

# NURTURING FARMS. DESIGNING FUTURE.

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#### Forward-looking Statements

Statements in the Annual Report detailing the Company’s objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Since these statements are based on certain assumptions and expectations of future events, the actual results could differ materially from those expressed or implied. The important factors that could make a difference to the Company’s operations include the economic conditions affecting the domestic demand-supply conditions, prices of finished goods, the changes in government regulations because of the tax regime, etc. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent developments, information or events.



# NURTURING FARMS. DESIGNING FUTURE.

As the global population rises steadily, about 7.7 billion people are looking at agriculture to provide enough staples to keep themselves fed. At the same time, the demand for value foods — rich in nutrition, in line with a health-conscious lifestyle, grown in an organic manner — is also on the rise. Producing enough food — in volume and value — for the growing population and meeting its aspirations while also addressing impending environmental concerns remains a vital challenge.

Technological innovations and steady adoption of sustainable farming techniques holds the key. Sustainable farming ought to be profitable today and tenable tomorrow. Age old farming methods and traditions have to make way to modern agronomy, with demonstrable enhancement in farm yields and farmer profitability.

In our operating geographies and through our range of products and solutions, we are helping nourish farms for sustained, enhanced productivity. From fertilisers to speciality nutrients to crop protection, from advisory to

products to agri services, from organic to scientific, from farms in India to those in highly developed markets, from innovation labs and demo fields to the market place, we are steadily strengthening our suite of integrated crop management offerings.

The year gone by has further expanded our conviction and commitment towards sustainable farming. Because, It is only by nourishing the farm ecosystem — soil, water, atmosphere, biodiversity and the farmer — that we can nurture the world. Today and tomorrow.

**With all our might — man,  
machine and mind, at  
Coromandel, we are  
nurturing today's farms and  
designing the future.**

# BALANCING FARM HEALTH

## INTEGRATED CROP MANAGEMENT

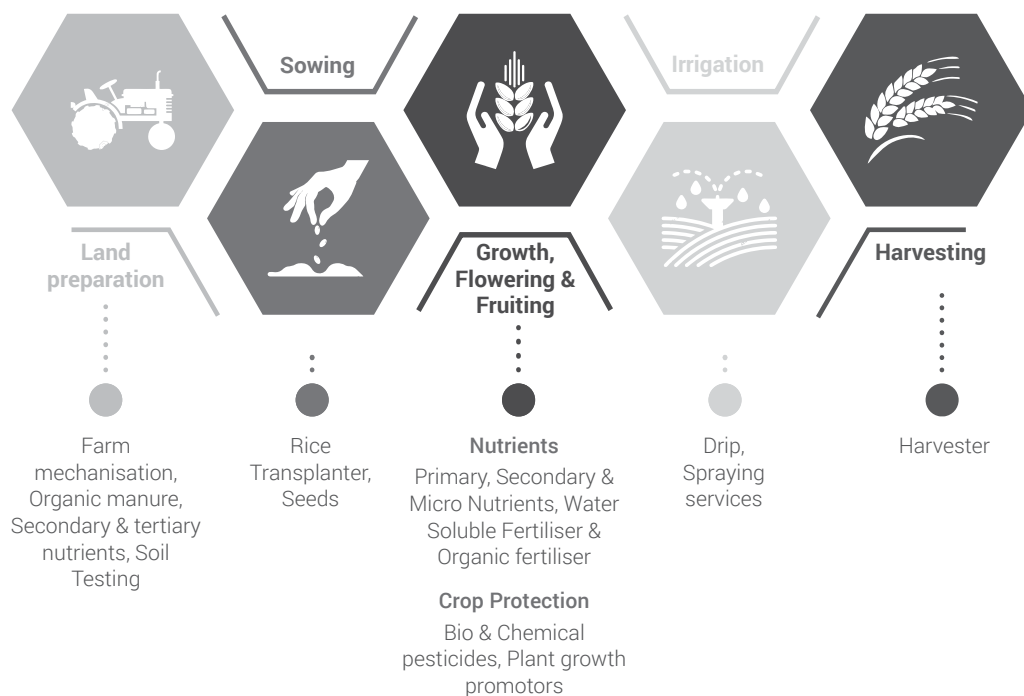
Over the years, agricultural development has significantly improved the crop productivity of the Indian farms. However, high input and intensive farming systems have put stress on the health of the natural resources.

As a leading Agri solutions provider, we, at Coromandel, are combining local knowledge with new research and technologies to deliver Integrated Crop Management (ICM) solutions to improve farming practices. ICM is a holistic approach

towards sustainable farming, offering long-term solutions in agriculture.

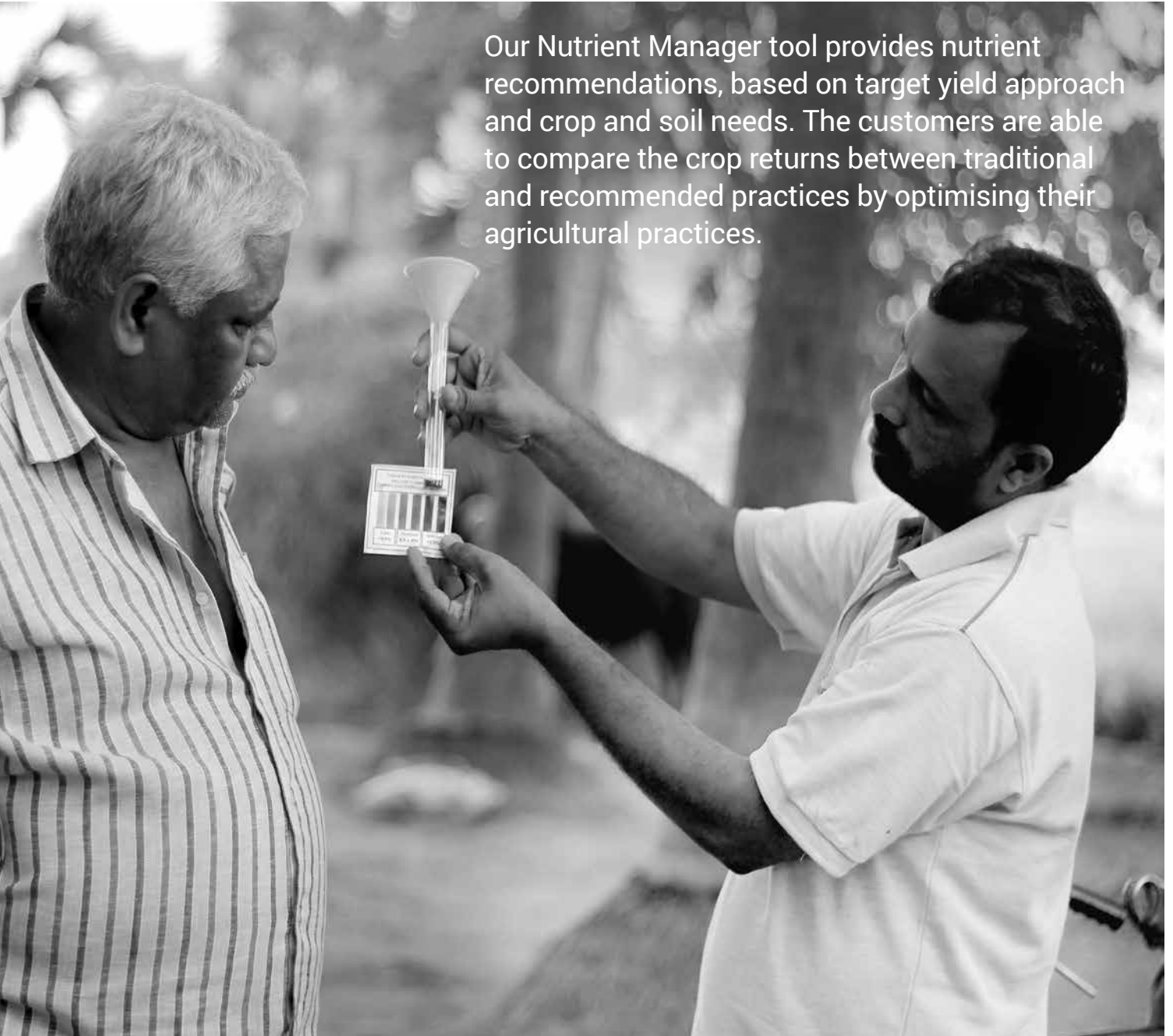
Our diversified portfolio of products and services ensures our presence across the entire value chain of agricultural activities – from ‘Seed to Harvest’ cycle. Our retail stores and agronomists ensure the last mile advisory and delivery of superior crop management solutions. We have scientifically developed package of practices for the crops, which are supporting the farming community in improving the crop productivity and soil health.

### A Fine Balancing Act



## THROUGH OUR PRODUCTS AND SERVICES

Our Nutrient Manager tool provides nutrient recommendations, based on target yield approach and crop and soil needs. The customers are able to compare the crop returns between traditional and recommended practices by optimising their agricultural practices.



# RESPONSIBLE FARMING

## UPPING OUR ORGANIC QUOTIENT

Reducing the adverse environmental impact while meeting the steadily growing demand for food and fabric is paving the way for biologicals to play a larger role. Being target specific, biologicals are derived from natural sources like plants, microbes and minerals.

