) of the Income Tax Act, 1961 and consequently the Company will be required to pay Dividend Distribution Tax (DDT) at the applicable rate on the aggregate value of Debentures allotted to Members as bonus Debentures. However, such issue of Debentures in the manner contemplated herein will not entail declaration or distribution of any dividend for the purposes of Sections 205A of the Act.

Amendment of Articles

- l. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, after Article 168(c) of the Articles of Association, the following Article 168 (d) will be added without any further Act or Deed:

"168 (d). Any General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and where permitted by law, from the appreciation in value of any capital asset of the company) or any amount standing to the credit of the General Reserve or any other reserve or fund of the company or in the hands of the company and available for dividend may be used for issue and distribution as fully paid up debentures, debenture stock or other securities or obligations of the Company."

The consent of the Members to the Scheme shall be sufficient for the purposes of effecting the above amendment to the Articles of Association of the Company as set out above as also for the issuance of the Debentures, and no further resolution under Section 31 or any other applicable provision of the Act in this regard, would be required to be separately passed in connection with the amendment to the Articles of Association or the issuance of Debentures by the Company.

Borrowing powers

- m. Consent of the Members to the Scheme shall be deemed as an approval of the Members under Section 293(1)(d) of the Companies Act, 1956 for increasing the borrowings by the Board of Directors a sum of Rs. 429,16,02,420 over and above the other limits as already approved by the Members in the past.

Miscellaneous

- n. The Company through its Board (including a committee) may in its full and absolute discretion, consent to any alteration or modification to the Scheme which the Board deems fit, or which the High Court and or any other authority may deem fit to approve or impose.

The Scheme is conditional on and subject to

- (i) the approval to the Scheme by the requisite majority of the Members of the Company
- (ii) the sanction of the High Court of Andhra Pradesh being obtained
- (iii) the requisite approval of the RBI being obtained under the provisions of Foreign Exchange Management Act, 1999 and the regulations made thereunder
- (iv) any other approval or sanction as may be required by law in respect of the Scheme being obtained and
- (v) the certified copies of the High Court order being filed with the Registrar of Companies, Andhra Pradesh

- o. In the event of any of the aforesaid sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 31st March 2012 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Company or its shareholders or any other person, and Company shall bear and pay the costs, charges and expenses for and/or in connection with the Scheme.

A copy of the Scheme of Arrangement is enclosed hereto. Members are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient features thereof.

12. The rights and interests of the Members and the creditors of the Company will not be prejudicially affected by the Scheme.
13. For the redemption of the Debentures at the end of the maturity period set out in the Scheme, the Company will create a debenture redemption reserve in accordance with the Act.
14. The Scheme entails the distribution only of the General Reserve and does not involve a distribution of any other reserve of the Company.
15. The Company has received no-objection from Bombay Stock Exchange Limited vide its letter dated January 13, 2012 and from National Stock Exchange of India Limited vide its letter dated January 5, 2012 granting their no objection to the Scheme being filed with the Hon'ble High Court of Andhra Pradesh. The listing of Debentures is subject to the Company receiving relaxations under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 from Securities and Exchange Board of India ("SEBI").
16. No investigation proceedings have been instituted and/or are pending in relation to the Company under sections 235 to 251 of the Act. To the knowledge of the Company no winding up proceedings have been filed or are pending against the Company under the Act.
17. On receiving the approval of the Members, the Company shall, as per the requirements of the Act, seek the sanction of the High Court of Andhra Pradesh for the Scheme.
18. The Directors of the Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their eligibility to such Debentures against their direct and/or indirect shareholding in the Company. The details of the present directors of the Company, and their shareholding in the Company/number of stock options held in the Company, either singly or jointly as on 31st December, 2011 are as follows:

Name of Director	Age (Years)	Position held in the Company	No. of Shares held in the Company	No. of options granted pursuant to Stock Option Scheme 2007
A Vellayan	59	Chairman	118510	Nil
V Ravichandran	55	Vice Chairman	33653	328990
Kapil Mehan	53	Managing Director	Nil	908160
M K Tandon	70	Director	Nil	Nil
M M Venkatachalam	53	Director	100160	Nil
K Balasubramanian	69	Director	360	Nil
B V R Mohan Reddy (Dr)	61	Director	48000	Nil
R A Savoor	67	Director	2000	Nil
Ranjana Kumar	66	Director	Nil	Nil

The Scheme will have no other effect on the interest of the Directors of the Company.

19. There will be no change in the capital structure of the Company from the capital structure set out in Clause 5 of this statement on account of the Scheme.
20. As on December 31, 2011, the shareholding pattern of the Company is as set out below:

Category	No. of Shares	Percentage
Promoter's Holding		
- Individual	3435468	1.22
- Companies	177186300	62.75
Sub Total	180621768	63.96
Indian Financial Institutions		
Banks	177610	0.06
Mutual Funds	39996	0.01
Insurance Companies	15035136	5.32
Foreign Holdings		
- Foreign Institutional Investors	6429374	2.28
- Non Resident Indians	21769803	7.71
- Foreign Nationals	3098333	1.10
- OCB / Foreign Companies / Foreign Bank	95810	0.03
Sub Total	9941400	3.52
Indian Public and Corporate	56587462	20.04
TOTAL	45181828	16.00
	282391058	100.00

There will be no change in the shareholding pattern of the Company on account of the issue and allotment of the Debentures pursuant to the Scheme.

21. Corporate members intending to send their authorized representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the board of directors or other governing body of the body corporate not later than forty eight hours before the commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting.
22. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy need not be a member of the company. The instrument appointing the proxy should however be deposited at the registered office of the Company not later than forty eight hours before the commencement of the meeting.
23. The following documents will be open for inspection at the registered office of the Company between 11.00 AM and 1.00 PM on any week day which is not a public holiday before 21st February 2012;
- Memorandum & Articles of Association of the Company
 - Audited Balance Sheet and Profit and Loss Account for the year ended March 31, 2011
 - Unaudited financial results of the Company for the quarter ended September 30, 2011
 - Company Application No. 14 of 2012 along with all exhibits

- (v) Copy of the Order dated 24th January 2012 passed by the High Court of Andhra Pradesh in Company Application No. 14 of 2012
 - (vi) Copies of the no-objection letters dated January 5 and 13, 2012 received from NSE and BSE and
 - (vii) The Scheme
24. This statement may be treated as the statement under Section 393 and also Section 173 of the Act. A copy of the Scheme and this statement may also be obtained from the registered office of the Company during ordinary business hours on weekdays.

Dated : 24th January 2012
Place : HYDERABAD

Sd/-
Vanga Anita
Advocate, A.P. High Court
Chairman appointed for the meeting

**SCHEME OF ARRANGEMENT
BETWEEN
COROMANDEL INTERNATIONAL LIMITED
AND ITS MEMBERS
FOR ISSUE OF UNSECURED REDEEMABLE NON-CONVERTIBLE FULLY PAID BONUS DEBENTURE
FROM GENERAL RESERVE**

PART 1 – GENERAL

This scheme of arrangement is presented under Section 391 and any other applicable provisions of the Companies Act, 1956 (the Act) for the purpose of issue of unsecured redeemable non-convertible fully paid bonus debenture from the general reserve of the company.

BACKGROUND AND OBJECTIVES:

- A. Coromandel International Limited is a public limited company incorporated under the Act (as defined hereinafter) and having its registered office at 1-2-10, Sardar Patel Road, Secunderabad – 500 003 _ (the "Company"). The Company is primarily engaged in manufacture and marketing of Phosphatic Fertilisers, Speciality Nutrients, Crop protection chemicals and also set up rural retail centres focussing on agri products.
- B. The Company has comfortable general reserves built up over the years from its retained profits. The Cash position of the Company is comfortable and with reasonable growth expected from all its business segments, barring unforeseen circumstances, overall reserves position is expected to improve further even after considering cash requirements for the Company's capex programme. Excepting for the peak working capital requirements, the Company expects to have comfortable liquidity position and also has adequate debt raising capability. The Company has completed 50 years and is keen to reward the shareholders on the occasion of golden jubilee for their continued support.
- C. The Board of Directors of the Company has decided to utilize the General Reserves to reward its members. Accordingly the Company has proposed to restructure its General Reserve by issuing Debentures (as defined below in Clause 2.1) to its members. In the interests of transparency and good corporate governance and by way of abundant caution, the Company has determined to propose this scheme of arrangement between the Company and its members under Section 391 of the Act, which will be subject to necessary approvals of the shareholders and the High Court (as defined hereinafter).
- D. The Scheme is divided into the following parts:
 - (a) Part I, which deals with the introduction and definitions;
 - (b) Part II, which deals with the issuance of the Debentures; and
 - (c) Part III, which deals with the general terms and conditions.
- E. The proposed Scheme of Arrangement ("Scheme") is between Coromandel International Limited and its Members for issuance of Unsecured Redeemable Non-convertible fully paid Bonus Debenture from the General Reserves

2. DEFINITIONS AND SHARE CAPITAL:

- 2.1 In the scheme, unless repugnant to the meaning, the following expressions shall have the following meaning:
 1. "Act" means the Companies Act, 1956 and shall include any statutory modification, re-enactments or amendments, if any, thereto.

