

Coromandel International Limited

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TRANSCRIPT OF THE PROCEEDINGS OF THE 58TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, JULY 24, 2020 AT 10:30 A.M. THROUGH VIDEO CONFERENCING

Mr. M M Murugappan, Chairman

Ladies and Gentlemen,

I have great pleasure in welcoming you to the 58th Annual General Meeting of the Company convened electronically through Video Conferencing mode. I hope you and your family members are safe and in good health.

In view of the prevailing lockdown situation across the country due to outbreak of the COVID-19 pandemic and resultant travel restrictions as well as continuing Government guidelines to maintain social distancing, the Ministry of Corporate Affairs has permitted companies to hold their Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') and also allowed companies to send Annual Reports and the Notice convening the Annual General Meeting electronically.

Considering the health and safety of all our stakeholders and in particular the shareholders, the 58th Annual General Meeting of the Company is being conducted through Video Conferencing to avoid the physical presence of members at a common venue. The soft copy of the Annual Report has been sent to all the Members holding shares in dematerialised mode or in physical mode, and whose e-mail addresses are registered with the Company / Registrar & Transfer Agent / Depository Participant for communication purposes.

The requisite quorum is present and therefore, I now call the meeting to order.

The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or arrangements in which the Directors are interested, Certificate obtained from the Auditors of the Company confirming that the Company's ESOP Schemes have been implemented in accordance with SEBI Regulations & the resolutions passed by the Shareholders, and such other documents as mentioned in the Notice convening this meeting, will be available for inspection by the Members. Members seeking to inspect such documents may write to investorsgrievance@coromandel.murugappa.com

As mentioned in the Notice convening the meeting, since the meeting is being held electronically, the proxy related procedures have been dispensed with, which is in line with the regulatory requirements.

Today, we have the full Board with us.

Let me now introduce the Directors, Auditors and Senior Executives of the Company attending the meeting through Video Conference from their respective locations. Mr. V Ravichandran, Vice Chairman, who is sitting on my right, Mr. M M Venkatachalam, who is sitting on my left, Dr. B V R Mohan Reddy, joining from Hyderabad, Ms. Aruna B. Advani, joining from Mumbai, Dr. R Nagarajan, joining from Chennai, Mr. K V Parameshwar, joining from Bengaluru, Mr. Prasad Chandran, joining from Bengaluru, Mr. Sumit Bose, joining from Kolkata, Mr. Sameer Goel, joining from Hyderabad.

Our Statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, are represented by Mr. Sumit Trivedi, Partner, has joined us from Hyderabad.

Mr. R Sridharan of M/s. R Sridharan & Associates, Secretarial Auditor, as well as the Scrutiniser for the e-voting process, has joined the meeting from Chennai.

Your Company, by virtue of being a listed company, is required to provide E-voting facility to its shareholders. Voting by show of hands is no longer permitted. The Company has engaged the services of M/s. KFin Technologies Private Limited to provide the facility of remote e-voting to all its members to cast their votes on all businesses contained in the Notice. Voting will be in proportion to the shares held by the members as on a cut-off date, this being 17th July 2020 in our case.

In line with the regulatory requirements, remote E-voting facility on KFin's e-voting platform had been provided to the members of the Company for three days starting from July 21, 2020 at 9:00 AM IST and ended on July 23, 2020 at 5:00 PM IST. This module was disabled for voting by KFin thereafter.

As mentioned in the Notice convening the meeting, for those members who did not or could not avail the remote E-voting facility, the Company is pleased to provide the facility to cast their votes electronically during the AGM on all the proposed resolutions through KFin's Instapoll mechanism. The Instapoll facility will be activated at the end of the meeting. Members can avail this facility and cast their votes on the resolutions proposed in the Notice. Let me reiterate that this facility is available only to those members who have not cast their votes through the remote E-voting facility provided earlier by the Company. If a member has already voted in the remote E-voting, he/she will not be able to cast his/her vote again through Instapoll.

The Board has appointed Mr. R Sridharan of M/s. R Sridharan & Associates, Practicing Company Secretary, for scrutinising the E-voting process in a fair and transparent manner. Once all of you have cast your votes, the votes will be counted by Mr. R Sridharan, the Scrutiniser. He will then unblock the results of the remote E-voting which will then be consolidated with the results of the voting done today during the meeting.