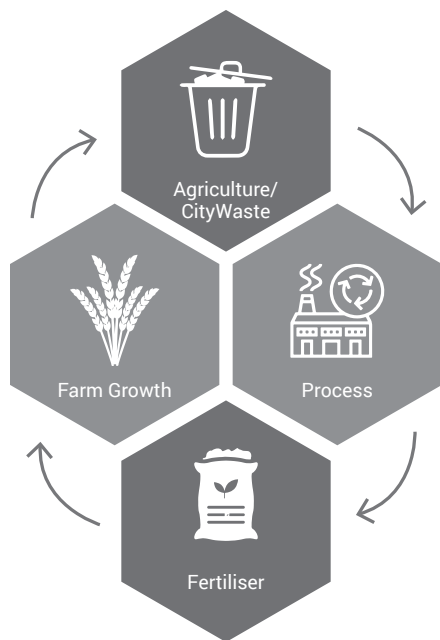
Spearheading this shift from the forefront, we, at Coromandel, are fast evolving our product-mix in order to support sustainable farming. Having ventured into bio-pesticide segment in 2018, we have become the largest marketers of neem-seed-extract-based bio

products. As a dominant Indian player, we are commanding more than 50% market share in Azadirachtin (a key botanical extract from neem seeds) today.

### Waste to wealth

Nearly 70 percent of the Indian arable soil is organic carbon deficient. With an aim to balance nutritional value of soil, we forayed into organic manure segment in 2006. Since then, we have introduced multiple variants of organic manure. These products are being manufactured using city waste (organic portion only), sugarcane molasses and its by-products, oil cakes and gypsum.

Our initiative is also supporting urban cleanliness, while reducing the stress on landfill sites. In the year gone by, we have converted nearly 27,000 tons of urban waste to compost, effectively partnering in Government's 'Swachh Bharat' drive.



~27,000  
tons of city waste to compost

>50%  
market share of  
Azadirachtin



# IN QUEST FOR THE BEST

## OUR CULTURE OF INNOVATION

Twin agricultural challenges of lowering environmental stress and steadily increasing farm yields simultaneously needs a lot of human ingenuity and technological advancements. Given the complexity of the challenge, widespread collaboration among agricultural input companies, academia and farmers can accelerate the speed of discoveries and their subsequent commercial roll-outs.

At Coromandel, we are intensifying our efforts towards scientific discoveries and collaboration, new product development and strengthening of our product offerings. Our dedicated Research & Development (R&D) centres for Nutrients, Crop Protection and Bio Business segments have been playing a significant role in developing new products, as well as enhancing manufacturing efficiency

and operating flexibility of our plants.

We introduced ten new products, including two in-house patented combination products during the year. In order to push our innovation agenda, we have strengthened our infrastructure as well as talent pool across R&D and Product Development functions.

Treating cross-stakeholder collaboration as a force multiplier, we collaborate with farmers, institutions, technology partners and academia with an aim to solve agricultural challenges in a holistic and sustainable manner.

An addition during the year was setting up of 'The Coromandel Lab' in partnership with IIT Bombay Monash Research Academy.



10+  
new products  
introduced



# THE KEY IS TECHNOLOGY

## OUR FARM MECHANISATION

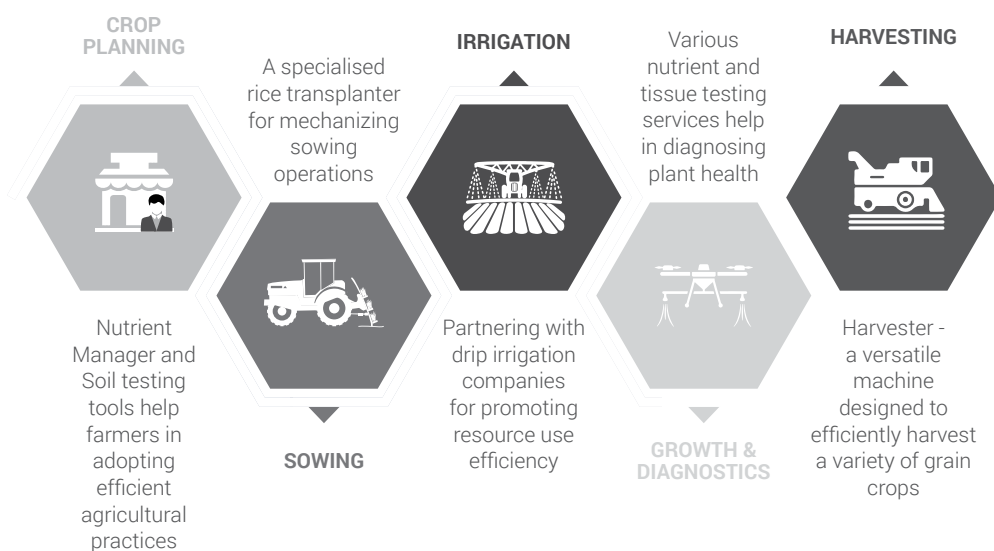
We believe that the technology has the power to magnify efficiency and ease the lives of people. This allows us to invest in tomorrow's technologies today and address the complex farming issues.

At Coromandel, we are spearheading the mechanisation mission by forming alliances with global technological leaders and addressing customisation and accessibility challenges.

Our joint venture with Yanmar and Mitsui has enabled us to introduce technologically superior mechanisation solutions. Making the machines available on affordable rentals, our Custom Hiring and Service Centres have

been acting as farm machinery bank. During the year, we introduced combined harvesters, which have received positive feedback from the farming community.

We forayed into precision agriculture space by carrying out pilot trials using Unmanned Aerial Vehicles (UAVs). Based on the data captured through UAVs, we were able to carry out crop diagnostics measuring the stressed regions and offered crop advisory and spraying services to the farmers. The technological interventions helped in improving the crop yields by 18-23%, thereby bringing prosperity in farmer's life.



18-23%  
Improving the crop yields

## SOLUTIONS



# BUSINESS PROFILE

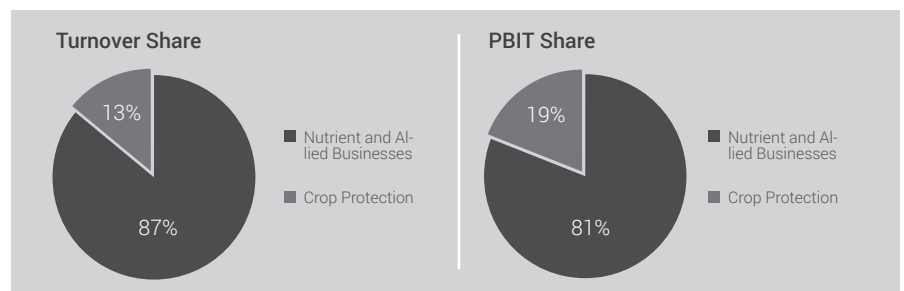
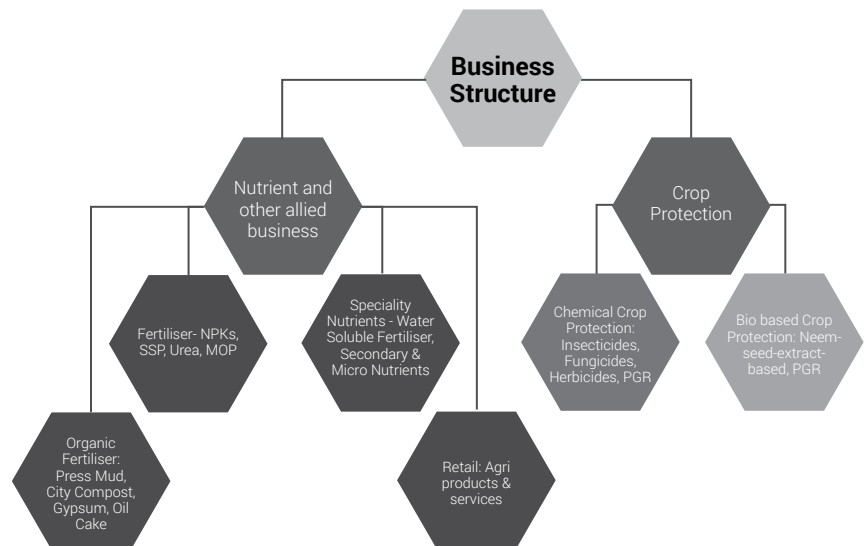


One of India's largest integrated agri solutions providers, we, Coromandel International Ltd., are a flagship company of the diversified ₹ 369 billion Murugappa Group.



Our roots can be traced back to 1906, when our parent company E.I.D Parry started operating the first Single Super Phosphate plant in India at Ranipet. Currently, with the manufacturing capacity at nearly 4.5 million tons, we provide unique crop solutions to nearly 2 Crore farmers in India and around the world. We rank amongst the leading Indian manufacturers and marketers of

Crop Protection products. We have been collaborating with farmers and bringing the latest innovations in farm technology to improve their overall well-being through our high quality products. We accomplish this through our wide network of around 800 Retail Centers across the states of Andhra Pradesh, Telangana, Karnataka and Maharashtra.