2. "Board" means the board of directors of the Company and shall include a committee duly constituted and authorized by the board of directors for the purposes of matters pertaining to the bonus issuance, the Scheme and/or any other matter relating thereto.
 3. "Company" means Coromandel International Limited having its registered office situated at 1-2-10, SP Road, Secunderabad 500 003.
 4. "Capital Reserves" shall mean and include the capital reserve and the securities premium account as reflected in the accounts of the Company.
 5. "Debentures" means unsecured redeemable, non-convertible, fully paid up bonus debentures of the Company of the face value of Rs 15/- (Rupees fifteen Only) each proposed to be issued pursuant to the present Scheme, the principal terms and conditions for which have been set out in Annexure I to this Scheme.
 6. "Effective Date" or "Scheme becoming effective" means the last of the dates on which all the conditions and matters referred to in clause 10 of this Scheme occur or have been fulfilled or waived in accordance with the Scheme. References in this Scheme to date of 'date of coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date.
 7. "General Reserve" means the general reserve of the Company which has been built through retained undistributed profits and which forms a part of the revenue reserves of the Company, as reflected in the accounts of the Company.
 8. "High Court" shall mean the High Court of Andhra Pradesh having jurisdiction in relation to the Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under Act.
 9. "Members" mean the equity shareholder(s) of the Company as on the Record Date.
 10. "Record Date" means the date, after the Effective Date, fixed by the Board of Directors of the Company for the purposes of determining the entitlement of the equity shareholders of the Company to whom the Debentures will be allotted pursuant to this Scheme.
 11. "Registrar of Companies" means the Registrar of Companies, Andhra Pradesh.
 12. "Scheme" means this Scheme of Arrangement with the equity shareholders and the members in its present form or in such other form as may be modified or altered by the equity shareholders and/or Members under the supervision and direction of the Hon'ble High Court of Andhra Pradesh and as may be sanctioned by the Hon'ble High Court of Andhra Pradesh.
- 2.2 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
 - 2.3 Reference to clauses, recitals and annexures, unless otherwise provided, are to clauses, recitals and annexures of and to this Scheme.
 - 2.4 The headings herein shall not affect the construction of this Scheme.
 - 2.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
 - 2.6 Any phrase introduced by the terms "including", "include", "in particular", or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
 - 2.7 References to person include any individual, firm, body corporate (whether or not incorporated), Government, state or agency of a state or any joint venture, association and partnership.
 - 2.8 The annexures to this Scheme form an integral and inseparable part of this Scheme.

3. SHARE CAPITAL

The share capital of the Company as at 31/03/2011 is as under:

Particulars	Rupees
Authorised Capital	
35,00,00,000 Equity Shares of Re. 1/- each	35,00,00,000.00
TOTAL	35,00,00,000.00
Issued, Subscribed & Paid up	
28,18,34,198 Equity Shares of Re. 1/- each	28,18,34,198.00
TOTAL	28,18,34,198.00

The Company has outstanding employee stock options under the Employee Stock Option Scheme 2007, the exercise of which may result in an increase in the issued and paid up share capital of the Company on or prior to the Record Date.

The General Reserve of the Company as per the audited balance sheet of the Company on March 31, 2011 stood at Rs. 1348,00,47,000 (Rupees One Thousand three hundred forty eight crore forty seven thousand only).

PART II

4.0. ISSUE OF DEBENTURE FROM GENERAL RESERVE

- 4.1. The provisions of this clause 4 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
- 4.2. Upon the effectiveness of the Scheme, the Company shall issue and allot out of its General Reserve by way of distribution as bonus, to each member whose name is recorded in the Register of Members and record of the depository as Members of the Company on the Record Date. Debentures in the ratio of 1 (one) Debenture of face value Rs. 15/- (Rupees fifteen only) each fully paid up of the Company for every equity share of Re. 1/- (Rupee One only) each fully paid up held by such member in the manner hereafter provided. The process for issuance of Debenture will be as set out in Clause 6 hereunder.
- 4.3. The issuance of Debentures pursuant to this Scheme above will constitute "Deemed Dividend" as defined in Section 2(22)(b) of the Income Tax Act, 1961 and consequently the Company will be required to pay Dividend Distribution Tax (DDT) at the applicable rate on the aggregate value of Debentures allotted to Members as Bonus Debentures. However, such issue of debenture in the manner contemplated herein will not entail declaration or distribution of any dividend for the purposes of Section 205 and 205A of the Act.
- 4.4. No Debentures will be issued under this Scheme in respect of any equity share of the Company that has been forfeited. The issuance of Debentures pursuant to this Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Company.

5. TERMS AND CONDITIONS OF THE DEBENTURES

- 5.1. The Debenture shall be issued on terms and conditions consistent with the principal terms and condition set out in Annexure I and as set out in the Scheme. The Board shall appoint a debenture trustee ("Debenture Trustee") who would be authorized to formalize with the Company detailed terms and conditions for issue of Debentures.
- 5.2. As soon as practicable after the issuance of the Debentures, the Company shall take necessary steps towards listing the Debenture on the Bombay Stock Exchange and/or the National Stock Exchange, subject to Regulatory approvals, with a view to provide liquidity to the Debenture holders. The Debentures will not be registered in any jurisdiction or listed on any stock exchange outside India.

6. PROCESS FOR ISSUANCE OF DEBENTURES AND LIQUIDITY FACILITY

- 6.1. The Debentures shall be issued within a period of 20 Working Days from the Record Date to the Members eligible to receive the same, in the following manner:
- (a) The Company will deliver an amount of not less than Rs. 422,75,12,970/- but not exceeding Rs. 429,16,02,420/- being equal to the aggregate value of the Debentures required to be issued in terms of the Scheme, to a merchant banker to be appointed by the Board ("Merchant Banker") to act on behalf of and as agent and trustee of the Members. The Merchant Banker shall receive the aforesaid amount, subject to receipt of necessary regulatory approvals, in an on-shore escrow account opened by it with a scheduled commercial bank in India to be determined by and upon terms and conditions acceptable to the Board, for this purpose (the "Escrow Account"). The Merchant Banker shall receive the aforesaid amounts in the Escrow Account for and on behalf of and in trust for the Members entitled to the Debentures, as deemed dividend within the meaning of the term under Section 2(22)(b) of the Income Tax Act, 1961. The said payment to the Merchant Banker shall constitute a valid and proper discharge of the Company's obligation to make payment hereunder to each Member entitled to such Debentures in terms of the Scheme.
 - (b) The Merchant Banker shall immediately following receipt of funds pursuant to the above, pay to the Company (without any lien, hold-back or deduction whatsoever), for and on behalf of and as trustee of the Members entitled to Debentures, out of the Escrow Account, as and by way of subscription for allotment of requisite number of Debentures. The said payment for and on behalf of the Members by the Merchant Banker shall be deemed to be a payment by the Members entitled to the Debentures under this Scheme towards the cost of acquisition of the Debentures under the Scheme. Thus, the cost of acquisition of each Debenture at the hands of the Members shall be deemed to be its face value i.e., Rs .15/- (Rupees fifteen only) each.
 - (c) Upon receipt by the Company of the payment from the Merchant Banker for and on behalf of the Members towards subscription of Debentures of the Company, the Company shall proceed to issue and allot to the Members as on the Record Date, the appropriate number of Debentures to which the concerned Member may be entitled by virtue of his/her/its holding in the Company on the Record Date in the ratio stipulated in Clause 4.2 above.
- 6.2 The Debentures issued to the Members pursuant to this Scheme shall be issued in dematerialized form to the Members who are recorded as holding equity shares of the Company in dematerialized form, or from whom the Company has received a notice in writing prior to the Record Date of details of their account with a depository participant and who have provided details thereof and such other confirmations as may be required, by direct credit to the account of each Member. For all other Members or in the event that the Company is unable to credit the demat accounts of the aforesaid members, the Company shall issue Debentures in physical form to such Members. No letter of allotment would be issued for the Debentures.
- 6.3 With a view to providing additional liquidity, the Company intends to identify a Merchant banker ("Liquidity Facility Provider") to provide a liquidity facility to all Debenture holders to, at their option, tender their debentures for sale (on a spot delivery basis) to the Liquidity Facility Provider at a price to be offered by the Liquidity Facility Provider.
- The price to be offered by the Liquidity Facility Provider will depend on a number of factors, including the coupon rate of the Debentures, the prevailing market conditions and investor demand for the Debentures at that time. The detailed terms and process for the Liquidity Facility will be formulated by the Liquidity Facility Provider in consultation with the Company, and intimated to the Members by the Liquidity Facility Provider.

7. NON RESIDENT MEMBERS

- 7.1 The approval of the Reserve Bank of India ("RBI") may be required under applicable law for issuance of Debentures to certain non-resident Members, including for the holding or transfer of Debentures by such Members and repatriation of sale proceeds. The company shall apply to the RBI for the requisite approvals for issue and allotment of Debentures to such non-resident Members of the Company, and the issuance and allotment to such Members will be made subject to and in compliance with the terms and conditions as may be prescribed by the RBI.

- 7.2 The Company, the Liquidity Facility Provider and/or the Merchant Banker shall enter into such other agreements or arrangements and take such further actions as may be deemed necessary or appropriate by the Company, including, but not limited to, disseminating certain notices and intimations (including to relevant stock exchanges) press releases, certifications and information containing details of the Scheme, the issuance of the Debentures, the Liquidity Facility and/or other information relating to the Company and the Debentures.

8. AMENDMENT TO ARTICLES OF ASSOCIATION

- 8.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, without any further act or deed, the following article, numbered as 168 (d), shall stand inserted in the Articles of Association of the Company after the existing article No.168(c).

"168 (d). Any General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and where permitted by law, from the appreciation in value of any capital asset of the company) or any amount standing to the credit of the General Reserve or any other reserve or fund of the company or in the hands of the company and available for dividend may be used for issue and distribution as fully paid up debentures, debenture stock or other securities or obligations of the Company."

