

Thirty Seventh Annual General Meeting Notice to the Shareholders

NOTICE is hereby given that the THIRTY SEVENTH ANNUAL GENERAL MEETING of the Shareholders of E.I.D.- Parry (India) Limited, Chennai, will be held on Tuesday, the 31st July, 2012 at 4 p.m. at Tamil Isai Sangam, Rajah Annamalai Mandram, 5, Esplanade Road, Chennai - 600 108 to transact the following business:

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 2012, the Profit and Loss Account for the year ended 31st March, 2012 and the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares for the year 2011 -12.
3. To appoint a Director in the place of Mr. V.Manickam, who retires by rotation in terms of Articles 102 and 103 of the Company's Articles of Association and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. M.B.N.Rao, who retires by rotation in terms of Articles 102 and 103 of the Company's Articles of Association and being eligible offers himself for re-appointment.
5. To appoint a Director in the place of Mr. V.Ravichandran, who retires by rotation in terms of Articles 102 and 103 of the Company's Articles of Association and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and in this connection, to consider and if deemed fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED that Messrs. Deloitte Haskins & Sells, Chartered Accountants, Chennai, bearing registration number 008072S with the Institute of Chartered Accountants of India, be and they are hereby reappointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs. 17,00,000/- (Rupees Seventeen Lakhs only) in addition to reimbursement of actual travelling and out-of-pocket expenses incurred by them."

SPECIAL BUSINESS

7. To consider and if deemed fit, to pass, with or without modification(s) the following Resolution as an **Ordinary Resolution**:

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

- i) IDBI Trusteeship Services Limited, Mumbai in its capacity as Debenture Trustees relating to 400 – 10.25% Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each aggregating to Rs.40 Crore (Rupees Forty Crore only) issued on private placement basis;
- ii) IDBI Trusteeship Services Limited, Mumbai in its capacity as Debenture Trustees relating to 600 – 10.40% Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each aggregating to Rs.60 Crore (Rupees Sixty Crore only) issued on private placement basis;
- iii) Foreign Currency Loan of US Dollar 50,00,000 (US Dollars Five Million only) under External Commercial Borrowing Scheme from HSBC Bank (Mauritius) Ltd., Mauritius

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

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

8. To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

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

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

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

9. To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

A) “**RESOLVED** that in accordance with the applicable provisions of the Companies Act, 1956, as amended from time to time (hereinafter referred to as the “Act”) provisions in the Memorandum and Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, (hereinafter referred to as the “SEBI ESOP Guidelines”) (including any statutory modification(s) or re-enactment of the Act or SEBI ESOP Guidelines, for the time being in force) and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and all other regulations / guidelines prescribed by any other relevant Authority, from time to time to the extent applicable, and subject to such other approvals, permissions or sanctions as may be necessary including conditions and modifications as may be prescribed or imposed while granting such

approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation & Nomination Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), the consent of the Members be and is hereby accorded to the Board to constitute at any time a scheme called “Employee Stock Option Plan 2012” or “ESOP 2012” (hereinafter referred to as “the Plan/the Scheme”), to create, offer and grant such number of Stock Options to the permanent employees of the Company, existing and future, from time to time, including any Managing Director and Wholetime Director of the Company, as may be decided solely by the Board, exercisable into fully paid up Equity Share of Re. 1/- each, which shall be acquired from the secondary market through an ESOP Trust set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP - 2012 and the applicable laws and regulations, provided that such outstanding options arising out of the current ESOP Scheme and/or the earlier ESOP Scheme(s), upon exercise, shall in aggregate not exceed 5% of the paid up Equity Capital of the Company as at March 31, 2012, being 86,83,123 Equity Shares of Re.1/- each.