# BUSINESS PROFILE



## Fertiliser

~4.5  
million tons

Combined capacity to  
manufacture fertilisers

2<sup>nd</sup>  
largest  
phosphatic  
fertiliser and  
largest SSP  
player in India

16.3%  
Market share

with significant presence in  
South, East and West India

## Organic

No.1  
Organic  
fertiliser  
marketer in  
India

Products  
sourced from  
City waste,  
sugarcane  
molasses,  
gypsum and  
oils cakes

## Crop Protection

Presence across

~81  
countries

through Wide  
product portfolio  
~60 brands

Bio business  
providing  
access to  
complementary  
products and  
markets

Manufacturing Capacity

80,000+  
tons/annum

from 6 locations

## Retail

~800  
centres

Largest Agri retail chain  
in India

ONE  
Stop Shop for  
Agriculture needs

Convergence of Products  
& Services

3 million+  
farmers

direct connect

## Speciality Nutrients

Ranks  
amongst  
the pioneers  
and market  
leaders

Efficient  
manufacturing  
facilities for  
Bentonite  
Sulphur and  
water soluble  
fertilisers



# WHAT SETS US APART

## OUR INVESTOR VALUE PROPOSITION



### India's leading agri player offering Integrated Crop Management solutions

- Presence across '**Seed to Harvest**' solutions
- **2<sup>nd</sup> largest nutrient marketer** and manufacturer
- **5<sup>th</sup> largest Indian player in Crop Protection**
- Largest Agri retail chain with **~800 stores** offering One Stop solution to the farmers

### Integrated manufacturing facilities leading to low cost operations

- Accounts for **~22% of the domestic manufacturing capacity** in Phosphatic fertiliser
- Ability to manufacture **13 fertiliser products**
- **4 technical** and **3 formulation plants** in Crop Protection and Bio pesticides
- **8 SSP plants** providing significant presence in West and Central India



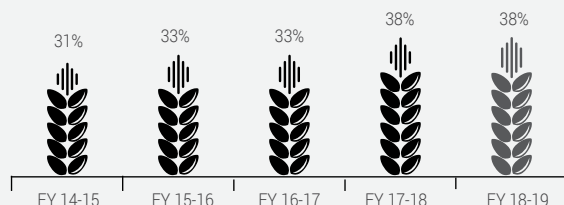
## Winning collaborations with focus on the Future

- Slow release nutrients: **Shell technology, Japan**
- Farm mechanisation: **Yanmar, Japan**
- Water Soluble Fertiliser: **SQM, Chile**
- Supply security for Phosphoric acid: **TIFERT, Tunisia and Foskor, South Africa**



## Diversified product portfolio offering Unique solutions

Share of Unique products (%)



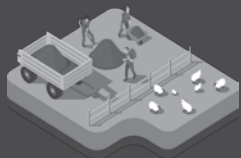
## Prudent Financial Management

- Strong balance sheet with 'AA+ (Stable outlook)' credit rating with CRISIL India & 'IND AA+ (Stable)' credit rating with India Ratings
- Consistently delivering value to the shareholders

EPS (₹)



# KEY EVENTS

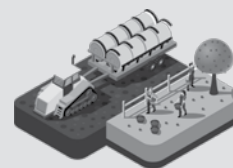


## APR-MAY-JUN

- Acquired Bio Pesticide business
- Successful migration to DBT regime
- Retail expansion in Maharashtra
- NAARM collaboration for capability augmentation
- Safety Survey, Quantitative Risk Assessment
- New product launches in Crop Protection, SSP and Speciality Nutrients

**Q1**

**Q4**



## JAN-FEB-MAR

- Best Presented Annual Report by SAFA (South Asian Federation of Accountants)
- Process Safety Management Systems: Received 4/4 score for major Fertiliser plants

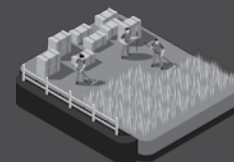
**Q2**

**Q3**



## JUL-AUG-SEP

- Signed MoU with IITB-Monash Research Academy for collaborative research for developing new products
- Employee Engagement study – Improved scores across the businesses
- Established Manufacturing Centre of Excellence at Kakinada



## OCT-NOV-DEC

- Product launch: Zinc fortified NPK
- Launch of Nutri Clinics for crop advisory and soil diagnostics
- Capacity addition at Dahej
- Sulphuric Acid tank commissioning at Vizag
- Best Operating Phosphoric acid plant 2018 by FAI

# AWARDS



1. **FAI Best Operating Phosphoric Acid Plant 2018**, awarded for the 5<sup>th</sup> consecutive time and overall 17 times in the past 24 years.
2. Coromandel's Annual Report 2017 has been awarded with '**Certificate of Merit**' by SAFA (South Asian Federation of Accountants) - Best Presented Annual Report Award 2017 under the Category of Manufacturing sector.
3. Coromandel Kakinada unit received the "**National CSR Times Award**" for the "**Birds Paradise**", under the Green & Environment Stewardship category.
4. National & Global Awards for '**Coffee Table Book: Kakinada Bird Paradise**' from Association of Business Communicators of India (ABCI) and Global Communicator awards, New York.
5. **ET Now- CSR Leadership Awards** for Best Social Responsibility Practices.
6. Coromandel Vizag unit awarded **CII Energy Efficient Unit Award 2018** for the 5<sup>th</sup> consecutive time.

# FINANCIAL SUMMARY

## FINANCIAL HIGHLIGHTS - (STANDALONE)

₹ in Crore

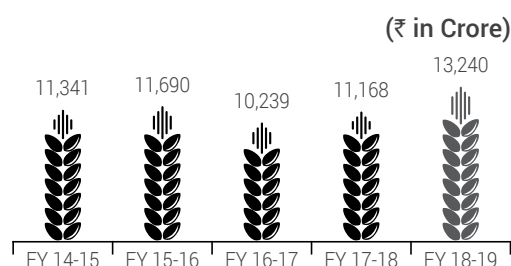
Year Ended 31 March											
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Gross revenue	13,240	11,168	10,239	11,690	11,341	9,442	8,627	9,940	7,719	6,527	9,668
Gross profit	1,450	1,305	1,036	856	905	787	802	1,142	1,136	843	949
Depreciation and amortisation expense	113	99	100	106	103	82	59	56	62	59	56
Finance costs	251	178	224	221	209	211	177	117	86	75	85
Profit before tax	1,086	1,028	712	529	592	494	566	970	988	708	808
Profit after tax	714	685	477	358	403	345	444	693	694	468	496
Net fixed assets	1,497	1,372	1,346	1,357	1,412	1,238	1,170	940	814	817	792
Networth	3,434	2,927	2,812	2,503	2,165	2,233	2,176	2,371	1,904	1,435	1,127
Borrowings	2,957	2,731	2,231	2,677	2,282	1,518	2,270	2,464	1,370	1,918	1,720
Deferred tax liabilities (net)	111	122	149	166	187	187	180	67	81	85	79
Total capital employed	6,501	5,780	5,192	5,346	4,634	3,938	4,626	4,903	3,355	3,438	2,927
Earnings per share (₹)*	24.41	23.44	16.35	12.29	13.85	12.05	15.70	24.57	24.69	16.72	17.74
Dividend on equity (%)	650	650	500	400	450	450	450	700	700	500	500
Book value per share (₹)*	117.43	100.20	96.41	85.91	74.30	78.86	76.90	83.92	67.56	51.16	40.28

\* Earnings per share and book value per share upto the year 2010 recomputed based on split face value of ₹ 1/- per share.

### Notes:

1. Financials upto 2009-10 are presented as per Old Schedule VI
2. Financials from 2010-11 and till 2014-15 are presented as per Revised Schedule VI
3. Financials from 2013-14 include erstwhile Liberty Phosphate Limited and erstwhile Liberty Urvarak Limited which merged with Coromandel effective 1 April 2013
4. Financials for 2014-15 include erstwhile Sabero Organics Gujarat Limited which merged with Coromandel effective 1 April 2014
5. Financials from 2015-16 onwards are presented as per Indian Accounting Standards (Ind AS)
6. Financials for 2017-18 and 2018-19 include the Bio-Pesticide operations

## Gross Revenue



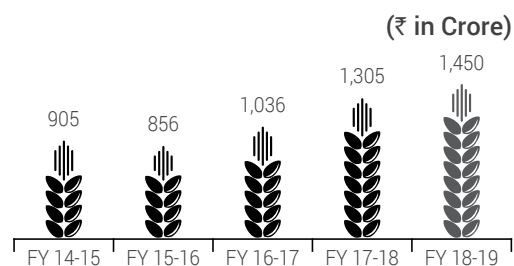
### How we performed?

The Company reported 18.55% growth in gross revenue for 2018-19, as compared to previous year.

### Why it's so important?

Gross Revenue or the Top Line, is the most important information for analysis which represents how effective we have been in generating revenues. It helps in analysing the trend of the company's progress over a period of time.

## EBITDA



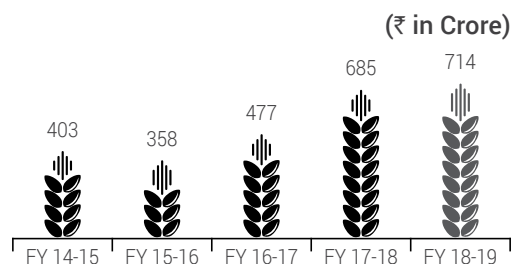
### How we performed?

The Company reported a rise of 11.11% in EBITDA in 2018-19, in comparison with 2017-18.

### Why it's so important?

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) simply is a measure of company's profitability, without the influence of financial and accounting deductions. It is now a standout component applied by investors when discussing business value.

## Profit After Tax



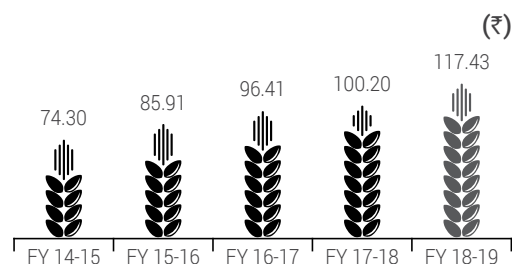
### How we performed?