- 8.2 It is hereby clarified that the consent of the shareholders to the Scheme shall be sufficient for the purposes of effecting the above amendment to the Articles of Association of the Company as set out in Clause 8.1 above as also for the issuance of the Debentures, and no further resolution under Section 31 or any other applicable provision of the Act in this regard, would be required to be separately passed in connection with the amendment to the Articles or the issuance of Debentures by the Company hereunder.

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

- 9.1 The proposed restructuring of the General Reserve by issuance of Debentures pursuant to the Scheme shall be reflected in the books of account of the Company in the following manner.

- (a) an amount representing the aggregate face value of the Debentures shall be transferred from the General Reserve Account to the Shareholders Account (being the deemed dividend payable to the Members under the Scheme); and
- (b) an amount representing the aggregate face value of the Debentures shall be transferred to the Shareholders Account (represented by the Merchant Banker) from the Bank Account (being payment effected to the Members as deemed dividend under the Scheme).

- 9.2. The payment by the Company of the dividend distribution tax on the Debentures will be reflected in the books of account of the Company in the following manner:

- (a) an amount representing the dividend distribution tax payable on the Debentures shall be transferred from the General Reserve Account to the Dividend Distribution Tax Account; and
- (b) an amount representing the dividend distribution tax payable on the Debentures shall be transferred from the Dividend Distribution Tax Account to the Central Government Account (being payment of dividend distribution tax on the Debentures).

- 9.3. Similarly, the proposed investment of the deemed dividend in Debentures of the Company for and on behalf of the Members by a payment through the Merchant Banker will be reflected in the books of account of the Company in the following manner:

- (a) an amount representing the aggregate face value of the Debentures shall be transferred to the Bank A/c from the Shareholders A/c (represented by the Merchant Banker), (being payment by the Merchant Banker for and on behalf of the Members towards reinvestment of deemed dividend); and
- (b) an amount representing the aggregate face value of the Debentures shall be transferred from Shareholder A/c to Debentures A/c (being investment of the Members in Debentures under the Scheme).

9.4 For removal of doubts, it is expressly recorded and clarified that issue of Debentures constituting deemed dividend does not in any manner involve distribution of Capital Reserves or revenue reserves other than General Reserve and the Debentures shall be issued and shall be deemed to have been issued entirely out of the General Reserve of the Company exclusively built through undistributed/retained profits of the Company, in the manner provided in the Scheme.

9.5 Post the issuance of the Debentures under this Scheme, the General Reserve of the Company will stand reduced by an amount equivalent to the aggregate value of the Debentures issued upto a maximum of Rs.429,16,02,420/- (Rupees four hundred twenty nine crore sixteen lakhs two thousand four hundred twenty Only) and an amount equivalent to the dividend distribution tax payable by the Company on the Debentures, at then applicable rate (on such value of Debentures, as above).

10. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional on and subject to:

- (a) the approval to the Scheme by the requisite majority of the Members of the Company as prescribed under law;
- (b) the sanction of the High Court being obtained;
- (c) the requisite approval of the Reserve Bank of India being obtained under the provisions of Foreign Exchange Management Act, 1999 and the regulations made thereunder;
- (d) Any other sanction or approval, as may be required by law in respect of the Scheme being obtained, and
- (e) The certified copies of the High Court order referred to in this Scheme being filed with the Registrar of Companies.

11. EFFECT ON NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any aforesaid sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before March 31, 2012 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Company or its shareholders or any other person, and Company shall bear and pay the costs, charges and expenses for and/or in connection with the Scheme.

PART III

GENERAL TERMS AND CONDITIONS

12. Dividends

- 12.1 Nothing contained herein shall be construed as restricting the Company from being entitled to declare and pay dividends, whether interim or final, to its shareholders whether during the pendency of the Scheme or otherwise and the holders of the shares of the Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 12.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the board of directors of the Company and subject to the approval, if required, of the shareholders of the Company.
13. The Scheme is an arrangement between the Company and its Members under Section 391 of the Act and does not envisage transfer or vesting of any properties and/or liabilities to or in favor of a transferee company as contemplated in Section 394 of the Act. The Scheme does not involve any "conveyance" or "transfer" of any property and does not relate to amalgamation or merger of companies under the order of the High Court under Section 394 of the Act, and consequently, the Order of the Hon'ble High Court approving the Scheme will not attract any stamp duty, under the Indian Stamp Act, 1899 (as applicable in the state of Andhra Pradesh).

14. The Scheme and issuance of Debentures hereunder is intended exclusively for the Members of the Company and does not constitute an offer or an invitation to the public to subscribe to the Debentures. Neither the Scheme nor any related document shall constitute an offer document or prospectus in any manner or for any purpose whatsoever.

15.1 The debentures being issued to the shareholders is from out of the reserves of the Company and there will be no flow of funds from the shareholders to the Company, there is neither invitation to subscribe nor pay into the Company any money. Consequently the provisions of Section 58A of the Companies Act, 1956 or the Rules framed there under are not attracted.

15.2 It is hereby clarified that the consent of the shareholders to the Scheme shall be deemed as an approval of the shareholders under Section 293 (1) (d) of the Companies Act, 1956 for increasing the limit of borrowings by the Board of Directors, a sum of Rs. 429,16,02,420/- over and above the other limits, as have already been approved by the Shareholders in the past.

16. APPLICATIONS TO HON'BLE HIGH COURT

The Company shall with all reasonable dispatch, make applications/petitions to the Hon'ble High Court of Andhra Pradesh under Section 391 and other applicable provisions of the Act for sanctioning the Scheme.

17. MODIFICATIONS/AMENDMENTS TO THE SCHEME AND REMOVAL OF DIFFICULTIES

(a) The Company (by its Board) may, in its full and absolute discretion, assent to any alteration or modification to this Scheme which the Board deems fit, or which the High Court and/or any other authority may deem fit to approve or impose.

(b) The Company (by its Board) may give such directions as it may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising as a result of inadequacy of information provided by a Member or in connection with the issuance of the Debentures or in connection with any deceased or insolvent shareholders, depositors or Debenture-holders of the Company), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law) or that otherwise as may be considered to be in the best interest of the Company and its Members and do all acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme.

(c) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Company, the Board or any person authorized by the Board shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of the share in the Company and in relation to the issuance of the Debentures after the effectiveness of the Scheme.

(d) If any part of this Scheme is found to be unworkable or if implementation of this Scheme is delayed for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. OVERRIDING EFFECT:

Upon coming into effect of this Scheme the rights, liabilities and obligations of the equity shareholders, Company and any other party shall be governed by the terms and conditions of this Scheme and shall be binding upon them.

19. COMPLIANCE WITH STATUTORY PROVISIONS:

All actions taken by the Company pursuant to and in accordance with this Scheme shall be deemed to have not breached any term and conditions or any other provisions of law.

20. NON SANCTIONING OF THE SCHEME:

In the event of non sanctioning of the Scheme by the Hon'ble High Court and/or withdrawal of the Scheme due to any reason beyond the control of the Company the amendment in the Articles of Association of the Company, in respect of Clause 168(d) of the Articles of Association of the Company, shall be deemed to have not been taken and or implemented.

21. THIS SCHEME IS CONDITIONAL AND SUBJECT TO:

- (a) Sanction of the Scheme by the Court as provided in Section 391 of the Act and subject to such alterations/modifications/amendments, as the Court may deem fit and direct.
- (b) Filing of the necessary certified copies of the said order or orders with the Registrar of Companies, Andhra Pradesh.

22. SEVERABILITY

If any part of this scheme is found to be unworkable for any reason whatsoever including by reason of order of a Court or Regulatory authority or any legislative amendment, the same shall not, subject to the decision of the Company affect the validity or implementation of the other parts and/or provisions of this Scheme.

23. COSTS, CHARGES & EXPENSES

All costs, charges and expenses of the Company in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion thereof in pursuance of the Scheme, including the fees in connection with the appointment of the Merchant Banker and opening of the Escrow Account, if any, shall be borne and paid by the Company. For the avoidance of doubt it is clarified that Members will be required to bear and pay all taxes as may be applicable to them in relation to the Debentures.

24. BINDING EFFECT:

This Scheme when sanctioned by the High Court and upon effectiveness shall be binding on the Company, all its creditors, members and all other persons.

ANNEXURE - I

Principal Terms and Conditions of issue of Unsecured Redeemable Non Convertible Fully Paid Bonus Debentures:

1.	Issuer	Coromandel International Limited
2.	Instrument	Unsecured Redeemable Non-Convertible Fully Paid Bonus Debentures (Debentures)
3.	Quantum	Not less than Rs.422,75,12,970/- but not exceeding Rs.429,16,02,420/- through issue of debentures
4.	Tenor	48 Months from the date of allotment
5.	Redemption	In three equal installments at the end of 2 nd , 3 rd and 4 th year with a right to the Company to prepay the entire amount by giving prior notice to the Debenture Holder
6.	Face Value	Rs.15/- (Rupees fifteen only) per debenture.
7.	Market Lot	One debenture or as required by the Stock Exchanges
8.	Coupon Rate	9% per annum
9.	Interest payments	At the end of each 12 calendar month period from the date of allotment on the unredeemed balance of each Debenture
10.	Taxation	All payments of principal and interest in respect of the Debentures to be made less any deductions or withholding for or on account of any present or future taxes or duties as required by applicable laws
11.	Rating	Proposed to be rated
12.	Listing	Proposed to be listed on NSE and/or BSE
13.	Debenture Trustee	A Debenture Trustee shall be appointed by the Board of Directors of the Company

**IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH
AT HYDERABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION No. 14 OF 2012
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SECTIONS 391 OF THE COMPANIES ACT, 1956 (1 OF 1956)
AND
IN THE MATTER OF COROMANDEL INTERNATIONAL LIMITED
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN COROMANDEL INTERNATIONAL LIMITED AND ITS MEMBERS**

Coromandel International Limited, a company
Incorporated under the Companies Act, 1956
having its Registered Office at "Coromandel House", 1-2-10,
Sardar Patel Road, Secunderabad 500 003, Andhra Pradesh,
represented by its Company Secretary, Mr M R Rajaram

..... APPLICANT COMPANY

FORM OF PROXY

I/We, the undersigned, as Unsecured Creditors of Coromandel International Limited, the Applicant Company, do hereby appoint Mr/Mrs/Ms. _____ and failing him/her Mr/Mrs/Ms. _____ as my/our proxy, to act for me/us at the Meeting of Unsecured Creditors of Coromandel International Limited, the Applicant, to be held at Hotel Minerva Grand, CMR Complex, Secunderabad 500003 on the 22nd day of February, 2012 at 2.00 p.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the SCHEME OF ARRANGEMENT proposed to be made between Coromandel International Limited and its Members, and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name(s) _____ (here, 'if for', insert 'for', 'if against', insert 'against' and in the latter case, strikeout the words below after 'Scheme of Arrangement') the said arrangement embodied in the Scheme of Arrangement either with or without modification (s) as my/our proxy may approve.