The Voting Results along with Scrutinizer's report will be communicated to the Stock Exchanges within 48 hours and the same will be placed on the website of the Company and on e-voting platform of KFin.

To sum up, following is the schedule for today's meeting:

After I conclude my speech, those of you who have registered as a Speaker at the meeting will be invited by the Moderator. Considering the time of all those attending the meeting, we request the speaker - shareholders to be brief and restrict their address to matters relevant to the business contained in the AGM notice. After this, the questions or queries raised by the speaker - shareholders would be tabulated and answered. After the queries have been answered, the meeting will conclude and those of you who have not yet cast your votes would be given the opportunity to exercise the same.

Now, we will proceed with the meeting.

Chairman's speech:

Ladies and Gentlemen,

I welcome you all to the 58th Annual General Meeting of your Company. I hope that you and your family are continuing to keep safe and healthy. The COVID-19 crisis over the past four months has undoubtedly shaken the economic and social order and challenged the healthcare systems across the globe. Despite these challenges, it has brought about positive disruptions, particularly in the areas of technology, supply chains and connectivity, which will have far-reaching consequences in shaping consumer behaviour and industry practices in the near future.

This is the first time your Company is hosting its AGM in virtual mode, connecting directly to its shareholders, which reflects the increasing role of technology in a COVID era. The digital copy of the Annual Report for the financial year 2019-20 was sent to you some time back and I trust it would have given you an overview of your Company's performance.

2019-20 was a steady year for India and GDP grew at a modest rate of 4.2 percent. In nominal GDP terms, India emerged as the 5th largest economy, surging ahead of France and the UK. India's 'Doing Business' ranking by World Bank moved several notches up to 63rd position, reflecting a continued positive policy push to improve the domestic business environment. The agriculture sector had an impressive 2019-20 and was amongst the fastest growing sectors during the year. India registered its highest ever food grain and horticulture output at 296 million tons and 320 million tons respectively, aided by increased cropping area due to above normal monsoon, good water levels in the reservoirs and completion of irrigation projects especially in your Company's home markets.

On the policy front, Direct Benefit Transfer (DBT) in Fertilisers has been progressing well and most of the technical and operational challenges have been addressed. This has improved the traceability of fertiliser stock and ensured its real-time monitoring across the value chain. The Government is testing out linkages between soil health and fertilizer purchases, which is likely to aid the subsidy targeting process and help improve farm productivity, going forward.

On the agri output marketing side, the Government has announced transformative reforms, which have the potential to significantly improve farm economics and change the face of Indian agriculture. This includes amending the Agricultural Produce Market Committee (APMC) Act and Essential Commodities Act through ordinances. Further, it has released guidelines for the farm agreement under the contract farming and establishing Farmer Producer Organizations (FPOs). Going forward, FPOs will play a major role in improving the farm realization through driving productivity improvements and ensuring better price discovery mechanism.

During the year, the Government has reformed the corporate tax structure to 25.17% (from 35%) and 15% (from 25%) for the existing and the new manufacturing entities respectively, which is expected to boost the private investment. Further, to improve self-sufficiency across the sectors, the Government has announced the 'Atma Nirbhar Bharat' initiative, which is likely to support domestic manufacturing and attract investments.

Update on COVID – Impact on Agriculture and associated industries

Realizing the importance of agriculture, the Government at the Centre and States have acted proactively to ensure its continuance. This included scaling up the Rabi procurement, front-loading the investment support schemes like PM-Kisan, agri loan subvention schemes, giving exemptions to agri input operations,

promoting farm mechanization, etc. Further, the activities under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) have gone up significantly to support the liquidity in the rural channel. Overall, the agriculture has remained relatively insular reflecting resilience of this sector in the Indian economy. With the Kharif season beginning on a positive note, with 21% higher sowing and 7% above normal monsoon as at the end of last week, the agriculture sector holds the potential to drive the Indian economy in 2020-21.

At the farm level, there has been an increased penetration of technology and farm mechanization, driven by labour issues, preference for safer operations and productivity improvements. Your Company is actively pursuing opportunities in this space and is developing solutions to leverage technology in the areas of nutrient management, delivery mechanisms, crop and soil diagnostics, mechanization and farm advisory.