The Company reported 4.25% growth in Profit After Tax in 2018-19 as compared to 2017-18.

### Why it's so important?

Profit after tax (PAT) or Bottom Line is a measure of net profitability of the company. It helps in analysing how effectively the company manages its spending.

## Book Value Per Share



### How we performed?

The Company reported 17.20% growth in Book Value per share in 2018-19 as compared to 2017-18.

### Why it's so important?

Book value per equity share is a vital analysis component. It indicates the value remaining for equity shareholders after all assets are liquidated and all debtors are paid. This is the base value at which stock shall be traded. Anything less than this is discount to book value.

# CHAIRMAN'S LETTER



## Dear Shareholders,

I am pleased to present you the 57<sup>th</sup> Annual Report of Coromandel for the Financial Year 2018-19. In the year gone by, the growth in the global economy was slightly lower at 3 percent, versus 3.1 percent in the previous year. Increased protectionism, geopolitical tensions, higher oil prices and tighter financial conditions moderated the growth especially during the second half of the year. Among developed economies, the United States maintained robust progress driven by private sector activity and sizable fiscal stimulus. The Indian economy continued to be the fastest growing large economy with 6.8 percent GDP growth in 2018-19, though there was a slowdown in the agriculture and manufacturing sectors.

As per the National Statistical Office (NSO) estimate, Agriculture sector's Gross Value Added (GVA) for the year grew by 2.9 percent versus 5.0 percent a year ago. India received below normal and erratic South West monsoon (-9%) and deficit North East monsoon (-44%), which resulted in lower crop sowings. Despite these challenges, the Indian farmers displayed a resilient performance and overall food grain and horticulture output is expected to be at previous year levels. With the structural reforms pursued by the Government towards improving agriculture infrastructure like irrigation projects, cold chains and national agriculture markets, we expect India's agriculture growth trajectory to expand considerably in coming years. Further, initiatives like increasing Minimum Support Price (MSP) of crops to 1.5 times the cost of production, direct income support and direct benefit transfer introduced during the year, are expected to lend support to the farm income.

It was the first full year of implementation of Direct Benefit Transfer (DBT) in fertiliser. As we stand today, Indian fertiliser industry in collaboration with Department of Fertilizers can proudly claim to be amongst the early adopters of technology connecting the production, distribution and consumption cycles digitally, bringing transparency and reducing supply side volatility across the

system. DBT in its current form remains farmer-neutral. The price variability between various grades of fertilisers continues to distort the consumption pattern towards lower priced products, thereby leading to imbalanced nutritional practices. With time, the Soil Health Cards and land record data are likely to be integrated with the DBT system and subsidies will be passed directly to the beneficiary based on right nutrient usage.

The major raw material prices firmed up during the year due to demand-supply situation and global supply-side constraints. The rupee was volatile, mainly impacted by uncertainties around US-China trade negotiations and surge in oil prices. During the year, Government reduced the Goods and Services Tax (GST) rates on Phosphoric acid to 5 percent, correcting the inverted duty structure in the Fertiliser Industry.

#### Coromandel's Performance Summary

During 18-19, Coromandel had a good all-round performance, as it continued its focus on customer engagement, introduced new products, improved operational efficiencies, strengthened the plant infrastructure and built people capabilities.

Nutrient businesses have progressed well during the year. In the Phosphatic fertiliser space, Coromandel has gained market share in the select geographies, improving its sales volumes by 10 percent. The integrated nutrient structure and agronomist teams continued to support the channel and farmer activation initiatives. Speciality nutrients worked on its focused product approach, and introduced crop specific products during the year. Single Super Phosphate (SSP) business built its quality interventions and has performed very well during the year. The Organic manure business sustained its leadership position and actively engaged with the Government and the farming community for improving soil health. Crop Protection business grew in both domestic and international markets with focus on introducing novel molecules in the segment. During the year, Bio Pesticide operations were successfully integrated with the Crop Protection Business, which

With the confluence of technology penetration and digital play, a younger work force, and Government backed reforms, we are foreseeing the agriculture sector to grow significantly in the years to follow...

has enabled Business's access to developed markets and provided a presence in complementary product segments. Retail has been testing out new technology interventions in crop diagnostics and delivery mechanism space, which are yielding promising results at the farmer's end. The Business expanded its footprint in Maharashtra and strengthened its farm advisory, products and services offerings to support the farmers. Coromandel continued to focus on differentiated product approach and introduced ten new products across various businesses during the year.

To meet the future expectations and delivering superior crop solutions, Coromandel entered into a partnership with IIT Bombay-Monash University for carrying out research in new technology products. Further, the product development team in Crop Protection Business has been strengthened, with Research & Development, Technology Transfer, Business Development and Regulatory functions getting scaled up significantly.

Safety, Health and Environment continued to remain a high priority for Coromandel. Various measures were undertaken during the year focussing on health and building a safety culture across the organization. The Bird's Paradise within the Kakinada plant

continued to attract wide coverage and was well featured by the Discovery channel. Coromandel's societal commitment remains strong and it continued to work in the areas of education, health and community development.

India has recently witnessed the world's largest democratic exercise culminating into the formation of a stable government at the Centre. We expect the Government to continue its reform agenda, giving special focus on agriculture and rural prosperity. Further, with the confluence of technology penetration and digital play, a younger work force, and Government backed reforms, we are foreseeing the agriculture sector to grow significantly in the years to follow. To stay abreast with these changing trends, Coromandel is moving closer to the consumers and seeking unique opportunities to meet the farming needs. It is enhancing its manufacturing capabilities in the areas of upstream integration, new product development, pilot plants, and storage capabilities. Coromandel, with its integrated farm management solutions, will continue to create superior value for the farming community.

I would like to congratulate the Coromandel team for delivering good results under a challenging business environment. I would like to conclude with thanking all our Board members for enlightening the leadership team with appropriate and timely guidance. I would also like to thank all our stakeholders - customers, vendors, creditors, bankers, regulatory bodies and above all our valued shareholders for their enduring trust and support.

Let us continue to work together for developing long term sustainable farming solutions and bringing prosperity to the farmers.

**M M Murugappan**  
Chairman

# MANAGING DIRECTOR'S INTERACTIVE SESSION

## **How has been the Company's performance during 2018-19?**

For the year 2018-19, Coromandel has made all-round progress by improving its customer engagement, branding capabilities and furthering its operational efficiencies. We have strengthened our R&D, product development and registration functions. We have introduced ten new products in nutrient and crop protection businesses and have established key partnerships in the areas of research, technology, sourcing, and marketing to meet the growth aspirations.

The Integrated Nutrient Structure continued to support the channel and farmer activation initiatives, improving the Company's market share in its key operating states. Major infrastructure projects are progressing well and are expected to improve operational flexibility. Retail business strengthened its technology interventions in the areas of crop diagnostics, farm advisory, and farm mechanization.

Crop Protection Business has done well during the year, growing in domestic formulations and international markets. The business is actively pursuing new product development and has successfully launched five products during the year, including two in house patented combinations.

We continue to work towards creating a safe work environment. We carried out structural strengthening and partnered with international agencies for improving behavioral and safety processes.

Overall, it has been a very satisfying performance in a tough external environment.

## **How has the recently acquired Bio business performed during the year?**

The Bio pesticide business has enabled our access in developed markets like USA, Canada, and Europe and provided a presence in complementary product segments. During the year, the Bio business

has performed better than our expectations, improving its product offerings, sourcing capabilities, and extraction efficiencies. We are the leading marketers of neem seed based Azadirachtin molecule globally and our products stand out for its superior quality containing the best quality Azadirachtin with guaranteed efficacy on a wide range of pests. With the rise in organic foods, increased environmental awareness and growth in Integrated Pest Management Programs, we are witnessing a lot of interest from Indian and International markets for our products and hope to significantly scale up our presence.

## **What is the industry's experience of Direct Benefit Transfer in Fertiliser?**

The DBT implementation involved the herculean task of distributing about 2 lakh PoS machines, setting up infrastructure in the rural sector, developing IT systems for monitoring product movement and physically verifying the stocks before the Go Live dates. Today, the process has stabilized and most of the fertilizer companies are filing the subsidy claims on time, though transitional challenges with respect to network issues and reconciliation of opening stocks have delayed the subsidy claim generation process.

Coromandel has effectively partnered with the Department of Fertilizers and regional agricultural departments towards creating awareness on DBT for the channel and the farming community. We have moved closer to the customers by strengthening our field team presence and deployed technology tools to enable effective communication.

As the quality of transaction recording improves with time, the data can be leveraged for passing on other welfare benefits. However, the quantum gains through DBT can be realized only if the farming community forms the core of the reform and leads to balanced nutrient application. The concept of direct benefit will be exercised in the true sense only if the subsidy directly reaches to the beneficiary and he makes an informed decision while purchasing the product. The implementation of JAM (Jan Dhan, Aadhaar, Mobile) initiative has paved the way for direct transfer of subsidies to intended beneficiaries

and should be utilized to improve farm productivity.

## **What are the key growth drivers you foresee in the Agri Inputs sector and what will the focus areas for the Company?**

The Government-backed reforms like doubling the farmer's income, irrigation infrastructure development, crop insurance, remunerative returns, and income support are getting stabilized, and are likely to improve farming prospects in the coming years.

There has been an increased awareness among the farmers towards balanced nutrient application. With 40%-50% of the Indian soils deficient in essential plant nutrients including secondary and micro nutrients, there is a significant opportunity to improve farm health through superior solutions and delivery mechanisms.