Dated this the _____ day of _____ 2012

Signature
Name and Address of the Unsecured Creditor

Affix
Revenue
Stamp

Note:

- Proxy Forms to be deposited at the Registered Office of the Applicant Company not later than 48 hours before the date of the meeting
- All alterations made in the Form of Proxy should be initialed
- A Proxy need not be a Unsecured Creditor
- In case of multiple proxies, the Proxy later in time shall be accepted.

COROMANDEL INTERNATIONAL LIMITED

"Coromandel House", 1-2-10, Sardar Patel Road, Secunderabad 500 003, Andhra Pradesh

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Amount Due Rupees:

I/We hereby certify that I/We am/are registered Unsecured Creditor/proxy for the Unsecured Creditor of the Company.
I/We hereby record my/our presence at the General Meeting of the Company held on 22nd day of February, 2012 at 2.00 p.m.
at Hotel Minerva Grand, CMR Complex, Secunderabad 500 003.

Unsecured Creditor/Proxy Name in block letters

Unsecured Creditor/Proxy Signature

**PRINTED MATTER
BOOK-POST**

If undelivered, please return to:



Coromandel International Limited
"COROMANDEL HOUSE" 1-2-10, Sardar Patel Road,
Secunderabad - 500 003, Andhra Pradesh, India.
Ph: 040-27842034 / 7212
Fax: 040-27844117
Website: www.cflindia.com





Coromandel



murugappa

COROMANDEL INTERNATIONAL LIMITED

"COROMANDEL HOUSE" 1-2-10, Sardar Patel Road,
Secunderabad - 500 003

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**IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH
AT HYDERABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION No. 14 OF 2012
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
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AND
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AND
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BETWEEN COROMANDEL INTERNATIONAL LIMITED AND ITS MEMBERS**

Coromandel International Limited, a company
Incorporated under the Companies Act, 1956
having its Registered Office at "Coromandel House", 1-2-10,
Sardar Patel Road, Secunderabad 500 003,
Andhra Pradesh, represented by
its Company Secretary, Mr M R Rajaram

..... APPLICANT COMPANY

NOTICE CONVENING MEETING OF THE MEMBERS OF COROMANDEL INTERNATIONAL LIMITED

To
The Members of
COROMANDEL INTERNATIONAL LIMITED

Notice is hereby given that by an Order made on the 24th day of January 2012, the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad has directed that a Meeting of the Members of Coromandel International Limited (Applicant Company), be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement proposed to be made between the Applicant Company and its Members for the issue of Unsecured, Redeemable, Non Convertible, Fully Paid Up Bonus Debentures of the Applicant Company from its General Reserve to its Members.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Members of the said Applicant Company will be held at Hotel Minerva Grand, CMR Complex, Secunderabad 500003 on 22nd February, 2012 at 10.00 AM at which time and place the said members are requested to attend.

Copies of the said Scheme of Arrangement, and of the statement under Section 393 of the Companies Act, 1956 can be had free of charge at the registered office of the Applicant Company, or at the office of its Advocate Mr. Pushyam Kiran, Flat No.D, 1st Floor, 8-2-584, Uma Enclave, Road No.9, Banjara Hills, Hyderabad 500 034.

Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that proxies in the prescribed form are deposited at the Registered Office of the Applicant Company at "Coromandel House", 1-2-10, Sardar Patel Road, Secunderabad 500 003, not later than 48 hours before the meeting.

Forms of proxy can be had at the Registered Office of the Applicant Company.

The Court has appointed Sri P. Subash, Advocate, AP High Court, as the Chairman of the said meeting. The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to subsequent approval of the Court.

Sd/-

P. Subash

Advocate, A.P. High Court
Chairman appointed for the meeting

Dated : 24th January 2012
Place : HYDERABAD

**IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH
AT HYDERABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION No. 14 OF 2012
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SECTION 391 OF THE COMPANIES ACT, 1956 (1 OF 1956)
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Coromandel International Limited, a company
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Sardar Patel Road, Secunderabad 500 003,
Andhra Pradesh, represented by
its Company Secretary, Mr M R Rajaram

..... APPLICANT COMPANY

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 24th January 2012, passed by the Hon'ble High Court of Andhra Pradesh in the Company Application referred to above, a meeting of the Members/Unsecured Creditors of Coromandel International Limited, the Applicant above named, is being convened for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between the Company and its Members for the issue of Unsecured, Redeemable, Non-Convertible, fully paid up Bonus Debentures of Coromandel International Limited from its General Reserve, under Section 391 of the Companies Act, 1956 (hereinafter referred to as the "Scheme"). A copy of the Scheme is annexed to the Notice of the Meeting.
2. In this statement, the Applicant, Coromandel International Limited, a company incorporated under the Companies Act, 1956 (the "Act"), is hereinafter referred to as the "Company" and its equity shareholders are hereinafter referred to as the "Members". The other definitions contained in the Scheme shall apply to this statement as well.
3. The Company was originally incorporated under the name and style of 'Coromandel Fertilisers Private Limited in the State of Andhra Pradesh on 16th October 1961. Subsequently, the Company was converted into a public limited Company after complying with the necessary provisions of The Companies Act, 1956, on 16th April, 1964. The name of the Company was changed to Coromandel International Limited with effect from 23rd September, 2009 and a fresh Certificate of Incorporation consequent to the change of name of the Company was obtained from the Registrar of Companies, Andhra Pradesh.
4. The registered office of the Company is situated at "Coromandel House", 1-2-10, Sardar Patel Road, Secunderabad 500 003, Andhra Pradesh.
5. The Share Capital structure of the Company as on December 31, 2011 is as under:

	Amount in Rs.
A. Authorised Share Capital	
35,00,00,000 equity shares of Re.1/- (Rupee one only) each	35,00,00,000
TOTAL	35,00,00,000
B. Issued Share Capital	
28,23,91,058 equity shares of Re.1/- (Rupee one only) each	28,23,91,058
TOTAL	28,23,91,058
C. Subscribed and Paid up Share Capital	
28,23,91,058 equity shares of Re.1/- (Rupee one only) each	28,23,91,058
TOTAL	28,23,91,058

The equity shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

The Company has outstanding employee stock options under the Employees Stock Option Scheme, 2007, the exercise of which may result in an increase in the issued and paid-up share capital of the Company on or prior to the Record Date.

As on date, there has been no material change in the capital structure of the Company from the capital structure set out above.

6. The objects for which the Company has been established are set out in Clause 3 of its Memorandum of Association.
7. The Company is in the Farm Inputs Business consisting of manufacturing and sale of phosphatic fertilisers, pesticides, speciality nutrients and rural retail providing quality farm inputs to the Indian farming community.
8. The details of financial position of the Company as per the latest audited Balance Sheet as at 31st March, 2011 are as under:

SOURCES OF FUNDS	(Rupees in Lakhs)
Shareholders' fund	
Share capital	2818.34
Reserves and surplus	187593.23
	<u>190411.57</u>
Loan funds	
Secured loans	38768.71
Unsecured loans	108347.42
	<u>147116.13</u>
	8145.49
Deferred Tax Liability (net)	
	<u>345673.19</u>
	TOTAL
APPLICATION OF FUNDS	
Fixed Assets	
Gross Block	134421.12
Less: Depreciation	55050.92
Net Block	<u>79370.20</u>
Capital Work-in-progress (including capital advances)	5949.29
	85319.49
	<u>21232.52</u>
Investments	
Current Assets, Loans and Advances	
Inventories	151312.12
Sundry Debtors	20517.67
Cash & Bank Balances	90205.59
Other current Assets	42997.87
Loans and Advances	111992.78
	<u>417026.03</u>
Current Liabilities & Provisions	
Current Liabilities	164677.59
Provisions	13227.26
	<u>177904.85</u>
Net Current Assets	239121.18
	<u>345673.19</u>
	TOTAL

9. RATIONALE FOR ISSUANCE OF DEBENTURES

The Company had, over the last few years, generated cash surplus and built up significant reserves from its retained profit. Considering the fact that the Company's internal accruals along with borrowed funds would be adequate to take care of the requirements for ongoing capital expenditure, it was felt prudent to reward the Members by issue of bonus debentures by appropriating the general reserves.