With the changing geopolitical environment, the world is largely looking at diversifying its supply chains. India, with its inherent strength in the chemical manufacturing space, which includes capabilities in technical, formulations and contract manufacturing, its state-of-the-art infrastructure, low-cost operations, knowledge in process chemistry and availability of technically trained manpower, can become an alternate global sourcing hub.

Overall, the crisis has brought in significant growth prospects especially from an agri perspective. I can assure you that your Company is quite positive in its approach and is gearing up to translate these opportunities into meaningful actions.

Company's Performance

Your Company delivered a good performance during 2019-20, progressing well on all the major operational and functional indicators. Your Company achieved its higher ever profit (PAT up by 48% to Rs 1059 Crore), driven by its differentiated crop solutions, operational efficiencies through backward integration, smart sourcing and efficient management of its working capital. The turnover was marginally down (-1%, Rs 13,155 Crores) on account of benign raw material, which was passed on to the farming community and resulted in lower fertiliser farmgate prices.

Your Company's initiatives were mainly focused around strengthening its consumer engagement, expanding crop-based approach, promoting soil health, and improving quality consciousness among the farming community. During the year, major infrastructure projects were commissioned as per the schedule. Your Company's continued investment in the R&D and Product Development function is yielding encouraging results and during the year ten new products were introduced. Your company is actively collaborating with the leading institutions to develop novel crop specific solutions and have a promising product pipeline.

Now, let me share with you the significant highlights of the year:

Fertiliser

The Fertiliser business of your Company maintained a healthy growth, improving its brand presence and strengthening its marketing and agronomist teams. Overall, the business registered its highest sales of 3.1 million tons (+4%) and Plants operated at 86% capacity utilization. In line with 'Make in India' initiative, your Company successfully commissioned its second Phosphoric Acid plant at Vizag unit, making it self-sufficient relative to acid requirements of that unit. During the year, your Company effectively integrated

its Single Super Phosphate (SSP) business with Fertiliser business, which has helped in increasing its market footprint and expanded the product bouquet across its operating geographies.

Crop Protection

The Crop Protection business of your Company has taken progressive steps towards upgrading its portfolio to patented combinations and recently off patented molecules. During the year, the business expanded its manufacturing capability to produce molecules like Pymetrozine, Pyrazosulfuron and Mancozeb WDG. Further, your Company is partnering with global innovators for introducing novel and green chemistry molecules.

Your Company has a strong portfolio of bio pesticides and is the largest neem-based Azadirachtin manufacturer globally. The business is focusing on various initiatives, including the development of neem standards, new delivery mechanisms such as tree injection and development of microbial biocontrol agents.

Retail

The Retail business of your Company, with close to 750 centres and a direct connect with 3 million farmers, has established itself amongst the largest rural agri retail chains in India. The business performed well during the year, strengthening its customer connect initiatives, testing out new order booking and delivery mechanism such as e-kiosks, mobile bookings and direct deliveries. The business is strengthening its technology offerings in the areas of crop diagnostics, farm advisory and farm mechanization.

Speciality Nutrients

The Speciality Nutrients business of your Company continued to make progressive strides during the year and strengthened its focused product approach. The business introduced a crop-specific product and developed two manufactured products based on in-house R&D technology. The business continued to collaborate with multiple agri players across the value chain to improve its customer connect initiatives.

Organic Fertiliser

During the year, your Company's Organic business's sales volume was 1.3 lakh tons. The business strengthened its sourcing capabilities, quality assurance systems and product offerings. In line with its commitment to improve soil health and create awareness, the business conducted more than 40,000 carbon tests in the farmer's fields.

Strategic Investments and Joint Ventures (JV)

TIFERT, our strategic investment in Tunisia, registered its highest-ever phosphoric acid production and supplies to the Company stabilized during the year. The profitability of Foskor, our strategic investment in South Africa was affected during the year due to various operational issues. Your Company is working with the Foskor team on a business turnaround plan and is providing technical assistance for improving acid production and plant efficiency. The JV Company, Yanmar Coromandel Agrisolutions Private Ltd., continued to perform well and the turnover during the year improved by 42%. The COVID scenario has further accelerated the penetration of farm mechanization and the business is receiving good traction for its transplanters and harvesters. Your Company and SQM have executed a Share Purchase Agreement on July 10, 2020 for the acquisition of 50% of the total share capital of CSQM, for a consideration of Rs. 12 Crores. On completion of the customary closing formalities and transfer of the shares in the name of the Company, CSQM would become a wholly owned subsidiary of the Company.