Resource use efficiency will be another major factor that will shape future farming practices. The pressure on resources like water and labour are giving way for efficient practices such as micro-irrigation and farm mechanization in the areas of transplanting, harvesting and spraying services.

Biologicals like plant extract, microbial, organic manure and green triangle products are gaining increased attention among the consumers due to preference for sustainable and clean solutions.

In Crop Protection, India's per capita usage is amongst the lowest globally. With increased quality consciousness among the customers, we expect that the organised and R&D focused players with an ability to develop unique farming solutions to capture this space. Further, India is shaping up well as a manufacturing hub for the crop protection chemicals, that is resulting in improved access to the international markets.

## **On future growth areas**

We have recently concluded our Long Term Strategy exercise for the period 2020-25, setting up a road map for future growth initiatives. Major focus areas during the plan period involve having a deeper understanding of our consumer, building power brands,

investing in R&D and data analytics, becoming a player of scale, creating new markets and strengthening our efficiencies across the value chain. We will continue to have a farmer-centric approach and intend to strengthen our engagement levels with the consumers.

On the business side, we plan to consolidate our presence in Fertiliser as the leading complex player in India and will continue to create unique solutions as per crop, soil and farming needs. Growth businesses like Crop Protection, Speciality Nutrients and Retail will be further strengthened to improve portfolio offerings, market access and building operational efficiencies.

R&D and technology will play as a key enabler for creating unique product solutions to meet farmer expectations.

**What are the major factors that have contributed to growth for the Company in the past few years?**

Our employees are one of the biggest strengths of the Company. I believe that the long term success of any business depends upon getting the right talent, having the right alignment with the Company's vision. We have been investing in people capabilities and engagement initiatives, which have enhanced the performance levels of the team.

In the past few years, we have strengthened our end to end supply chain efficiencies through smart procurement, efficient manufacturing, effective distribution and prudent cash management. Our connect with the farmers has improved significantly as we are continuously scaling up our marketing and branding initiatives like setting up the Agronomist team, Integrated marketing structure, farmer panels, consumer research, communication, etc.

We have brought in significant focus towards our differentiated product solutions. We have a good product pipeline and hope to continue to offer technologically superior agri solutions and bring prosperity and smiles to millions of farmers.

**Sameer Goel**  
Managing Director



# BOARD OF DIRECTORS



**M M Murugappan**



**V Ravichandran**



**Dr. B V R Mohan Reddy**



**Prasad Chandran**



**M M Venkatachalam**



**Sumit Bose**



**Aruna B. Advani**



**Dr. R. Nagarajan**



**K V Parameshwar**



**Sameer Goel**

## **M M Murugappan**

Chairman

Mr. Murugappan holds a Master's degree in Chemical Engineering from University of Michigan, USA. Has served as the Managing Director of Carborundum Universal (CUMI) in the past. He is currently serving as the Chairman of CUMI, Tube Investments of India, Cholamandalam Financial Holdings Limited, Cholamandalam Investment and Finance Company Limited and Cholamandalam MS General Insurance Company. He is also serving on the Boards of Mahindra & Mahindra Limited, Cyient Limited and IIT Madras Research Park. Mr. Murugappan was elected as a fellow of the Indian Ceramic Society and is also a member of the American Institute of Chemical Engineers, Indian Institute of Chemical Engineers and Plastics & Rubber Institute. He had also served on the Board of Governors, IIT Madras for six years. He is actively involved in the development of various citizenship initiatives, particularly in education, health care, performing arts and sports.

## **V Ravichandran**

Vice Chairman

Mr. Ravichandran is an Engineering Graduate and holds a Post Graduate Diploma in Management from IIM Ahmedabad. He is also a qualified CMA and CS. Having served Ashok Leyland early in his career, he joined Murugappa Group and worked in Parry Group of Companies mainly in the fields of Finance and Marketing. He served as the Whole Time Director/Managing Director of Coromandel International Limited during 2004-2010. Currently, he is also serving as Lead Director (Fertilisers & Sugars) on the Murugappa Corporate Advisory Board and is the Chairman of E.I.D Parry (India) Ltd. He is also on the Board of Cholamandalam Financial Holdings Limited.

## **Dr. B V R Mohan Reddy**

Director

Dr. B V R Mohan Reddy holds a degree in Mechanical Engineering from the College of Engineering, Kakinada and post graduate degrees from IIT, Kanpur and University of Michigan, U.S.A. He is the Founder and Executive Chairman of Cyient Limited. He is also the Founding Director of T-Hub, the largest start-up incubation centre in India. He is currently the Chairman of the Board of Governors of IIT-Hyderabad, a member on the Board of National Skill Development Corporation (NSDC), and member of Court of Governors of Administrative Staff College of India (ASCI). He is a proud recipient of an Honorary Doctorate from JNTU, Hyderabad; distinguished Alumnus Award from IIT Kanpur, ASME (American Society of Mechanical Engineers) CIE Leadership Award for outstanding leadership in advancing the use of computers in Information Engineering and Life Time Achievement Award from Hyderabad Management Association. He was also awarded with "Padma Shri Award 2017", Trade and Industry. He has served as the Chairman of NASSCOM and CII, Southern Region.

## **Prasad Chandran**

Independent Director

Mr. Prasad Chandran holds a bachelor's degree in Chemistry from Bombay University and a MBA from University Business School, Chandigarh. He pursued advanced management education in Wharton Business School, University of Pennsylvania, and AOTS from Tokyo University, Japan. Mr. Prasad Chandran is the former Chairman and Managing Director of BASF India Limited and former President of IGCC (Indo German Chamber). He was also Chairman of Ciba India Limited, Cyanamid India Limited and Pushpa Polymers. He is the Founder Chairman of SEEGOS – a Social Enterprise for promoting Ethics and fighting Corruption. He is actively involved with various policy making bodies of the Government and Industry Associations

for promoting Ethics in business and supporting anti-corruption legislations in accordance with international protocols and laws. Currently, he is serving on the boards of HDFC Pension Management Company Limited and HDFC Life Insurance Company Limited as an Independent Director.

### **M M Venkatachalam**

Director

Mr. Venkatachalam holds a graduate degree from the University of Agricultural Sciences, Bangalore and a Master's degree in Business Administration from George Washington University, USA. In an illustrious career of more than two and a half decades, he has held several leadership positions in various Murugappa Group Companies. He is presently the Chairman of Coromandel Engineering Company Limited, Ambadi Enterprises Limited and Parry Agro Industries Limited. He also serves on the Boards of Ramco Cements Limited, Ramco Systems Limited and E.I.D Parry (India) Limited.

### **Sumit Bose**

Independent Director

Mr. Sumit Bose holds a Masters degree in Social Policy and Planning from London School of Economics and Masters of Arts from St. Stephen's College, Delhi. Having joined Indian Administrative Service in 1976, he has served with various departments of Government of India. He has served as Secretary (Department of Revenue), Secretary (Expenditure) and Secretary (Disinvestment) as well as Secretary in the Thirteenth Finance Commission besides serving as a member of the core group for the Union Budget. His tenure as Principal Secretary (Finance) of the Government of Madhya Pradesh witnessed various reforms including fiscal responsibility legislation, outcome budgeting, extensive use of the PPP mechanism and contributory pension scheme. He had done an early stint in the Department of Economic Affairs, MOF, GoI as Deputy Secretary in the Fund Bank Division. He is currently serving on the Boards of HDFC Life Insurance Company Limited, TATA AIG General Insurance Co., ONGC and BSE.

### **Aruna B Advani**

Additional Director/Independent Director

Ms. Aruna B. Advani is a Science Graduate (Hons) from University of Sussex and has also done Owners Management Programme from Harvard Business School and Strategic Financial Planning from IIM Ahmedabad. She is the Executive Chairman of Ador Welding Limited (AWL). She is associated with AWL for over 40 years and is on its Board as Chairman and Whole Time Director since 1999. She has vast experience in the area of General Management and Strategic Financial Planning. She is also on the Board of Metro Brands Limited and Ador Powertron Limited.

### **Dr. R Nagarajan**

Additional Director/Independent Director

Dr. R. Nagarajan is currently Professor in the Department of Chemical Engineering at IIT Madras, and recently stepped down after two terms as the Dean of International & Alumni Relations. He obtained his B.Tech. in Chemical Engineering in 1981 from IIT Madras, and a Ph.D. in the same field from Yale University (New Haven, CT, USA) in 1986. From 1986 - 1988, he served as Research Faculty in the Department of Mechanical & Aerospace Engineering at West Virginia University, Morgantown, WV; From 1988 - 2003, he was a Senior Technical Staff Member with IBM Storage Systems' Development Laboratory in San Jose, CA. Dr. Nagarajan joined IIT Madras as Professor in February 2004. His teaching and research endeavors are focused on cleanroom processes, nano-technology and ultrasonic process-intensification. In April 2018, Dr. Nagarajan was named as an "Institute Chair Professor" by IIT Madras.

### **K V Parameshwar**

Additional Director/Independent Director

Mr. K V Parameshwar is a Chartered Accountant and holds a Post Graduate Diploma in Management from IIM Ahmedabad. He started his career in Asian Paints Limited and thereafter worked with Citigroup for twenty years in multiple roles in India, Australia, South Korea, UAE and the UK. His last role in Citigroup was as the Regional Chief Financial Officer for the Europe and Middle East division for the Consumer Bank. He then moved as the CFO of a start-up financial services entity- Dunia Group in the UAE from 2010 till early 2018. He has more than 30 years of experience and expertise in Business and Financial Management including Control, Reporting, Taxation, Treasury and Legal. He is currently the Finance Director of the Wildlife Conservation Society - India and an Advisor to TallyX - a Global block-chain based platform for Trade and Supply Chain Finance.

