

COROMANDEL INTERNATIONAL LIMITED

ANNUAL GENERAL MEETING – JULY 22, 2010

SPEECH BY CHAIRMAN

Ladies and Gentlemen!

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

I would also like to extend a warm welcome to the representatives of Foskor and GCT who are present here and wish to thank them for their presence.

The global meltdown that shook up developed and developing economies, over the last 22 months is slowly receding. Indian economy tided over these turbulent times with fewer lasting consequences than larger economies. Our country continued to grow and in fact grew stronger than several of the emerging economies during the period. However, it is definitely not a period to rest and relax. Rather, the years ahead signal critical challenges for our country, especially on food security and inflation. During the year 2009-10, despite the Indian Economy registering a positive growth of around 7.4%, the agriculture sector showed marginal growth of just about 0.2%. With the prediction of a good monsoon and positive growth all around, the agriculture sector also is expected to perform better in the current year.

As you know, Coromandel's future is intricately connected to the way our country deals with the challenges during this year and in the near term. They present us with an opportunity to strengthen our services to the farming community. More importantly, I believe that companies serving the farm sector have an obligation to improve overall productivity of the Indian farm sector.

We need to look at these challenges from a broader perspective – including that of our customers and our markets. The key issues we need to address are ***Soil Health, Farm Mechanisation, R & D in Farm Technology and Irrigation.***

When it comes to soil health, the deficiency of the five important nutrients has become fairly widespread. However, any initiatives to improve soil health will be hampered by the lack of systematic and adequate soil testing facilities across the country.

I am happy to report your Company has done remarkable work to address this problem in our served area – primarily AP. Through Mana Gromor outlets we have been providing soil testing facilities and prescription of appropriate nutrients. Our experience has shown that soil testing and application of appropriate nutrient results in considerable improvement in yields.

Acute shortage of man power is the other key concern area and appropriate mechanisation solutions are not readily available to Indian farmers. The main problems are the small land holdings and exorbitant costs. To address this, Coromandel has commenced a customized mechanisation project partnering farmers in Nellore, AP covering 2000 acres. Under the project, imported farm equipments suitable for small farms are provided to the farmers at cost basis. On the one hand, this has provided the farmers a solution to the labour shortage. On the other, this has helped them get better yields by saving on wastage caused during the manual cultivation process. We are planning to increase the area under this project substantially in the coming years.

There is an urgent need to make these pockets of good experience nation-wide with a collaborative effort between the private sector and the Government.

The Board has also suggested to your company's management to look at avenues for enhancing our involvement in R&D in farm technology and irrigation – the two other key areas of concern for the Indian farm sector.

With regard to Government policies in the agri sector, I had mentioned in my address last year that the proposed nutrient based subsidy policy of the Government of India, would enhance agricultural productivity and also fertiliser usage efficiency. During the year, the Government of India announced the new nutrient based subsidy policy which came into effect from 1st April this year. The new policy is expected to be beneficial to the farmers, the Government as well as the industry. There is also a great opportunity to improve farm productivity through introduction of soil specific fertilisers which would in turn enhance the yield to the farmers. It is indeed an opportunity for us to enhance our farmer connect through our superior products and brand strengths.

Coming to our performance, the Report of the Directors and the Accounts of the Company for the year ended March 31, 2010 have been circulated to you and I believe, the continued good performance of the Company must have delighted you. The Company achieved total revenue of Rs 6527 crore. The Profit Before Tax was Rs.708 crore and the Profit After Tax was Rs.468 crore. Let us together congratulate the Management Team for this continued record of good results.

Based on the above performance, the Board has recommended a total Dividend of Rs. 10/- per share (500%, including the Interim Dividend already declared for the year), for your approval, at this meeting. I am sure you will appreciate the Company's efforts in sustaining the good returns to the shareholders.

The year gone by was yet another eventful and challenging year for Coromandel despite delayed and below normal monsoon during the kharif season. I am pleased to inform you that the fertiliser units of the Company performed well and created new production and sales records. The Company produced and sold over 2.6 million tonnes of fertilisers during the year.