Environmental and Social Contribution

Your Company gives high priority to employee's Safety, Health and Environment (SHE). During the year, your Company has carried out Safety Culture Survey for the second consecutive year and an overall improvement in performance has been observed. All our manufacturing facilities follow online emission monitoring and comply with environmental guidelines. Your Company is working with organisations like TERI to develop green belt in its Vizag plant. Its efforts in developing the birds' sanctuary inside the Kakinada plant premises has been recognized by global agencies like UNDP and received extensive coverage by the Discovery channel.

CSR Activities

On the CSR front, your Company continued its commitment to serve the communities and focused on the areas of education, healthcare, and community development. During the financial year 2019-20, your Company touched upon ~4 lakh lives directly through its various initiatives. During COVID-19, in addition to its contribution towards PM Cares Fund and CM Relief Fund, your Company's interventions included the distribution of masks, hand sanitizers and daily essentials to the community around our plants and markets.

Awards & Recognitions

During the year, your Company received several recognitions:

- CII Exim Business Excellence: Platinum Classification
- Dun & Bradstreet: Corporate Award
- "Growth Achiever Award" in IKMC 2019 (Innovation Knowledge Millennium Conference 2019) for the Coromandel Innovation Center at IKP
- CII EHS Excellence Award from Southern Region for Vizag and Ennore units
- 5S award for Kakinada plant
- CSR - Best Corporate in health by CSR times
- CSR Best - Overall excellence by Zee

Dividend

The Board has recommended a dividend of Rs 12 per share of Re.1/- each, for your approval at this meeting.

During the year, your Company has started working on the roadmap for meeting its long-term growth aspirations. Accordingly, your Company has focused on building capabilities relating to people, technology and infrastructure to achieve its goals. I am confident that under the able guidance of Mr. Sameer Goel, Managing Director, and the leadership team, your Company is well poised to service the farming community through developing sustainable crop solutions and improving the prosperity of the farmers.

Most of your Company's manufacturing facilities and Retail centers are operating at scale, adhering to the safety guidelines. I would like to extend my sincere gratitude to all the employees for showing commitment and continuing to deliver in a tough environment.

I would like to thank my colleagues on the Board for their invaluable support, immense encouragement and guidance to the team.

I take this opportunity to express my sincere appreciation for the support of all our stakeholders including shareholders, business associates, bankers, suppliers, Central & State Governments, farmers and global customers for their confidence reposed in the Company.

I wish to thank all the employees for displaying tireless passion and delivering good performance to establish Coromandel as a leading agri solutions provider in India.

Lastly, I would like to inform you that Mr. P Varadarajan, Company Secretary, would be retiring on 31st August 2020. I would like to thank him for the services rendered and wish him a happy retired life. Mr. Rajesh Mukhija who has joined the Company on 4th May 2020, would be taking over as Company Secretary effective 1st September 2020.

I look forward to your continuous support and trust in developing long term sustainable farming solutions and bringing prosperity to the farmer's life. I am confident that, together, we have the strength to turn this unforeseen situation into a defining moment and emerge stronger and victorious. Stay safe. Thank you.

Ladies and Gentlemen,

The Notice dated 26th May 2020 convening this meeting along with the copy of the Annual Report for the Financial Year ended 31st March 2020 has already been circulated electronically and with your permission, I shall take the same as read. The Auditor's report on the financial statements of the Company does not have any qualifications or observations or comments on the financial transactions or matters as having any adverse effect on the functioning of the Company. Accordingly, the Auditors' report is not required to be read out at the meeting.

The Ordinary businesses set out in the AGM notice pertain to the adoption of Audited Standalone Financial Statements and Consolidated Financial Statements, declaration of dividend of Rs. 12/- per equity share, re-appointment of Mr. M M Venkatachalam. The Special businesses set out in the AGM notice pertain to approval for payment of remuneration to Mr. M M Murugappan, re-appointment of Mr. Sumit Bose as an Independent Director, re-appointment of Mr. Sameer Goel as Managing Director, ratification of payment of Remuneration to Cost Auditors for the financial year ending 31 March 2021. The resolutions and the explanatory statement in respect of the above proposals wherever applicable have been provided in the Notice.