### **Sameer Goel**

Managing Director

Mr. Sameer Goel holds a Post Graduate Diploma in Management from IIM Ahmedabad, and Bachelor's degree in Economics from St. Stephens College, New Delhi. Having started his career in 1987 with Glaxo Smith Kline Consumer Healthcare (GSK) as Area Sales Manager, he rose from ranks in a career spanning more than 25 years, donning various roles in India, UK, UAE, Nigeria and South Africa and was serving as Vice President for Africa when he moved from GSK. Prior to joining Coromandel, he worked in Cipla Limited as Country Head - India. He has extensive experience in managing businesses, driving sales across multiple geographies and building B2C businesses. Mr. Sameer Goel had served on the Advisory Board of Lagos Business School besides being a Member of Africa Economist Forum and a Member of the Commercial Directors Forum in India.

# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

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**M M Murugappan** (DIN 00170478)  
Chairman

**V Ravichandran** (DIN 00110086)  
Vice Chairman

**Aruna B. Advani** (DIN 00029256)  
Additional Director<sup>1</sup>

**B V R Mohan Reddy** (DIN 00058215)  
Director

**R Nagarajan** (DIN 02705175)  
Additional Director<sup>3</sup>

**Nirupama Rao** (DIN 06954879)  
Director<sup>2</sup>

**K V Parameshwar** (DIN 08244973)  
Additional Director<sup>3</sup>

**Prasad Chandran** (DIN 00200379)  
Director

**Sumit Bose** (DIN 03340616)  
Director

**M M Venkatachalam** (DIN 00152619)  
Director

**Sameer Goel** (DIN 07298938)  
Managing Director

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## MANAGEMENT TEAM

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**S Sankarasubramanian**  
President-Fertilisers

**Amir Alvi**  
Executive Vice President & Head  
Manufacturing (Fertilisers)

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## Amit Rastogi

Executive Vice President - Technology

## Arun Leslie George

Executive Vice President &  
Head – Retail

## S Govindarajan

Executive Vice President &  
Head – Commercial

## Jayashree Satagopan

Executive Vice President & Chief  
Financial Officer

## Kalidas Pramanik

Executive Vice President – Marketing  
(Fertilisers & Organic)

## Narayanan Vellayan

Sr. Associate Vice President – Speciality  
Nutrients

## Prasannatha Rao

Executive Vice President & Head – HR

## Ripu Daman Singh

Executive Vice President –  
New Business Development

## Srikanthan Srinivasan

Executive Vice President &  
Head – Crop Protection

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## COMPANY SECRETARY

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## P Varadarajan

Sr. Vice President - Legal & Company  
Secretary

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## BANKERS

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State Bank of India

HDFC Bank

Axis Bank

ICICI Bank

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## STATUTORY AUDITORS

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## Deloitte Haskins & Sells

Chartered Accountants  
KRB Towers, Plot no 1 to 4 & 4A  
1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> Floor, Jubilee Enclave  
Madhapur, Hyderabad- 500 081

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## COST AUDITORS

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V Kalyanaraman  
Jyothi Satish

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## REGISTRARS & SHARE TRANSFER AGENTS

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## Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda,  
Hyderabad – 500 032  
Telangana

Tel.: +91 40 6716 1616/1527

E-mail: einward.ris@karvy.com

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## REGISTERED OFFICE

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“Coromandel House”

1-2-10, Sardar Patel Road,  
Secunderabad - 500 003,  
Telangana, India.

CIN : L24120TG1961PLC000892

Tel.: +91 40 6699 7000 / 7300 / 7500

E-mail: mail@coromandel.murugappa.  
com/investorsgrievance@coromandel.  
murugappa.com

Website: <https://coromandel.biz/>

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Note:

<sup>1</sup> w.e.f. August 30, 2018

<sup>2</sup> upto May 31, 2018

<sup>3</sup> w.e.f. October 01, 2018

# DIRECTORS' REPORT

Dear Members,

Your Board of Directors have pleasure in presenting the 57<sup>th</sup> Annual Report together with the Audited Financial Statements for the financial year ended 31 March, 2019.

## 1. Summary of Financial Results ₹ In crores

	2018-19	2017-18
<b>Revenue:</b>		
From Operations	13,204	11,109
Other Income	36	59
<b>Total Revenue</b>	<b>13,240</b>	<b>11,168</b>
<b>Profit:</b>		
Profit before Interest, Depreciation and Taxation	1,450	1,305
Less: Interest	251	178
Depreciation	113	99
<b>Profit Before Tax</b>	<b>1,086</b>	<b>1,028</b>
Less: Provision for Tax (including deferred tax)	372	343
<b>Profit After Tax</b>	<b>714</b>	<b>685</b>

Your Company's Revenue from Operations for the year grew to ₹ 13,204 crores from ₹ 11,109 crores last year registering a growth of 19% year on year (YoY). The Profit before Interest, Depreciation and Taxation grew to ₹ 1,450 crores from ₹ 1,305 crores in the previous year. The Net Profit for the year grew to ₹ 714 crores from ₹ 685 crores in the previous year i.e. an increase of 4% YoY. EBITDA margin declined 77 basis points to 11% in 2018-19 over 2017-18 and PAT margin declined 76 basis points to 5% in 2018-19 over 2017-18. The Earnings per share (EPS) for the year stood at ₹ 24.41 per share, an increase of 4% compared to ₹ 23.44 per share for the previous year.

Your Company proposes to transfer an amount of ₹ 300 crore to the General Reserves and retain ₹ 989 crore in the Statement of Profit and Loss.

## 2. Business Environment

During the year, India received below normal South West monsoon (91 percent of long period average).

Your Company's key South Peninsular markets of Telangana, Coastal Andhra and South Interior Karnataka received normal rains that resulted in improved agri input consumption during Kharif season. However, deficit North East monsoon (56 percent of long period average) affected the Rabi season crop

sowing. Overall, food grain production for the year is expected to come down marginally by 1 percent to 281 million tons.

During the year, income support schemes like increasing the minimum support price of crops to 1.5 times the cost of production, Raythu Bandhu, PM-KISAN, etc. were introduced. To ensure remunerative prices to the farmers for their produce, MSP-based deficiency payment scheme PM-ASHAA was launched. Major irrigation projects in your Company's key markets of Telangana and Andhra are progressing well and are expected to improve agriculture prospects of these States.

Direct Benefit Transfer (DBT) in fertiliser has been fully implemented and stabilised during the year. The Indian fertiliser industry in collaboration with Department of Fertilizers can proudly claim to be amongst the early adopters of technology/data revolution, connecting the production, distribution and consumption cycles digitally, bringing transparency and reducing supply side volatility across the system. From industry's perspective, companies have started to align their production cycle closer to the consumption period. Companies are strengthening their infrastructure and field presence and so far adapted well in meeting the farmer's nutrient demand.

During the year, the GST Council revised the GST rate on Fertiliser grade phosphoric acid from 12 percent to 5 percent. This has largely addressed the issue related to the inverted duty structure and subsequent credit accumulation for the domestic phosphatic fertiliser industry. Further, the refund claim generation and disbursement process under GST has been fully stabilised.

There has been a good amount of activity in the agri technology space in India and globally. Sensors, imagery, mechanisation, protected agriculture, micro-irrigation, advisory, and crop diagnostics, etc. are being widely used in developed markets and is fast catching up in India as well. To meet the customer needs, the companies are increasingly packaging the products as a service, thereby engaging with the farmer throughout the agri value chain.

## 3. Performance Review

Your Company had a resilient performance during the year, gaining significant market share and improving its customer reach. This was despite deficit North East monsoon, which impacted the sowings and agri input consumption in the Company's key markets.

Company's mission to enhance the prosperity of the farmers through quality farm solutions with sustainable value for all stakeholders remains central to its actions. During the year, your Company has carried out pilot trials utilising upcoming agri technologies for offering crop diagnostics and application services. The Company has strengthened its R&D, product development and registration capabilities, and during the year

introduced ten new products in nutrient and crop protection businesses. It has established some key partnerships in the areas of research, technology, sourcing, and marketing to meet its future growth aspirations. Agronomists and integrated marketing structure have improved its farm-level interventions and consumer connect initiatives, promoting sustainable agricultural practices. Your Company continued to invest and augment its infrastructure for improving its efficiencies and operational flexibility.

### **Fertiliser**

Your Company's Phosphatic fertiliser sales volumes grew by 10 percent to 30.3 lakh tons. The Business has registered growth across all its markets, improving its market share to 16.3 percent. It continued its focus on building differentiation through value-added, unique product offerings and market development through integrated nutrient and agronomist teams.

Phosphatic fertiliser plants operated at 85 percent of the capacity, up from 83 percent a year ago. The brownfield expansion project of the Phosphoric Acid facility at Vishakhapatnam is on track and is likely to be commissioned in 2019. With this, the Vishakhapatnam unit will become self-sufficient for its phosphoric acid needs. Safety remained a key focus area and the Business carried out Quantitative risk assessment, safety surveys and structural strengthening across its major manufacturing units.

Business is actively engaging with research institutions like IIT Bombay – Monash University and Tamil Nadu Agriculture University, for new product development. Further, it is closely working on developing the team's capability. During the year, your Company initiated 'Manufacturing Centre of Excellence' at its plant in Kakinada and 'Sales Force Academy' at National Academy of Agricultural Research Management (NAARM), Hyderabad.