The Pesticides Business performed well and registered a turnover of Rs.350 crore. During the year under review, Coromandel successfully entered the public health segment by increasing the sale of technicals to this segment. We also commissioned

our new facilities at Ankleshwar for manufacturing various technicals and also set up a Technology Development Centre for developmental work. We recently acquired 100% shareholding of Pasura Bio-Tech Private Limited whose plant is located at Jammu closer to the existing unit. This plant would add to the formulations capacity for catering to the Markets in North India.

The Speciality Nutrient Division too increased its market share despite adverse weather condition and increased competition. Your Company's thrust on specialty nutrients including Bentonite Sulphur, Water Soluble Fertilisers (WSF) and other micro nutrients continued during the year. Coromandel continues to be a market leader in Bentonite Sulphur registering a growth of 58% over the previous year. The Company also introduced new Water Soluble Fertilisers and "Sulpho Zinc" in the market. The overall turnover of the Speciality Nutrients business doubled during the year.

The Organic Manure business selling municipal compost under the brand name 'Godavari Gold' also showed an impressive growth in terms of volume during the year. The Company has plans to significantly scale up the volume of this important nutrient in the years to come.

I am also pleased to inform you that your Company's foray into Rural Retail through 'Mana Gromor Centres' has received positive and encouraging response from the farmers. Through these retail outlets, the Company provides a number of agri products/services as well as select non agri products. Some of the new products/services introduced during the year included farm equipments, sprayers, farm mechanisation services, insurance products etc. This direct interface with the customers has strengthened the Company's bondage with the farmers. We also opened exclusive outlets called 'Mitramart' providing life style products, enabling rural customers to experience urban lifestyle and we are exploring the possibility of expanding these 'Mana Gromor Centres' to the neighbouring states in future.

During the year, Coromandel was rechristened 'Coromandel International Limited' and a new Brand identity was launched to reflect our business evolution. The new brand building block 'Maximiser' is a step to portray the Company's entrepreneurial spirit and expanding profile from being a pure Fertiliser Company to a total agri-solutions and farm inputs provider encompassing our entry Rural Retailing, fostering relationship with global suppliers and setting up Joint Ventures crossing the frontiers of the Country. The Company's focus will continue to be on maximising productivity, progress, protection and prosperity for the farmers and other stakeholders of the Company.

Your Company along with CFL Mauritius Ltd. now holds 14% of the equity of Foskor. The Company is in the process of renewing the Technical Assistance Agreement with Foskor for a further period of 2 years effective from April 2010. As business partners we value their relationship.

The new phosphoric acid project being put up by TIFERT, the joint venture company set up in Tunisia in collaboration with Group Chimique Tunisien (GCT), Campagnie Des Phosphates De Gafsa (CPG) of Tunisia and Gujarat State Fertilisers Corporation Limited (GSFC), is making good progress and the Plant is expected to be commissioned by first quarter of 2011. The tie-ups with Foskor and the Tunisien partners would enable the Company to secure uninterrupted supply of Phosphoric acid.

I am pleased to inform you that Coromandel along with SQM, Chile, World Leaders in Water Soluble Fertilisers incorporated the JV Company, Coromandel SQM India Pvt. Limited. This JV would be manufacturing different grades of Water Soluble Fertilisers in Kakinada and the project is expected to go on stream during the second half of the current year.

Our new subsidiary "Coromandel Brasil Limitada" in Brazil commenced its operations during the year and initiated steps for registration of the Company's agro chemical products. With the Latin American Markets slated to be a major market for agro

chemicals business, this subsidiary would work towards increasing the company's exports in the years to come.

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

- Best Production Performance Award for Complex Fertilisers by Kakinada Plant from The Fertiliser Association of India
- Environment Protection Award for Complex Plant at Visakhapatnam from The Fertiliser Association of India
- Best Video Film on GROMOR NPK 19:19:19 Water Soluble Fertilisers from The Fertiliser Association of India

For their strong commitment to excel, Coromandel's Visakhapatnam and Kakinada Plants received CII's commendation in the CII-Exim Bank Business Excellence Award. I am sure you would join me in congratulating the team on the wins and wish them many more such accolades in the future.

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

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

Thank you.