Few shareholders have registered themselves as a Speaker for raising queries/questions at the meeting. We have not received any queries in KFin's platform. I now request the moderator to facilitate shareholders to speak / raise clarifications regarding the accounts and operations of the Company during the year 2019-20. In the interest of time and with a view to give adequate opportunity to all, I request members to be judicious in time and restrict the same to 3 – 5 minutes time. We will hear all the queries first, after which I would be pleased to give my responses to your queries in a consolidated manner.

Moderator Sir, may I request you to activate the speaker shareholders in the order of registration.

Questions by Shareholders

Moderator: I now request Mr. Santosh Kumar Saraf to kindly unmute the audio, switch on your web camera and proceed with your question.

Mr. Santosh Kumar Saraf: Thank you very much for conducting the AGM through Video Conference. Thank you for the management for the good performance and I was surprised of noting the declaration of

dividend at Rs. 12 per share. Dear management I would request you to send the annual report in pdf form. Kindly let me know how many quantity of dividend was transferred to IEPF.

Moderator: Now I request the next speaker M V Murugappan HUF to kindly unmute the audio, switch on your web camera and proceed with your question.

M V Murugappan HUF: Thank you for the opportunity, here is my question. I speak on behalf of the MV Murugappan. My late father Mr. MV Murugappa was a pioneer in the area of sustainable agriculture and naturally Asin and his commitment. Some of your pesticides and its harmful effects on humans, animals and environment. I am sure you are looking into it. Given the global biopesticide market is projected to grow at a scale year of 14.7 per cent from an estimated value of US Dollar 4.3 billion in 2020 to US dollar 8.5 billion in 2025. My first question is what percentage of your current revenue is coming from biopesticides. What are the revenue projections for next three years in this segment? Question two: what is the total R&D spend and what percentage of this goes towards developing biopesticides. Lastly, the company extensively talks about sustainable agriculture. Does it track any KPI to measure its sustainability scope, if yes, what is the company's rating? if no, why not? Thank you

Moderator: Now, I request Mr. Praful Chavda to kindly unmute the audio, switch on your web camera and proceed with your question.

Moderator: I once again request Mr. Praful Chavda to kindly unmute the audio, switch on your web camera and proceed with your question.

Moderator: Looks like there is a connectivity issue at the end of Mr. Praful Chavda.

Moderator: Now, I request representative from Dhan Commercial Private Limited to kindly unmute the audio, switch on your web camera and proceed with your question.

Dhan Commercial Private Limited: In the light of reforms taken regarding the marketing front. Any new business models which the company plans to get into in the light of the reforms announced by the government. And what talk is going especially post- COVID for supply chain shift. How does Coromandel International intent to take advantage of the shift with respect to crop protection. And we have any inorganic plans which you can share with us. And what are your CAPEX plans? Any fund raising which you intend to do? How do you plan to finance the CAPEX? Please share with us your views on this DBT to which as far as my understanding goes like a direct cash subsidy to the farmers. So skewed usage of fertiliser that most probably goes down and will lead to more usage of fertiliser. Do you foresee DBT to come into action sometime soon? If it does what sort of impact do you see on taking off your NPK fertilisers. And apart from this like did we take advantage of this 15 per cent tax rates for new units? That's it thank you.

Moderator: Now, I request Mr. Bharat H Shah to kindly unmute the audio, switch on your web camera and proceed with your question.

Bharat H Shah: Thank you for giving the opportunity to share my views at the AGM. Mr. Chairman speech was like always optimistic and we can see this Murugappa group has created good wealth for minority shareholders. Coromandel International has given record dividends. Sir, I don't want to give more presentation. Thank you for our beloved Company Secretary Mr. Varadarajan during his tenure for helping the shareholders queries. Thank you.

Moderator: Now, I request Mr. Praful Chavda to kindly unmute the audio, switch on your web camera and proceed with your question.

Moderator: I once again request Mr. Praful Chavda to kindly unmute the audio, switch on your web camera and proceed with your question.

Moderator: Looks like there is a connectivity issue at the end of Mr. Praful Chavda.

Moderator: Now, I request Mr. Abhishek J to kindly unmute the audio, switch on your web camera and proceed with your question.

Moderator: I once again request Mr. Abhishek J to kindly unmute the audio, switch on your web camera and proceed with your question.

Moderator: Looks like there is a connectivity issue at the end of Mr. Abhishek J.

Moderator: With that, all the speakers who have registered are provided an opportunity to ask their question. I now hand it over back to the Chairman.