### **Crop Protection**

Crop Protection business registered a top-line growth of 8%, driven by higher exports and domestic formulation performance. The business introduced five new products during the year, including two in-house patented combination molecules. These have received very encouraging response from the market. During the year, business carried out strategic sourcing tie-ups and co-marketing arrangements with partner companies.

The integration of Bio Pesticide business has supported its expansion into complementary product segments and geographies. Your Company is presently the largest player in neem seed extract-based 'Azadirachtin' segment. With increased consumer consciousness and strict environmental norms, the Biologicals are becoming a high growth area.

Business is in the process of building a strong product pipeline for future product launches. Towards this, Product development and registration, technology transfer and R&D teams were strengthened during the year. On the

manufacturing side, safety and quality processes are being firmed up to improve the sustainability of the plant operations. The business is developing capacities and pilot facilities for new product manufacturing, along with Mancozeb capacity expansion at Dahej, Gujarat.

### **Retail**

The retail business registered a marginal growth, driven by its fertiliser sales. Its key Rayalaseema and North Interior Karnataka markets were impacted by two consecutive deficit monsoon seasons that impacted the crop acreages. Overall, Business continued to strengthen its customer value proposition of 'Quality, Trust and Farm Advice'.

Business is in the process of leveraging technology solutions to improve its customer connect initiatives and product delivery mechanisms. During the year, it has piloted drone-based crop diagnostics and farm advisory solutions. It expanded its farm mechanisation offerings through the Custom Hiring and Service Centres and introduced paddy harvester. People processes and skill development initiatives including certification of employees under Diploma in Agricultural Extension Services for Input Dealers (DAESI) program have progressed well during the year.

### **Speciality Nutrients**

Speciality Nutrients business continued its focused product approach. Technologically superior unique products and crop-based solutions have helped the business in driving its sales during the year. Two new products were introduced during the year, which have been well received by the farming community. Agronomists and Integrated Nutrient Teams have well supported the business in expanding its concept-based marketing approach. Further, the Business has partnered with multiple players across the agri value chain to improve its connect with the farmers. With increased focus on water conservation, nutrient uptake efficiency and soil health, Speciality Nutrient business is likely to witness significant growth in the coming years.

### **Organic Manure**

During the year, Organic volumes came down by 10% to 1.3 lakh tons, as its key markets were affected by deficit monsoons. Business continued its focus on promoting differentiated variants and strengthened its sourcing capabilities and quality assurance systems. Its captive facility at Vishakhapatnam, which converts municipal waste into City Compost, has been fully stabilised.

### **Single Super Phosphate (SSP)**

SSP sales for the year have gone up by 9 percent to 5.7 lakh tons, with the major increase coming from differentiated (fortified and granulated) product segments. Two new products launched during the year have generated significant interest from the farming community. During the year, the Government's policy intervention mandating the sale of SSP in the manufacturer's brand names has helped the

quality-focused players like your Company in developing product awareness. Business continued to create quality consciousness among the farmers and during the year carried out around 800 quick tests. As Government targets to achieve self-sufficiency in oilseeds and pulses production, SSP is ideally suited to meet the crop's nutrient requirements and support 'Make in India' initiative.

#### 4. Finance

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back up lines of credit. Net Cash from operations for the year stood at ₹ 513 crores. Your Company follows a prudent financial policy and aims at maintaining an optimum financial gearing. Your Company continues to be a long term debt free Company. Debt to Equity Ratio was 0.86 as on 31 March, 2019.

Your Company has been credit rated by CRISIL Limited and India Ratings & Research. The Company's long term credit rating by 'CRISIL' continued to be 'CRISIL AA+ (stable)' and short term debt rating at 'CRISIL A1+'. The Company's long term credit rating by 'India Ratings & Research (A Fitch Group Company)' continued to be 'IND AA+ (stable)' and short term debt rating at 'IND A1+'. This reflects a very high degree of safety regarding timely servicing of financial obligations and also a vote of confidence reposed in your Company's financials.

#### 5. Dividend

Your Directors are pleased to recommend a final Dividend of ₹ 3.50 per equity share ₹ 1/- each. Your Board had earlier approved an interim dividend of ₹ 3/- per equity share at its meeting held on 21 January, 2019 and same was paid on 06 February, 2019. The total dividend for the year ended 31 March, 2019 would accordingly be ₹ 6.50 per equity share of ₹ 1/- each. The total outgo for the year would be ₹ 229 crore, including dividend distribution tax of ₹ 39 crore.

The Company has adopted Dividend Distribution Policy in line with the requirements of Listing Regulations. The Dividend Distribution Policy is available on the website of the Company at <https://coromandel.biz/pdf/2016-2017/InvestorsInformation/DividendDistributionPolicy.pdf>

#### 6. Consolidated Financial Results

Consolidated Financial Statements incorporating the operations of the Company, its Subsidiaries, Associates and Joint Venture Companies is appended. As required under the provisions of the Companies Act, 2013 (the Act), a statement showing the salient features of the financial statements of the subsidiaries, associates and joint ventures is enclosed as *Annexure A* to this Report.

The financial statements of the subsidiary companies will be made available to the members of the Company and its subsidiary companies on request and will also be kept for inspection at the Registered Office of the Company.

#### 7. Subsidiary Companies:

Brief details of the performance of the subsidiaries of the Company are given below:

##### a) CFL Mauritius Limited:

CFL Mauritius Limited, a wholly owned subsidiary, incurred a loss of \$ 0.04 million (equivalent to ₹ 0.27 crore) during the year ended 31 December, 2018. Primary source of income for this subsidiary is dividend income from Foskor (Pty) Ltd. and the subsidiary did not receive any dividend from Foskor during the year 2018.

##### b) Parry Chemicals Limited (PCL):

PCL, a wholly owned subsidiary of the Company, earned a total revenue of ₹ 0.93 crore for the year ended 31 March, 2019 and Profit after Tax was ₹ 0.18 crore.

##### c) Dare Investments Limited (DIL):

DIL, a wholly owned subsidiary of the Company, did not have any significant operations and incurred a loss of ₹ 0.02 crore for the year ended 31 March, 2019.

##### d) Liberty Pesticides and Fertilisers Limited (LPFL):

LPFL, a wholly owned subsidiary of the Company, did not have any significant operations during the year 2018-19. It earned a profit of ₹ 0.12 crore for the year ended 31 March, 2019.

##### e) Coromandel Brasil Limitada (CBL):

CBL, a Limited Liability Partnership, owned 100% by the Company and its subsidiary CFL Mauritius Ltd., is primarily engaged in getting product registrations in Brazil and procuring orders for supplies from India. It earned a profit of Brazilian Reals 0.05 million (equivalent to ₹ 0.10 crore) for the year ended 31 December, 2018.

##### f) Sabero Organics America SA (SOAL)

SOAL is primarily engaged in getting product registrations in Brazil and procuring orders for supplies from India. It incurred a net loss of Brazilian Reals 0.25 million (equivalent to ₹ 0.46 crore) for the year ended 31 December, 2018.

##### g) Sabero Australia Pty Ltd. (SAPL)

SAPL did not have any significant operations during the year 2018-19. It incurred a net profit of AUD 0.01 million (equivalent to ₹ 0.07 crore) for the year ended 31 March, 2019.

##### h) Sabero Europe BV (SEBV)

SEBV is primarily engaged in getting product registrations in Europe and procuring orders for supplies from India. It did not have any significant operations during the year ended 31 May, 2018.

**i) Sabero Argentina SA (Sabero Argentina)**

Sabero Argentina is primarily engaged in getting product registrations in Argentina and procuring orders for supplies from India. It incurred a net profit of Argentine Peso 0.82 million (equivalent to ₹ 0.21 crore) for the year ended 31 December, 2018.

**j) Coromandel Agronegocios De Mexico SA de CV (Coromandel Mexico)**

Coromandel Mexico is primarily engaged in getting product registrations in Mexico and procuring orders for supplies from India. It earned a net loss of Mexican Peso 0.07 million (equivalent to ₹ 0.03 crore) for the year ended 31 December, 2018.

**k) Parry America, Inc.**

Parry America, Inc is primarily engaged in the sale of bio-pesticides in America. It made a net profit of USD 0.48 million (equivalent to ₹ 3.29 crore) for the year ended 31 March, 2019.

**l) Coromandel International (Nigeria) Limited (CINL)**

CINL is engaged in getting product registrations in Nigeria and procuring orders for supplies from India. It made a net loss of Naira 1.96 million (equivalent to ₹ 0.04 crore) for the year ended 31 December, 2018.

**Joint Venture Companies**

Brief details of the performance of the Joint Venture (JV) companies of the Company are given below:

**a) Coromandel SQM (India) Private Limited (CSQM)**

CSQM, a joint venture between Coromandel and SQM Chile, manufactures Water Soluble Fertilisers (WSF) at Kakinada, Andhra Pradesh and offers Speciality Nutrition Solutions to institutional clients. During the year, the JV launched two new crop specific WSF products 'Ultrasol Solanaceae' and 'Speedfol Chilli' which have received encouraging response from the customer. Total income for the year was ₹ 75.97 crore for the year ended 31 March 2019 and the net profit was ₹ 2.04 crore.