To commemorate the Golden Jubilee and to reward the shareholders for their continued support, the Board of Directors considered and approved the issue of Bonus Debentures through a Scheme of Arrangement which would be subject to approval of the Shareholders, Hon'ble High Court of AP, and regulatory authorities.

The Board considered various options such as Buyback of Shares, Issue of Redeemable Preference Shares, Issue of Bonus Shares, payment of Special Dividend and Issue of Bonus Debentures. Out of all the options, Bonus Debentures was considered the preferred option as the Company would continue to have access to the cash in the near term to meet business opportunities and at the same time provides liquidity for the shareholders as these debentures are tradable on listing.

10. The Scheme was placed before the Board of Directors of the Company on 18th October, 2011, at which time the Board approved the Scheme and the issuance of Unsecured Redeemable Non Convertible Fully Paid up Bonus Debentures in the ratio of 1 (one) Debenture of the face value of Rs. 15/- for every 1 (one) equity share of Re.1/- (Rupee one only) each fully paid up held by such member in accordance with the Scheme. In the interests of transparency, good corporate governance, to secure full involvement of all Members and also by way of abundant caution the Board has decided to present this proposal as a Scheme under Section 391 of the Act.

11. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are:

Issuance and Key terms of the Debentures

- a. Pursuant to the Scheme and in accordance with its terms, the Company will issue and allot out of its General Reserve by way of distribution as bonus, to each Member whose name is recorded in the Register of Members or records of the depository as member of the Company on the Record Date, Debentures in the ratio of 1 (one) Debenture of the face value of Rs.15/- (Rupees fifteen only) each fully paid up in the Company for every equity share of Re.1/- (Rupee one only) each fully paid up held by such Member. The Debentures will be unsecured, redeemable, non-convertible and fully paid up bonus debentures.
- b. The total size of the Debenture issue shall be not less than Rs.422,75,12,970/- (Rupees Four hundred twenty two Crore seventy five lakhs twelve thousand nine hundred seventy only) but not more than Rs.429,16,02,420/- (Rupees four hundred twenty nine crore sixteen lakhs two thousand four hundred twenty only).
- c. The Debentures shall be redeemable at par in three equal installments at the end of 2nd, 3rd and 4th year with right to prepay by giving prior notice. The Debentures shall carry a coupon rate of 9% p.a. The interest on the Debentures shall be payable at the end of each 12 calendar month period from the date of allotment on the unredeemed balance of each Debenture. The Debentures are proposed to be rated. The Debentures are proposed to be listed on the National Stock Exchange of India Limited ("**NSE**") and/or Bombay Stock Exchange Limited ("**BSE**"). The Board will appoint a Debenture Trustee in respect of the Debentures to formalize with the Company detailed terms and conditions for issue of Debentures.
- d. The issuance of Debentures pursuant to the Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall be pending settlement of dispute by Order of Court or otherwise, be held in abeyance by the Company.
- e. The Debentures issued to the Members pursuant to the Scheme shall be issued in dematerialized form to the Members who are recorded as holding equity shares of the Company in dematerialized form, or

from whom the Company has received a notice in writing prior to the Record Date of details of their account with a depository participant and who have provided details thereof and such other confirmations as may be required, by direct credit to the account of such Member. For all other Members or in the event that the Company is unable to credit the demat accounts of the aforesaid Members, the Company shall issue Debentures in physical form to such Member. No letter of allotment would be issued for the Debentures.

Process of Issuance

f. Appointment of Merchant Banker

In terms of the Scheme, the Company will deliver an amount of not less than Rs.422,75,12,970/- (Rupees Four hundred twenty two crore seventy five lakhs twelve thousand nine hundred seventy only) but not more than Rs.429,16,02,420/- (Rupees four hundred twenty nine crore sixteen lakhs two thousand four hundred twenty only); being equal to the aggregate value of the Debentures required to be issued in terms of the Scheme, to a merchant banker to be appointed by the Board ("**Merchant Banker**"), to act on behalf of and as agent and trustee of the Members. The Merchant Banker would receive the aforesaid amount, subject to receipt of necessary regulatory approvals, in an on-shore escrow account to be opened by it with a scheduled commercial bank to be determined by and upon terms and conditions acceptable to the Board, for this purpose. The Merchant Banker shall receive the aforesaid amounts in the Escrow Account for and on behalf of and in trust for the Members entitled to the Debentures, as deemed dividend within the meaning of the term under Section 2 (22)(b) of the Income Tax Act, 1961. The said payment to the Merchant Banker shall constitute a valid and proper discharge of the Company's obligation to make payment hereunder to each Member entitled to such Debentures in terms of the Scheme.

- g. The Merchant Banker shall immediately following receipt of the above funds pay to the Company (without any lien, hold-back or deduction whatsoever), for and on behalf of and as trustee of the Members entitled to Debentures, out of the Escrow Account, as and by way of subscription for allotment of requisite number of Debentures proposed to be issued under the Scheme to the Members. The said payment for and on behalf of the Members by the Merchant Banker shall be deemed to be a payment by the Members entitled to the Debentures under the Scheme towards the cost of acquisition of the Debentures under the Scheme. Thus, the cost of acquisition of each Debenture at the hands of the Members shall be deemed to be its face value i.e. Rs.15/- (Rupees fifteen only) each.
- h. Upon receipt by the Company of the payment from the Merchant Banker for and on behalf of the Members towards subscription of Debentures of the Company, the Company shall proceed to issue and allot to the Members as on the Record Date, the appropriate number of Debentures to which the concerned Member may be entitled by virtue of his/her/its holding in the Company on the Record Date in the ratio stipulated in Clause 11a above.

Liquidity Facility

- i. With a view to providing additional liquidity to the Members, the Board will appoint a Merchant Banker ("**Liquidity Facility Provider**") to provide a liquidity facility to all Debenture holders to, at their option, tender their Debentures for sale (on a spot delivery basis) to the Liquidity Facility Provider at a price to be offered by the Liquidity Facility Provider. The price to be offered by the Liquidity Facility Provider will depend on a number of factors, including the coupon rate of the Debentures, the prevailing market conditions and investor demand for the Debentures at that time. The detailed terms and process for the Liquidity Facility will be formulated by the Liquidity Facility Provider in consultation with the Board, and intimated to the Members by the Liquidity Facility Provider.

Issuance of Debentures to Non-Resident Members

- j. The approval of the RBI may be required under applicable law for issuance of Debentures to certain non-resident Members, including for the holding or transfer of Debentures by such Members and repatriation of sale proceeds. The Company shall apply to the RBI for the requisite approvals for issuance and allotment to such non-resident Members of the Company, and the issuance and allotment to such Members will be made subject to and in compliance with the terms and conditions as may be prescribed by the RBI.

Tax Treatment

- k. The issuance of Debentures pursuant to the Scheme will constitute "Deemed Dividend" as defined in section 2(22)(b) of the Income Tax Act, 1961 and consequently the Company will be required to pay Dividend Distribution Tax (DDT) at the applicable rate on the aggregate value of Debentures allotted to Members as bonus Debentures. However, such issue of Debentures in the manner contemplated herein will not entail declaration or distribution of any dividend for the purposes of Sections 205A of the Act.

Amendment of Articles

- l. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, after Article 168(c) of the Articles of Association, the following Article 168 (d) will be added without any further Act or Deed:

"168 (d). Any General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and where permitted by law, from the appreciation in value of any capital asset of the company) or any amount standing to the credit of the General Reserve or any other reserve or fund of the company or in the hands of the company and available for dividend may be used for issue and distribution as fully paid up debentures, debenture stock or other securities or obligations of the Company."

The consent of the Members to the Scheme shall be sufficient for the purposes of effecting the above amendment to the Articles of Association of the Company as set out above as also for the issuance of the Debentures, and no further resolution under Section 31 or any other applicable provision of the Act in this regard, would be required to be separately passed in connection with the amendment to the Articles of Association or the issuance of Debentures by the Company.

Borrowing powers

- m. Consent of the Members to the Scheme shall be deemed as an approval of the Members under Section 293(1)(d) of the Companies Act, 1956 for increasing the borrowings by the Board of Directors a sum of Rs. 429,16,02,420 over and above the other limits as already approved by the Members in the past.

Miscellaneous

- n. The Company through its Board (including a committee) may in its full and absolute discretion, consent to any alteration or modification to the Scheme which the Board deems fit, or which the High Court and or any other authority may deem fit to approve or impose.

The Scheme is conditional on and subject to

- (i) the approval to the Scheme by the requisite majority of the Members of the Company
- (ii) the sanction of the High Court of Andhra Pradesh being obtained
- (iii) the requisite approval of the RBI being obtained under the provisions of Foreign Exchange Management Act, 1999 and the regulations made thereunder
- (iv) any other approval or sanction as may be required by law in respect of the Scheme being obtained and
- (v) the certified copies of the High Court order being filed with the Registrar of Companies, Andhra Pradesh

- o. In the event of any of the aforesaid sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 31st March 2012 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Company or its shareholders or any other person, and Company shall bear and pay the costs, charges and expenses for and/or in connection with the Scheme.

A copy of the Scheme of Arrangement is enclosed hereto. Members are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient features thereof.