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

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

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

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

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

- B) **"RESOLVED** that in accordance with the applicable provisions of the Companies Act, 1956, as amended from time to time ("the Act"), the Memorandum and Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and / or such other approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee including the Compensation & Nomination Committee which the Board may, at its discretion authorise to exercise certain or all of its powers, including the powers, conferred by this resolution), the consent of the members be and is hereby accorded to the Board to extend the benefits of the said ESOP Scheme referred to in the resolution under Item No.9(A) of this Notice to the benefit of such person(s) who are in permanent employment of the Subsidiary Companies including any Managing Director or Wholetime Director of the Subsidiary Company, by way of grant of options exercisable into fully paid up Equity Share of Re.1/- each provided that such outstanding options arising out of the current ESOP Scheme and/or the earlier ESOP Scheme(s)

shall in aggregate not exceed 5% of the paid up Equity Capital of the Company as at March 31, 2012, being 86,83,123 Equity Shares of Re.1/- each prescribed in the resolution under Item No.9(A) of this Notice, which shall be acquired from the secondary market through an ESOP Trust set-up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP -2012 and the applicable laws and regulations.

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

The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, the 17th July, 2012 to Tuesday, the 31st July, 2012, both days inclusive.

By Order of the Board,
For **E.I.D.- Parry (India) Limited**

Chennai
April 25, 2012

SURESH KRISHNAN
Company Secretary

NOTES

1. **A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the Company. Proxy to be valid shall be deposited with the Company not later than forty eight hours before the time of holding the meeting.**
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Items 7 to 9 is annexed.
3. As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief resume and functional expertise of the directors proposed for reappointment along with the details of Companies in which they are directors and the Board Committees of which they are members are furnished below.

E.I.D.-Parry (India) Limited

i) Mr.V.MANICKAM

Mr.V.Manickam (60) is an Independent Director representing Life Insurance Corporation of India. He is a Science Graduate and an Associate Member of the Institute of Chartered Accountants of India.

He joined the EID Parry Board in the year 2008.

Details of Shares held by Mr.V.Manickam in E.I.D.- Parry : Nil

Details of other Directorships/Committee memberships held by him are as follows:

| Directorship | Committee Membership | Chairman / Member |
|-----------------------------|----------------------|-------------------|
| Managing Director | | |
| L.I.C. Pension Fund Limited | - | - |
| Director | | |
| The India Cements Limited | - | - |
| K.S.K.Trust Private Limited | - | - |

ii) Mr. M.B.N.Rao

Mr.M.B.N.Rao (63) is an Independent Director. He is the former Chairman and Managing Director of Canara Bank. He was also Chairman and Managing Director of Indian Bank during the period from 2003 to 2005. He is a Graduate in Agriculture and an Associate of the Chartered Institute of Bankers and a Fellow of the Indian Institute of Banking & Finance. He was a Banker with over 38 years of hands on experience, with over 9 years of overseas experience and as the Board level appointee for about 8 years and at Chairman level for about 5 years.

He joined the EID Parry Board in the year 2009. He is the Chairman of the Risk Management Committee and member of the Audit Committee.

Details of Shares held by Mr. M.B.N.Rao in E.I.D.- Parry : Nil

Details of other Directorships/Committee memberships held by him are as follows:

| Directorship | Committee Membership | Chairman/ Member |
|---|----------------------|------------------|
| Chairman | | |
| Cholamandalam Investment and Finance Company Limited | Audit Committee | Member |
| Director | | |
| Electro Steel Castings Ltd | Audit Committee | Member |
| Madras Cements Limited | - | - |
| TAJ GVK Hotels and Resorts Limited | Audit Committee | Member |
| BEML Limited | Audit Committee | Member |
| Neyveli Lignite Corporation Limited | Audit Committee | Member |
| Franklin Templeton Asset Management (India) Private Limited | - | - |
| MMTC - PAMP India Private Limited | - | - |
| Aircel Limited | - | - |
| Aircel Cellular Limited | - | - |
| Dishnet Wireless Limited | - | - |
| Apollo Munich Health Insurance Company Limited | Audit Committee | Chairman |
| CRISIL Risk and Infrastructure Solutions Limited | - | - |
| Indian Clearing Corporation Limited | Audit Committee | Chairman |
| Lanco Amarkantak Power Limited | | |
| NLC Tamil Nadu Power Limited | Audit Committee | Chairman |

iii) Mr.V.Ravichandran

Mr.V.Ravichandran (55) is a non Independent Director and Vice Chairman. He is an Engineering Graduate and holds Post Graduate Diploma in Management from IIM, Ahmedabad. He is also a Cost Accountant and a Company Secretary. He has 32 years of experience including 27 years in the Murugappa Group. He is the Lead Director for Fertilisers and Sugar businesses.