Chairman: Let me address some of the questions that has been raised. First, let me address the question of Santosh Kumar Saraf. I am sorry sir, that in the initial stages get a very clear audio signal from you. thank you very much for your compliments regarding the performance of the company. And your appreciation for the board for having declared a dividend of Rs 12 per share. We will endeavour in future to send you the report in PDF form. We will check on the technicalities etc. Related to the accounts you have raised a few things but which we couldn't hear very clearly. But as far as you have raised about the IEPF the company continues to locate shareholders who have not exercised their right to get to communicate with the company to get their dividends etc. So we have sent the shares to the IEPF the exact amount on IEPF I think is in the annual report and we will have this information sent to you. As far as bonus shares or buy back we have no specific plans at this time the board will consider it at an appropriate time.

To answer the questions of Valli representing the HUF of Mr. MV Murugappan. I am very pleased as I know that agriculture has been a passion in the family and I am very happy it continues over generations. Yes, we do recognise that certain pesticide formulations are harmful. But sometimes chemical pesticides are required to control certain types of pests. So the company deals both with chemical pesticides and biopesticides and also address some possibilities of integrated pest management. It is true that the biopesticide market is increasing tremendously worldwide. I would say in our major markets both in India and across the world. We address only one set of biopesticides that is out of Neem where the active ingredient is as a directive. So we have different formulations of Neem for tree injection for other crop-specific formulations. Where we work with distributors as also we work with farmers providing them with the kind of support. On the R&D side, we are working with high growth microbial and hopefully, these microbial and also the other biocontrol agents will enhance the range of biopesticides as we go forward in the future. Our total R&D spend has been roughly 18.63 crores and also if you look at the bio-pesticide business as part of the total pesticide business in bio-pesticides we do only about 200 crores which is but tough is a small part of a larger pesticide business. It is an increasing part. On sustainability matters, we do work towards the triple bottom line we have a lot to work that we have done and at a time we do publish the sustainability report. When we publish our next sustainability report I will make sure that you receive a copy. Looking at the revenue projections we do expect that the biopesticide business will grow

at least with the range of products with the Limited range of products that we have will grow at least about 25% every year going forward.

Questions from Dhan Commercial Private Limited. Given the Government reforms are there any areas for new businesses? We are continuously evaluating new opportunities on the input side particularly not necessarily on the output side. On the supply, this is very critical, you make a very important point. It is very important for companies like us where a lot of the input materials are imported that we have some firm arrangements related to supply chain and that is the investment that you see also you see in Foskar and TIFERT in Tunisia. As also you see that we are sort of backwardly integrated in as much that we make a large quantity of phosphoric acid, it's not the entire quantity that we need a significant quantity of phosphoric acid. The crop protection supply chain because of the current sensitivities around China has been impacted you are very right and your assessment has certainly are very well experienced and very well-read on this. We are looking at alternate sources for the supply but we must tell you that we are covered for a couple of months going forward and hopefully by that time both tension ease or we are able to substitute with new sources. In terms of inorganic plans, companies like us continuously evaluate various inorganic plans. The board will consider it at the appropriate time if we need to come to the shareholders at that time. Because a lot of our Capex is done predominantly with internal resources of our Capex will be roughly about 400 crores this year. And we don't plan to raise any funds. As far as the DBT is concerning phases of DBT is stabilised as I mentioned in the speech. The first phase of DBT is stabilising if its DBT when you put cash directly in the hands of farmers is a good thing and what sort of impact will it have. See from our perspective it is not about maximizing sales of fertilizers it is gaining the confidence of the farmers. By our products services and knowledge. So even if it does impact we will gain the confidence of the farmer providing them suitable advice and support. And therefore yes we would certainly like that there is a huge soil imbalance at this point in time because of the excessive use of Urea and for this imbalance to get rectified it will take at least a couple of years and also farmer practices will have to change. As you very well know that farmer practises are not easy to change. So we have to demonstrate the performance before we can help get a farmer to change practice. So we are overly not worried about either a marginal decline of sales etc of NPK's will perhaps expand territorial coverage if required but we are more concerned about improving farmer productivity and getting the confidence of the farmer. At this point in time, we have not looked at any new units just for the realms of 15% tax benefit. If we do, we will certainly consider it.