12. The rights and interests of the Members and the creditors of the Company will not be prejudicially affected by the Scheme.
13. For the redemption of the Debentures at the end of the maturity period set out in the Scheme, the Company will create a debenture redemption reserve in accordance with the Act.
14. The Scheme entails the distribution only of the General Reserve and does not involve a distribution of any other reserve of the Company.
15. The Company has received no-objection from Bombay Stock Exchange Limited vide its letter dated January 13, 2012 and from National Stock Exchange of India Limited vide its letter dated January 5, 2012 granting their no objection to the Scheme being filed with the Hon'ble High Court of Andhra Pradesh. The listing of Debentures is subject to the Company receiving relaxations under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 from Securities and Exchange Board of India ("SEBI").
16. No investigation proceedings have been instituted and/or are pending in relation to the Company under sections 235 to 251 of the Act. To the knowledge of the Company no winding up proceedings have been filed or are pending against the Company under the Act.
17. On receiving the approval of the Members, the Company shall, as per the requirements of the Act, seek the sanction of the High Court of Andhra Pradesh for the Scheme.
18. The Directors of the Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their eligibility to such Debentures against their direct and/or indirect shareholding in the Company. The details of the present directors of the Company, and their shareholding in the Company/number of stock options held in the Company, either singly or jointly as on 31st December, 2011 are as follows:

Name of Director	Age (Years)	Position held in the Company	No. of Shares held in the Company	No. of options granted pursuant to Stock Option Scheme 2007
A Vellayan	59	Chairman	118510	Nil
V Ravichandran	55	Vice Chairman	33653	328990
Kapil Mehan	53	Managing Director	Nil	908160
M K Tandon	70	Director	Nil	Nil
M M Venkatachalam	53	Director	100160	Nil
K Balasubramanian	69	Director	360	Nil
B V R Mohan Reddy (Dr)	61	Director	48000	Nil
R A Savor	67	Director	2000	Nil
Ranjana Kumar	66	Director	Nil	Nil

The Scheme will have no other effect on the interest of the Directors of the Company.

19. There will be no change in the capital structure of the Company from the capital structure set out in Clause 5 of this statement on account of the Scheme.
20. As on December 31, 2011, the shareholding pattern of the Company is as set out below:

Category	No. of Shares	Percentage
Promoter's Holding		
- Individual	3435468	1.22
- Companies	177186300	62.75
Sub Total	180621768	63.96
Indian Financial Institutions		
Banks	177610	0.06
Mutual Funds	39996	0.01
Insurance Companies	15035136	5.32
Foreign Holdings	6429374	2.28
- Foreign Institutional Investors	21769803	7.71
- Non Resident Indians	3098333	1.10
- Foreign Nationals	95810	0.03
- OCB / Foreign Companies / Foreign Bank	9941400	3.52
Sub Total	56587462	20.04
Indian Public and Corporate	45181828	16.00
TOTAL	282391058	100.00

There will be no change in the shareholding pattern of the Company on account of the issue and allotment of the Debentures pursuant to the Scheme.

21. Corporate members intending to send their authorized representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the board of directors or other governing body of the body corporate not later than forty eight hours before the commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting.
22. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy need not be a member of the company. The instrument appointing the proxy should however be deposited at the registered office of the Company not later than forty eight hours before the commencement of the meeting.
23. The following documents will be open for inspection at the registered office of the Company between 11.00 AM and 1.00 PM on any week day which is not a public holiday before 21st February 2012;
- Memorandum & Articles of Association of the Company
 - Audited Balance Sheet and Profit and Loss Account for the year ended March 31, 2011
 - Unaudited financial results of the Company for the quarter ended September 30, 2011
 - Company Application No. 14 of 2012 along with all exhibits

(v) Copy of the Order dated 24th January 2012 passed by the High Court of Andhra Pradesh in Company Application No. 14 of 2012.

(vi) Copies of the no-objection letters dated January 5 and 13, 2012 received from NSE and BSE and

(vii) The Scheme

24. This statement may be treated as the statement under Section 393 and also Section 173 of the Act. A copy of the Scheme and this statement may also be obtained from the registered office of the Company during ordinary business hours on weekdays.

Sd/-

P. Subash

Advocate, A.P. High Court
Chairman appointed for the meeting

Dated : 24th January 2012
Place : HYDERABAD

**SCHEME OF ARRANGEMENT
BETWEEN
COROMANDEL INTERNATIONAL LIMITED
AND ITS MEMBERS**

**FOR ISSUE OF UNSECURED REDEEMABLE NON-CONVERTIBLE FULLY PAID BONUS DEBENTURE
FROM GENERAL RESERVE**

PART 1 – GENERAL

This scheme of arrangement is presented under Section 391 and any other applicable provisions of the Companies Act, 1956 (the Act) for the purpose of issue of unsecured redeemable non-convertible fully paid bonus debenture from the general reserve of the company.

BACKGROUND AND OBJECTIVES:

- A. Coromandel International Limited is a public limited company incorporated under the Act (as defined hereinafter) and having its registered office at 1-2-10, Sardar Patel Road, Secunderabad – 500 003 _ (the "Company"). The Company is primarily engaged in manufacture and marketing of Phosphatic Fertilisers, Speciality Nutrients, Crop protection chemicals and also set up rural retail centres focussing on agri products.
- B. The Company has comfortable general reserves built up over the years from its retained profits. The Cash position of the Company is comfortable and with reasonable growth expected from all its business segments, barring unforeseen circumstances, overall reserves position is expected to improve further even after considering cash requirements for the Company's capex programme. Excepting for the peak working capital requirements, the Company expects to have comfortable liquidity position and also has adequate debt raising capability. The Company has completed 50 years and is keen to reward the shareholders on the occasion of golden jubilee for their continued support.
- C. The Board of Directors of the Company has decided to utilize the General Reserves to reward its members. Accordingly the Company has proposed to restructure its General Reserve by issuing Debentures (as defined below in Clause 2.1) to its members. In the interests of transparency and good corporate governance and by way of abundant caution, the Company has determined to propose this scheme of arrangement between the Company and its members under Section 391 of the Act, which will be subject to necessary approvals of the shareholders and the High Court (as defined hereinafter).
- D. The Scheme is divided into the following parts:
 - (a) Part I, which deals with the introduction and definitions;
 - (b) Part II, which deals with the issuance of the Debentures; and
 - (c) Part III, which deals with the general terms and conditions.
- E. The proposed Scheme of Arrangement ("Scheme") is between Coromandel International Limited and its Members for issuance of Unsecured Redeemable Non-convertible fully paid Bonus Debenture from the General Reserves

2. DEFINITIONS AND SHARE CAPITAL:

- 2.1 In the scheme, unless repugnant to the meaning, the following expressions shall have the following meaning:
 1. "Act" means the Companies Act, 1956 and shall include any statutory modification, re-enactments or amendments, if any, thereto.

2. "Board" means the board of directors of the Company and shall include a committee duly constituted and authorized by the board of directors for the purposes of matters pertaining to the bonus issuance, the Scheme and/or any other matter relating thereto.
 3. "Company" means Coromandel International Limited having its registered office situated at 1-2-10, SP Road, Secunderabad 500 003.
 4. "Capital Reserves" shall mean and include the capital reserve and the securities premium account as reflected in the accounts of the Company.
 5. "Debentures" means unsecured redeemable, non-convertible, fully paid up bonus debentures of the Company of the face value of Rs 15/- (Rupees fifteen Only) each proposed to be issued pursuant to the present Scheme, the principal terms and conditions for which have been set out in Annexure I to this Scheme.
 6. "Effective Date" or "Scheme becoming effective" means the last of the dates on which all the conditions and matters referred to in clause 10 of this Scheme occur or have been fulfilled or waived in accordance with the Scheme. References in this Scheme to date of 'date of coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date.
 7. "General Reserve" means the general reserve of the Company which has been built through retained undistributed profits and which forms a part of the revenue reserves of the Company, as reflected in the accounts of the Company.
 8. "High Court" shall mean the High Court of Andhra Pradesh having jurisdiction in relation to the Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under Act.
 9. "Members" mean the equity shareholder(s) of the Company as on the Record Date.
 10. "Record Date" means the date, after the Effective Date, fixed by the Board of Directors of the Company for the purposes of determining the entitlement of the equity shareholders of the Company to whom the Debentures will be allotted pursuant to this Scheme.
 11. "Registrar of Companies" means the Registrar of Companies, Andhra Pradesh.
 12. "Scheme" means this Scheme of Arrangement with the equity shareholders and the members in its present form or in such other form as may be modified or altered by the equity shareholders and/or Members under the supervision and direction of the Hon'ble High Court of Andhra Pradesh and as may be sanctioned by the Hon'ble High Court of Andhra Pradesh.
- 2.2 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
 - 2.3 Reference to clauses, recitals and annexures, unless otherwise provided, are to clauses, recitals and annexures of and to this Scheme.
 - 2.4 The headings herein shall not affect the construction of this Scheme.
 - 2.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
 - 2.6 Any phrase introduced by the terms "including", "include", "in particular", or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
 - 2.7 References to person include any individual, firm, body corporate (whether or not incorporated), Government, state or agency of a state or any joint venture, association and partnership.
 - 2.8 The annexures to this Scheme form an integral and inseparable part of this Scheme.

3. SHARE CAPITAL

The share capital of the Company as at 31/03/2011 is as under:

Particulars	Rupees
Authorised Capital	
35,00,00,000 Equity Shares of Re. 1/- each	35,00,00,000.00
TOTAL	35,00,00,000.00
Issued, Subscribed & Paid up	
28,18,34,198 Equity Shares of Re. 1/- each	28,18,34,198.00
TOTAL	28,18,34,198.00

The Company has outstanding employee stock options under the Employee Stock Option Scheme 2007, the exercise of which may result in an increase in the issued and paid up share capital of the Company on or prior to the Record Date.

The General Reserve of the Company as per the audited balance sheet of the Company on March 31, 2011 stood at Rs. 1348,00,47,000 (Rupees One Thousand three hundred forty eight crore forty seven thousand only.)