He joined the EID Parry Board in the year 2009. He is a member of the Audit Committee, Compensation & Nomination Committee and Shares and Shareholders/ Investors Grievance Committee.

Details of Shares held by Mr. V.Ravichandran in E.I.D.-Parry : Nil

Details of other Directorships/Committee memberships held by him are as follows:

| Directorship | Committee Membership | Chairman/Member |
|----------------------------------|----------------------------------|-----------------|
| Vice Chairman | | |
| Coromandel International Limited | Shareholders Grievance Committee | Member |
| Director | | |
| Silkroad Sugar Private Limited | - | - |
| Parrys Sugar Industries Limited | Audit Committee | Member |
| Sabero Organics Gujarat Limited | - | - |
| Murugappa Holdings Limited | - | - |
| CFL Mauritius Limited | - | - |
| Parry America Inc. | - | - |
| U.S.Nutraceuticals LLC | - | - |
| Foskor (Pty) Limited | - | - |

4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
5. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/ Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited.
8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 the Company has transferred the unpaid or unclaimed dividends for the financial years 1996-

97 to 2003-04, to the **Investor Education and Protection Fund (IEPF)** established by the Central Government.

9. Members are requested to note that as per Section 205A of the Companies Act, 1956 dividends not encashed or claimed within seven years from the date of transfer to the Company's unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund established under Section 205C of the said Act. The details of the dividend declared from the year 2004-05 to 2011-12 and the respective due date for transfer to the Investor Education and Protection Fund are given in the Section relating to General Shareholders Information. Members who have not yet encashed the dividend warrant(s) are requested to forward their claims to the Company's Registrar and Share Transfer Agents. **It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie with the Company in respect of such amount.**
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company / Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.eidparry.com under the section 'Investor Relations'.
12. Members holding shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Karvy Computershare Private Limited for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform M/s. Karvy Computershare Private Limited immediately of:
 - a) change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

Annexure to the Notice

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

The following Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 sets out all material facts relating to items 7 to 9 mentioned in the accompanying Notice dated 25th April, 2012.

ITEM NO. 7

The Company had issued on private placement basis, 400 - 10.25% Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each aggregating to Rs.40 Crore and 600- 10.40% Secured Redeemable Non-Convertible Debentures of Rs.10,00,000/- each aggregating to Rs.60 Crore. IDBI Trusteeship Services Ltd. Mumbai are acting as Debenture Trustees for the holders of these debentures.

The Company has availed financial assistance in the form of External Commercial Borrowing (ECB) facility of US\$ 50,00,000/ - from HSBC Bank (Mauritius) Ltd., Mauritius to fund maintenance/replacement capital expenditure.

The Debentures issued and ECB loan facility from HSBC Bank are secured by a First charge on all or any of the Company's immovable and movable properties, both present and future, on pari passu basis with term lenders or on such other security as may be agreed to by the Company.

The approval of the members is required to pass a resolution under Section 293(1) (a) of the Companies Act, 1956 for creation of the said mortgage/charge.

Accordingly, Ordinary Resolution set out under Item No. 7 of the Notice is submitted to the Meeting.

Interest of Directors

None of the Directors is interested or concerned in the Resolution.

ITEM NO. 8

At the 32nd Annual General Meeting of the Company held on 26th July, 2007, the Members had passed a Special Resolution approving the introduction and implementation of the Employee Stock Option Plans (ESOP 2007). Pursuant to the said resolution, the Employee Stock Option Scheme 2007 was constituted and stock options were granted to employees commencing from August 2007. The maximum

period for exercise of stock options envisaged at that time was three years from the date of vesting.

Keeping in mind the spirit of the Scheme and the interest of the employees, it was thought fit and prudent to extend the Exercise period from the existing "three years" to "six years" from the date of vesting of the Options to enable the employees to benefit from the Scheme.

As per SEBI Guidelines, any amendment to ESOP Scheme requires the approval of the shareholders.

Accordingly, Special Resolution set out under Item No.8 of the Notice is submitted to the Meeting.