Mr. Bharat H Shah thank you very much for your compliments I will certainly pass it on to our entire team and thank you for the good words about Mr. Varadarajan, I am sure he will appreciate this very much and he will be a very happy retired man having served all of you well.

We also have a few questions on the portal. Some of you as I mentioned has difficulties but those of who have sent some questions on the portal. The one question is from Suhas Manor. Is there any organic-inorganic growth options being explored in light of the new APDMC regulation? We are continuing to explore various inorganic opportunities we are not looking at too much downstream but take inputs and we continue to explore and we will come back at the appropriate time.

We have a question from the NRI Vantage Equity Fund, its says given the construct of the business. Businesses poised to generate good post-tax operating cash flows and profits. With Limited capital requirements of current businesses seek your comments of how the management is planning to deploy the substantial cash, is as expected to generate in the specific three to five-year plan?

As you can understand that we are in the process of looking at some longer-term opportunities, longer-term plans in terms of developing and enhancing the businesses of the company. There are many plans on the annual some out of our own research some out of the bottle making plans and some out of potential inorganic opportunities. As therefore we will let you know at the appropriate time. A lot of these being discussed so this is something that we will come back to you at an appropriate time.

We have a question here from Mr. Ramesh Babu. He says there is a huge vacuum in the organic fertilisers space and I believe this is not recognised by the fertiliser industries. And I believe organic fertilisers would pave the way for cost-effective production and huge margins. What is your company's stand on this? Yes, I do appreciate the fact that Organic fertilizer space is something that is lucrative space is a good space. But I must tell you, Mr Ramesh Babu, that it's extremely difficult for us to get good consistent quality inputs. And in this is something that we are struggling with. We actually get these inputs from the municipalities of various locations across the country and its extremely difficult for us to get it and get it at the good price and then we have to standardise it and stabilise it. So we will grow this business step by step we will not take such a huge leap in this business because we have to maintain quality standards.

We have a question here from Mr Koteja. Which are the areas identified for significant cost saving? what are the other plans to emerge leaner stronger post this short term challenges? Very valid question the team led by our operating leadership continues to work on various cost-saving measures across throughput across losses, across Energy Efficiency, ensuring proper storage no deterioration on storage etc. We are working across all these parameters. There are teams of people working across all these parameters, I am glad of your interest this will ensure our efficiencies and this will also ensure that we remain competitive. We are also using new technology we are in terms of trying to emerge leaner. we are definitely using various technologies in order to automate summer bar processes, automate the inputs and therefore from the inputs looking at inferences so that we can make decisions more quickly and well-founded decision. We continue to do so ongoing basis.

I also find that there are one and two questions forwarded to me on the email. I will just take a look at them. Just in to respect our shareholders who have done so. Just one moment, please.

There is a question here from Mr. Vari Dhani. It says that elaborate on contingent liabilities of 50,657 crores and the status of other contingent liabilities pertaining to excise duty, customs duty, sales tax etc for FY20. That's one question please let us know about the future mergers and acquisitions what would be the impact on the India China border tension will there be any changes etc?

Well as far as the other contingent liabilities it's 56.50 crores, 36 crores is towards the claims regarding the supply of phosphoric acid, there is a six crore claim from the Andhra Pradesh power corporation on power related. And there is seven crore claim on electricity duty. The others are miscellaneous legal cases. We will continue our efforts on others when we say future acquisitions and mergers as I mentioned we continue to evaluate various opportunities. We will let you at this point at the appropriate time. At this time we are quite busy in the pandemic ensuring that all our operations are running well amidst various difficulties and I must say that the team has extremely well in order to keep our plants running. To those shareholders, if you wish any questions unanswered. Please write to us and we will be very happy to answer them and thank you all for your interest in the company we greatly appreciate it.

Thank you very much members for your queries and interest in the operations of the Company.

Ladies and Gentlemen, this concludes the business part of the meeting.

The InstaPoll facility will be activated now to enable member who have not cast their votes earlier through remote e-voting to vote. This facility is available on the left-hand corner of the Video Conferencing screen in the form of a 'Thumb' sign. Members can click on the same to take them to the 'InstaPoll' page and vote.

Mr. R. Sridharan, Scrutiniser will submit a report to the Company after consolidating the remote e-voting and voting at the AGM.

As there is no other business to be transacted, I declare the meeting as closed. I thank you for your cooperation in ensuring the smooth conduct of the meeting.