PART II

4.0. ISSUE OF DEBENTURE FROM GENERAL RESERVE

- 4.1. The provisions of this clause 4 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
- 4.2. Upon the effectiveness of the Scheme, the Company shall issue and allot out of its General Reserve by way of distribution as bonus, to each member whose name is recorded in the Register of Members and record of the depository as Members of the Company on the Record Date. Debentures in the ratio of 1 (one) Debenture of face value Rs. 15/- (Rupees fifteen only) each fully paid up of the Company for every equity share of Re. 1/- (Rupee One only) each fully paid up held by such member in the manner hereafter provided. The process for issuance of Debenture will be as set out in Clause 6 hereunder.
- 4.3. The issuance of Debentures pursuant to this Scheme above will constitute "Deemed Dividend" as defined in Section 2(22)(b) of the Income Tax Act, 1961 and consequently the Company will be required to pay Dividend Distribution Tax (DDT) at the applicable rate on the aggregate value of Debentures allotted to Members as Bonus Debentures. However, such issue of debenture in the manner contemplated herein will not entail declaration or distribution of any dividend for the purposes of Section 205 and 205A of the Act.
- 4.4. No Debentures will be issued under this Scheme in respect of any equity share of the Company that has been forfeited. The issuance of Debentures pursuant to this Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Company.

5. TERMS AND CONDITIONS OF THE DEBENTURES

- 5.1. The Debenture shall be issued on terms and conditions consistent with the principal terms and condition set out in Annexure I and as set out in the Scheme. The Board shall appoint a debenture trustee ("Debenture Trustee") who would be authorized to formalize with the Company detailed terms and conditions for issue of Debentures.
- 5.2. As soon as practicable after the issuance of the Debentures, the Company shall take necessary steps towards listing the Debenture on the Bombay Stock Exchange and/or the National Stock Exchange, subject to Regulatory approvals, with a view to provide liquidity to the Debenture holders. The Debentures will not be registered in any jurisdiction or listed on any stock exchange outside India.

6. PROCESS FOR ISSUANCE OF DEBENTURES AND LIQUIDITY FACILITY

6.1. The Debentures shall be issued within a period of 20 Working Days from the Record Date to the Members eligible to receive the same, in the following manner:

- (a) The Company will deliver an amount of not less than Rs. 422,75,12,970/- but not exceeding Rs. 429,16,02,420/- being equal to the aggregate value of the Debentures required to be issued in terms of the Scheme, to a merchant banker to be appointed by the Board ("Merchant Banker") to act on behalf of and as agent and trustee of the Members. The Merchant Banker shall receive the aforesaid amount, subject to receipt of necessary regulatory approvals, in an on-shore escrow account opened by it with a scheduled commercial bank in India to be determined by and upon terms and conditions acceptable to the Board, for this purpose (the "Escrow Account"). The Merchant Banker shall receive the aforesaid amounts in the Escrow Account for and on behalf of and in trust for the Members entitled to the Debentures, as deemed dividend within the meaning of the term under Section 2(22)(b) of the Income Tax Act, 1961. The said payment to the Merchant Banker shall constitute a valid and proper discharge of the Company's obligation to make payment hereunder to each Member entitled to such Debentures in terms of the Scheme.
- (b) The Merchant Banker shall immediately following receipt of funds pursuant to the above, pay to the Company (without any lien, hold-back or deduction whatsoever), for and on behalf of and as trustee of the Members entitled to Debentures, out of the Escrow Account, as and by way of subscription for allotment of requisite number of Debentures. The said payment for and on behalf of the Members by the Merchant Banker shall be deemed to be a payment by the Members entitled to the Debentures under this Scheme towards the cost of acquisition of the Debentures under the Scheme. Thus, the cost of acquisition of each Debenture at the hands of the Members shall be deemed to be its face value i.e., Rs .15/- (Rupees fifteen only) each.
- (c) Upon receipt by the Company of the payment from the Merchant Banker for and on behalf of the Members towards subscription of Debentures of the Company, the Company shall proceed to issue and allot to the Members as on the Record Date, the appropriate number of Debentures to which the concerned Member may be entitled by virtue of his/her/its holding in the Company on the Record Date in the ratio stipulated in Clause 4.2 above.

6.2 The Debentures issued to the Members pursuant to this Scheme shall be issued in dematerialized form to the Members who are recorded as holding equity shares of the Company in dematerialized form, or from whom the Company has received a notice in writing prior to the Record Date of details of their account with a depository participant and who have provided details thereof and such other confirmations as may be required, by direct credit to the account of each Member. For all other Members or in the event that the Company is unable to credit the demat accounts of the aforesaid members, the Company shall issue Debentures in physical form to such Members. No letter of allotment would be issued for the Debentures.

6.3 With a view to providing additional liquidity, the Company intends to identify a Merchant banker ("Liquidity Facility Provider") to provide a liquidity facility to all Debenture holders to, at their option, tender their debentures for sale (on a spot delivery basis) to the Liquidity Facility Provider at a price to be offered by the Liquidity Facility Provider.

The price to be offered by the Liquidity Facility Provider will depend on a number of factors, including the coupon rate of the Debentures, the prevailing market conditions and investor demand for the Debentures at that time. The detailed terms and process for the Liquidity Facility will be formulated by the Liquidity Facility Provider in consultation with the Company, and intimated to the Members by the Liquidity Facility Provider.

7. NON RESIDENT MEMBERS

7.1 The approval of the Reserve Bank of India ("RBI") may be required under applicable law for issuance of Debentures to certain non-resident Members, including for the holding or transfer of Debentures by such Members and repatriation of sale proceeds. The company shall apply to the RBI for the requisite approvals for issue and allotment of Debentures to such non-resident Members of the Company, and the issuance and allotment to such Members will be made subject to and in compliance with the terms and conditions as may be prescribed by the RBI.

- 7.2 The Company, the Liquidity Facility Provider and/or the Merchant Banker shall enter into such other agreements or arrangements and take such further actions as may be deemed necessary or appropriate by the Company, including, but not limited to, disseminating certain notices and intimations (including to relevant stock exchanges) press releases, certifications and information containing details of the Scheme, the issuance of the Debentures, the Liquidity Facility and/or other information relating to the Company and the Debentures.

8. AMENDMENT TO ARTICLES OF ASSOCIATION

- 8.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, without any further act or deed, the following article, numbered as 168 (d), shall stand inserted in the Articles of Association of the Company after the existing article No.168(c).

"168 (d). Any General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and where permitted by law, from the appreciation in value of any capital asset of the company) or any amount standing to the credit of the General Reserve or any other reserve or fund of the company or in the hands of the company and available for dividend may be used for issue and distribution as fully paid up debentures, debenture stock or other securities or obligations of the Company."

- 8.2 It is hereby clarified that the consent of the shareholders to the Scheme shall be sufficient for the purposes of effecting the above amendment to the Articles of Association of the Company as set out in Clause 8.1 above as also for the issuance of the Debentures, and no further resolution under Section 31 or any other applicable provision of the Act in this regard, would be required to be separately passed in connection with the amendment to the Articles or the issuance of Debentures by the Company hereunder.

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

- 9.1 The proposed restructuring of the General Reserve by issuance of Debentures pursuant to the Scheme shall be reflected in the books of account of the Company in the following manner.

- (a) an amount representing the aggregate face value of the Debentures shall be transferred from the General Reserve Account to the Shareholders Account (being the deemed dividend payable to the Members under the Scheme); and
- (b) an amount representing the aggregate face value of the Debentures shall be transferred to the Shareholders Account (represented by the Merchant Banker) from the Bank Account (being payment effected to the Members as deemed dividend under the Scheme).

- 9.2. The payment by the Company of the dividend distribution tax on the Debentures will be reflected in the books of account of the Company in the following manner:

- (a) an amount representing the dividend distribution tax payable on the Debentures shall be transferred from the General Reserve Account to the Dividend Distribution Tax Account; and
- (b) an amount representing the dividend distribution tax payable on the Debentures shall be transferred from the Dividend Distribution Tax Account to the Central Government Account (being payment of dividend distribution tax on the Debentures).

- 9.3. Similarly, the proposed investment of the deemed dividend in Debentures of the Company for and on behalf of the Members by a payment through the Merchant Banker will be reflected in the books of account of the Company in the following manner:

- (a) an amount representing the aggregate face value of the Debentures shall be transferred to the Bank A/c from the Shareholders A/c (represented by the Merchant Banker), (being payment by the Merchant Banker for and on behalf of the Members towards reinvestment of deemed dividend); and
- (b) an amount representing the aggregate face value of the Debentures shall be transferred from Shareholder A/c to Debentures A/c (being investment of the Members in Debentures under the Scheme).

- 9.4 For removal of doubts, it is expressly recorded and clarified that issue of Debentures constituting deemed dividend does not in any manner involve distribution of Capital Reserves or revenue reserves other than General Reserve and the Debentures shall be issued and shall be deemed to have been issued entirely out of the General Reserve of the Company exclusively built through undistributed/retained profits of the Company, in the manner provided in the Scheme.
- 9.5. Post the issuance of the Debentures under this Scheme, the General Reserve of the Company will stand reduced by an amount equivalent to the aggregate value of the Debentures issued upto a maximum of Rs.429,16,02,420/- (Rupees four hundred twenty nine crore sixteen lakhs two thousand four hundred twenty Only) and an amount equivalent to the dividend distribution tax payable by the Company on the Debentures, at then applicable rate (on such value of Debentures, as above).

10. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional on and subject to:

- (a) the approval to the Scheme by the requisite majority of the Members of the Company as prescribed under law;
- (b) the sanction of the High Court being obtained;
- (c) the requisite approval of the Reserve Bank of India being obtained under the provisions of Foreign Exchange Management Act, 1999 and the regulations made thereunder;
- (d) Any other sanction or approval, as may be required by law in respect of the Scheme being obtained, and
- (e) The certified copies of the High Court order referred to in this Scheme being filed with the Registrar of Companies.

11. EFFECT ON NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any aforesaid sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before March 31, 2012 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Company or its shareholders or any other person, and Company shall bear and pay the costs, charges and expenses for and/or in connection with the Scheme.

PART III

GENERAL TERMS AND CONDITIONS

12. Dividends

- 12.1 Nothing contained herein shall be construed as restricting the Company from being entitled to declare and pay dividends, whether interim or final, to its shareholders whether during the pendency of the Scheme or otherwise and the holders of the shares of the Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 12.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the board of directors of the Company and subject to the approval, if required, of the shareholders of the Company.
13. The Scheme is an arrangement between the Company and its Members under Section 391 of the Act and does not envisage transfer or vesting of any properties and/or liabilities to or in favor of a transferee company as contemplated in Section 394 of the Act. The Scheme does not involve any "conveyance" or "transfer" of any property and does not relate to amalgamation or merger of companies under the order of the High Court under Section 394 of the Act, and consequently, the Order of the Hon'ble High Court approving the Scheme will not attract any stamp duty, under the Indian Stamp Act, 1899 (as applicable in the state of Andhra Pradesh).

14. The Scheme and issuance of Debentures hereunder is intended exclusively for the Members of the Company and does not constitute an offer or an invitation to the public to subscribe to the Debentures. Neither the Scheme nor any related document shall constitute an offer document or prospectus in any manner or for any purpose whatsoever.
- 15.1 The debentures being issued to the shareholders is from out of the reserves of the Company and there will be no flow of funds from the shareholders to the Company, there is neither invitation to subscribe nor pay into the Company any money. Consequently the provisions of Section 58A of the Companies Act, 1956 or the Rules framed there under are not attracted.
- 15.2 It is hereby clarified that the consent of the shareholders to the Scheme shall be deemed as an approval of the shareholders under Section 293 (1) (d) of the Companies Act, 1956 for increasing the limit of borrowings by the Board of Directors, a sum of Rs. 429,16,02,420/- over and above the other limits, as have already been approved by the Shareholders in the past.

16. APPLICATIONS TO HON'BLE HIGH COURT

The Company shall with all reasonable dispatch, make applications/petitions to the Hon'ble High Court of Andhra Pradesh under Section 391 and other applicable provisions of the Act for sanctioning the Scheme.

17. MODIFICATIONS/AMENDMENTS TO THE SCHEME AND REMOVAL OF DIFFICULTIES

- (a) The Company (by its Board) may, in its full and absolute discretion, assent to any alteration or modification to this Scheme which the Board deems fit, or which the High Court and/or any other authority may deem fit to approve or impose.
- (b) The Company (by its Board) may give such directions as it may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising as a result of inadequacy of information provided by a Member or in connection with the issuance of the Debentures or in connection with any deceased or insolvent shareholders, depositors or Debenture-holders of the Company), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law) or that otherwise as may be considered to be in the best interest of the Company and its Members and do all acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme.
- (c) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Company, the Board or any person authorized by the Board shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of the share in the Company and in relation to the issuance of the Debentures after the effectiveness of the Scheme.
- (d) If any part of this Scheme is found to be unworkable or if implementation of this Scheme is delayed for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. OVERRIDING EFFECT:

Upon coming into effect of this Scheme the rights, liabilities and obligations of the equity shareholders, Company and any other party shall be governed by the terms and conditions of this Scheme and shall be binding upon them.

19. COMPLIANCE WITH STATUTORY PROVISIONS:

All actions taken by the Company pursuant to and in accordance with this Scheme shall be deemed to have not breached any term and conditions or any other provisions of law.

20. NON SANCTIONING OF THE SCHEME:

In the event of non sanctioning of the Scheme by the Hon'ble High Court and/or withdrawal of the Scheme due to any reason beyond the control of the Company the amendment in the Articles of Association of the Company, in respect of Clause 168(d) of the Articles of Association of the Company, shall be deemed to have not been taken and or implemented.

21. THIS SCHEME IS CONDITIONAL AND SUBJECT TO:

- (a) Sanction of the Scheme by the Court as provided in Section 391 of the Act and subject to such alterations/modifications/amendments, as the Court may deem fit and direct.
- (b) Filing of the necessary certified copies of the said order or orders with the Registrar of Companies, Andhra Pradesh.

22. SEVERABILITY

If any part of this scheme is found to be unworkable for any reason whatsoever including by reason of order of a Court or Regulatory authority or any legislative amendment, the same shall not, subject to the decision of the Company affect the validity or implementation of the other parts and/or provisions of this Scheme.

23. COSTS, CHARGES & EXPENSES

All costs, charges and expenses of the Company in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion thereof in pursuance of the Scheme, including the fees in connection with the appointment of the Merchant Banker and opening of the Escrow Account, if any, shall be borne and paid by the Company. For the avoidance of doubt it is clarified that Members will be required to bear and pay all taxes as may be applicable to them in relation to the Debentures.

24. BINDING EFFECT:

This Scheme when sanctioned by the High Court and upon effectiveness shall be binding on the Company, all its creditors, members and all other persons.

ANNEXURE - I

Principal Terms and Conditions of issue of Unsecured Redeemable Non Convertible Fully Paid Bonus Debentures:

1.	Issuer	Coromandel International Limited
2.	Instrument	Unsecured Redeemable Non-Convertible Fully Paid Bonus Debentures (Debentures)
3.	Quantum	Not less than Rs.422,75,12,970/- but not exceeding Rs.429,16,02,420/- through issue of debentures
4.	Tenor	48 Months from the date of allotment
5.	Redemption	In three equal installments at the end of 2 nd , 3 rd and 4 th year with a right to the Company to prepay the entire amount by giving prior notice to the Debenture Holder
6.	Face Value	Rs.15/- (Rupees fifteen only) per debenture.
7.	Market Lot	One debenture or as required by the Stock Exchanges
8.	Coupon Rate	9% per annum
9.	Interest payments	At the end of each 12 calendar month period from the date of allotment on the unredeemed balance of each Debenture
10.	Taxation	All payments of principal and interest in respect of the Debentures to be made less any deductions or withholding for or on account of any present or future taxes or duties as required by applicable laws
11.	Rating	Proposed to be rated
12.	Listing	Proposed to be listed on NSE and/or BSE
13.	Debebture Trustee	A Debenture Trustee shall be appointed by the Board of Directors of the Company

IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH
AT HYDERABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION No. 14 OF 2012
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SECTIONS 391 OF THE COMPANIES ACT, 1956 (1 OF 1956)
AND
IN THE MATTER OF COROMANDEL INTERNATIONAL LIMITED
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN COROMANDEL INTERNATIONAL LIMITED AND ITS MEMBERS

Coromandel International Limited, a company
 Incorporated under the Companies Act, 1956
 having its Registered Office at "Coromandel House", 1-2-10,
 Sardar Patel Road, Secunderabad 500 003, Andhra Pradesh,
 represented by its Company Secretary, Mr M R Rajaram

..... APPLICANT COMPANY

FORM OF PROXY

I/We, the undersigned, as equity shareholder/s, of Coromandel International Limited, the Applicant Company, do hereby appoint
 Mr/Mrs/Ms. _____ and failing him/her Mr/Mrs/Ms. _____
 as my/our proxy, to act for me/us at the Meeting of Equity Shareholders of Coromandel International Limited, the Applicant,
 to be held at Hotel Minerva Grand, CMR Complex, Secunderabad 500003 on the 22nd day of February, 2012 at 10.00 a.m. for
 the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the
 SCHEME OF ARRANGEMENT proposed to be made between Coromandel International Limited and its Members, and at such
 meeting and any adjournment thereof, to vote, for me/us and in my/our name(s) _____
 (here, 'if for', insert 'for', 'if against', insert 'against' and in the latter case, strikeout the words below after 'Scheme of Arrangement')
 the said arrangement embodied in the Scheme of Arrangement either with or without modification (s) as my/our proxy may
 approve.

Dated this the _____ day of _____ 2012

Signature
 Name and Address of the Shareholder

Affix
 Revenue
 Stamp

Ledger Folio No./DP ID and Client ID No.

Note:

- Proxy Forms to be deposited at the Registered Office of the Applicant Company not later than 48 hours before the date of the meeting
- All alterations made in the Form of Proxy should be initialed
- A Proxy need not be a Member
- In case of multiple proxies, the Proxy later in time shall be accepted.

COROMANDEL INTERNATIONAL LIMITED

"Coromandel House", 1-2-10, Sardar Patel Road, Secunderabad 500 003, Andhra Pradesh

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
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No. of Share(s) held:

I/We hereby certify that I/We am/are registered equity shareholder/proxy for the Registered equity shareholder of the Company.
 I/We hereby record my/our presence at the General Meeting of the Company held on 22nd day of February, 2012 at 10.00 a.m.
 at Hotel Minerva Grand, CMR Complex, Secunderabad 500 003.

Member/Proxy Name in block letters

Member/Proxy Signature

*Applicable for investors holding shares in electronic form.

**PRINTED MATTER
BOOK-POST**



If undelivered, please return to:
Coromandel International Limited
"COROMANDEL HOUSE" 1-2-10, Sardar Patel Road,
Secunderabad - 500 003, Andhra Pradesh, India.
Ph: 040-27842034 / 7212
Fax: 040-27844117
Website: www.cflindia.com