Interest of Directors

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the ESOP Scheme.

ITEM NO. 9

Your Company considers ESOP Scheme to be an integral part of employee compensation which aligns personal goals of employees with organisational objectives and the critical role its people play in the organisational growth. This also helps the Company to attract and retain the talents in the organisation.

With the above objectives in mind, it is proposed to introduce a new Employee Stock Option Plan 2012 or ESOP 2012 ("the Scheme/the Plan") for the benefit of eligible employees of the Company, and employees of the subsidiary companies and such other persons as may be permitted from time to time, under prevailing laws, rules and regulations and / or amendment thereto from time to time.

The main features of the ESOP - 2012 Scheme are as under:

1. Employee Welfare Trust:

The Company proposes to set up an employee welfare trust, namely, "E.I.D.-Parry ESOP 2012 Trust" ("the Trust") to administer and implement the ESOP in accordance with the provisions of the Scheme.

The Trust shall be authorised to acquire equity shares of the Company from the open market for the benefit of the Employees in accordance with the Scheme/the Plan and hold the shares till the settlement of options. The Company may grant financial assistance to the Trust for this purpose on such terms and conditions, including, with or without interest, as it deems fit in accordance with the applicable provisions of the Companies Act, 1956 and such other Acts as may be applicable.

Further, in accordance with the directions and the recommendations of the Compensation & Nomination Committee of the Company, the Trust shall grant Options to the employees in respect of the equity shares so purchased by it.

2. Total number of options to be granted:

A total of 86,83,123 options would be available for being granted to eligible employees of the Company under Employee Stock Option Scheme. Each option when exercised would be converted into one Equity share of Re.1/- fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for re-grant at a future date.

SEBI guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, stock split/consolidation and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Company to the Option Grantees for making such fair and reasonable adjustment, the ceiling of 86,83,123 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

3. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

All eligible Employees of the Company, including the employees of the subsidiaries but excluding the promoters of the Company, as may be decided by the Compensation & Nomination Committee from time to time, would be entitled to be granted stock options under the ESOP Scheme(s).

4. Transferability of Employee Stock Options:

The stock options granted to an employee will not be transferable to any person and shall not be pledged,

hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him/her till such date shall be transferred to his legal heirs or nominees.

5. Requirements of vesting and period of vesting:

The Options granted shall vest so long as the employee continues to be in the employment of the Company. The Compensation & Nomination Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The options would vest not earlier than one year and not later than five years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Compensation & Nomination Committee, subject to the minimum vesting period of one year from the date of grant of options.

6. Exercise Price:

The options would be granted at an exercise price equal to the latest available closing price of the equity shares on the stock exchange where the shares are listed and where there is highest trading volume as on the date prior to the date of the Compensation & Nomination Committee resolution approving the grant.

7. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire on completion of three years from the date of vesting of options.

The options will be exercisable by the Employees by a written application to the Trust to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Compensation & Nomination Committee from time to time. The options will lapse if not exercised within the specified exercise period.

8. Appraisal Process for determining the eligibility of the Employees to ESOP:

The appraisal process for determining the eligibility of the employee will be specified by the Compensation & Nomination Committee, and will be based on criteria such

as role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation & Nomination Committee at its sole discretion.

9. Maximum number of options to be issued per employee and in aggregate:

The number of options that may be granted to any specific employee under the Scheme, during any one year, shall not exceed 1% of the issued capital of the Company at the time of grant of options.

10. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines and the guidance note issued by the Institute of Chartered Accountants of India.

11. Lock - in:

The shares transferred from the trust, subsequent to exercise of vested options will not be subject to any lock-in period.

12. Method of option valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted.

As the Company calculates the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognised if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

Consent of the members is being sought pursuant to the applicable provisions, if any, of the Act and as per SEBI Guidelines to give effect to the above proposal.

Accordingly, Special Resolution set out under Item No.9 of the Notice is submitted to the Meeting.

Interest of Directors

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the ESOP Scheme.

By Order of the Board,
For **E.I.D.- Parry (India) Limited**

Chennai
April 25, 2012

SURESH KRISHNAN
Company Secretary