**b) Yanmar Coromandel Agrisolutions Private Limited (YCAPL)**

YCAPL, a Joint Venture Company between Coromandel, Yanmar and Mitsui, is in the business of sales and service of agri-tech equipment focussed on farm mechanisation in India. Combine Harvester introduced in the market last year has received positive response from the customers. Total income for the year was ₹ 57.96 crore and the net profit was ₹ 0.32 crore.

**Associate Company**

**a) Sabero Organics Philippines Asia Inc (SOPA)**

SOPA, an associate company, is based in Philippines and did not have any significant operations during the year 2018-19.

**Strategic Investment:**

**a) Tunisian Indian Fertilisers S.A., Tunisia (TIFERT):**

TIFERT, a company based in Tunisia, manufactures phosphoric acid which is a key raw material for operating Phosphatic Fertiliser plants. Your Company's strategic investment in TIFERT (15% equity) is aimed at securing uninterrupted supply of phosphoric acid for Company's operations at Kakinada and Visakhapatnam. During the year, TIFERT improved its performance in production of phosphoric acid. Indian partners, Coromandel and GSFC, continued to provide necessary technical support to TIFERT to improve the plant performance.

**b) Foskor (Pty) Limited, South Africa (Foskor):**

Your Company, along with CFL Mauritius Limited, holds 14% equity in Foskor. The profitability of Foskor was affected during the year due to various operational issues and increase in input costs, resulting in lower capacity utilisation. Foskor management, in consultation with IDC, the major shareholder in Foskor, is working on restructuring its operations and is evaluating various options. IDC has provided funding support to Foskor to manage the liquidity problem. During the year, your Company has also funded Foskor to the tune of ₹ 17.90 crore as preference share capital. Your Company is engaged with Foskor for providing technical support, as and when required, for running the plant efficiently.

**8. Risk Management Policy**

The Company has constituted a Risk Management Committee. Details of constitution of the Committee are set out in the Corporate Governance Report.

The Company has formulated a Risk Management Policy, under which various risks associated with the business operations are identified and risk mitigation plans have been put in place, details of which are set out in the Management Discussion and Analysis Report.

**9. Internal Financial Control Systems and their adequacy**

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available

resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

The Company has its own corporate internal audit function to monitor and assess the adequacy and effectiveness of the Internal Controls and System across all key processes covering various locations. Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to the Board.

## 10. Related Party Transactions

All related party transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are repetitive in nature. The related party transactions entered into are reviewed by an independent audit firm to confirm that they were in the ordinary course of business and at arm's length basis. The Policy on Related Party Transaction is available on the Company's website at [https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/PolicyOnRelatedPartyTransactions\\_2019.pdf](https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/PolicyOnRelatedPartyTransactions_2019.pdf)

None of the Directors had any pecuniary relationship or transactions with the Company, except the payments made to them in the form of remuneration, sitting fee and commission.

## 11. Auditor's

### a) Statutory Auditor's

M/s. Deloitte Haskins & Sells (DHS), Chartered Accountants, were appointed as Auditors of the Company for a period of 5 years from the conclusion of the AGM held on 23 July, 2014 and their term of appointment would expire at the ensuing Annual General Meeting. DHS have been the Auditors of the Company since 2011-12. Considering the provisions of Section 139 of the Act, DHS can be appointed as Auditors for a further period of 2 years. DHS has given their consent for their re-appointment. A resolution proposing the re-appointment of DHS as auditors of the Company for a period of two years is being placed before the shareholders for their approval.

The Auditor's Report given by M/s Deloitte Haskins & Sells, Statutory Auditor's, on the financial statements of the Company for the year ended 31 March, 2019 is part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remark. During the year under review, the Auditors have

not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### b) Cost Auditors

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules 2014, the cost records of the Company are required to be audited. For the financial year 2018-19, Mr. V Kalyanaraman and Mrs. Jyothi Satish were appointed as Cost Auditors. On the recommendation of the Audit Committee, the Board has appointed Narasimha Murthy & Co., Cost Accountants and Mrs. Jyothi Satish, a Practicing Cost Accountant, as Cost Auditors for auditing the cost records of the Company for the year 2019-20.

The Cost Audit Report for the year 2017-18 has been filed with Ministry of Corporate Affairs within the prescribed time limit.

### c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board had appointed M/s. R Sridharan & Associates, Practicing Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2018-19.

The report of the Secretarial Auditor is enclosed as *Annexure B* and forms part of this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 12. Particulars of Loans, Guarantees and Investments

Details of loans, guarantees given and investments made under Section 186 of the Act are given in the Notes to the Financial Statements.

## 13. Public Deposits

The Company has not accepted any deposit from the public under Chapter V of the Act or under the corresponding provisions of Section 58A of the Companies Act, 1956, since 2003 and no amount of principal or interest was outstanding as on the Balance Sheet date.

## 14. Board and Committees

### a) Board of Directors

Your Company is managed and controlled by a Board comprising an optimum blend of Executive and Non-Executive Professional Directors. As on 31 March, 2019, the Board of Directors consists of ten (10) Directors consisting of Managing Director and nine (9) Non-executive Directors, out of which five (5) are Independent Directors including one Woman Director. The

composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the relevant provisions of the Companies Act, 2013. The Directors possess requisite qualifications and experience in general management, strategy, finance, engineering, information technology and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Declarations from all Independent Directors have been received confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and the Listing Regulations and the same have been considered and taken on record by the Board.

Ms. Aruna B. Advani was appointed as an Additional Director (Non-Executive, Independent) with effect from 30 August, 2018 and Dr. R Nagarajan and Mr. K V Parameshwar were appointed as Additional Directors (Non-Executive, Independent) with effect from 01 October, 2018. Brief profile of these Directors are mentioned in the Corporate Governance Report attached to this Report. The Board has recommended the appointment of Independent Directors for a period of five years at the ensuing Annual General Meeting of the Company. The Company has received notices from members under Section 160 of the Act proposing their nominations for Directorship at the ensuing Annual General Meeting.

Mr. Prasad Chandran was appointed as an Independent Director of the Company for a period of 5 years w.e.f. 23 July, 2014 and his current term ends on 22 July, 2019. Section 149 of the Act, provides that an independent Director shall hold office for a term up to two term on the Board of a company, but after expiry of first term of five years shall be eligible for reappointment on passing of a special resolution by the company. Board has recommended his reappointment as an Independent Director of the Company. Accordingly, a special resolution proposing the reappointment of Mr. Prasad Chandran as an Independent Director of the Company for a period from 22 July, 2019 to 20 April, 2022 is being placed before the shareholders for their approval.

Dr. B V R Mohan Reddy was appointed as an Independent Director of the Company for a period of 5 years w.e.f. 23 July, 2014. In view of the amendment made to Regulation 16 of the Listing Regulations regarding definition of Independent Director, Dr. B V R Mohan Reddy has been treated as Non-Independent Director, effective 1 October, 2018 and continued as Director on the Board. His current term as Director ends on 22 July, 2019. Accordingly, a resolution proposing the appointment of Dr B V R Mohan Reddy, as Director of the Company liable to retire by rotation is being placed before the shareholders for their approval.

In accordance with Article 17.29 of the Company's Articles of Association, read with Section 152 of the Act, Mr. V Ravichandran retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

#### **b) Evaluation of the Board's performance**

In accordance with the provisions of Section 134 of the Act and Regulation 17 of the Listing Regulations, the Board has carried out evaluation of its own performance, the performance of Committees of the Board, namely, Audit Committee, CSR Committee, Risk Management Committee, Stakeholders Relationship Committee, and Nomination and Remuneration Committee and also the Directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report.

#### **c) Board Meetings**

A calendar of Board meetings is prepared and circulated in advance to the Directors. During the year 2018-19, five Board Meetings were held, the details of which are given in the Corporate Governance Report.

#### **d) Audit Committee**

The Audit Committee comprises of Mr. Sumit Bose, Chairman, Dr. B V R Mohan Reddy, Mr. Prasad Chandran, Mr. M M Venkatachalam, Ms. Aruna B. Advani and Mr. K V Parameshwar. All the recommendations made by the Audit Committee were accepted by the Board.

#### **e) Familiarisation Programme for Independent Directors**

On their appointment, Independent Directors are familiarised about the Company's operations and businesses. Interaction with the Business Heads and key executives of the Company is also facilitated. Detailed presentations on the business of each of the Division are also made to the Directors. A manual containing all important policies of the Company are also given to the Directors. Direct meetings with the Chairman and the Managing Director are further facilitated for the new appointee to familiarise him/ her about the Company/ its businesses and the Group practices.

As part of the familiarisation programme, a handbook is provided to all the Directors including Independent Directors at the time of their appointment. The handbook provides a snapshot to the Directors of their duties and responsibilities, rights, appointment process and evaluation, compensation, Board procedure and stakeholders' expectations. The handbook also provides the Directors with an insight into the Group's practices. Further, periodic emails are sent to all the Directors covering events that may have impact on the business

of the Company and/ or the agriculture sector in general and, fertiliser and pesticides industries in particular. The details of familiarisation programme as above are also disclosed on the Company's website.

**f) Directors' Responsibility Statement**

The Directors' Responsibility Statement pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013 ("the Act") is appended as *Annexure C* to this Report.

**15. Key Managerial Personnel**

Mr. Sameer Goel, Managing Director, Mrs. Jayashree Satagopan, Chief Financial Officer and Mr. P Varadarajan, Company Secretary, are the Key Managerial Personnel (KMP) of the Company.

**Employees**

**a) Remuneration Policy**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Salient features of the Remuneration Policy are set out in the Corporate Governance Report. The Remuneration Policy is available on the Company's website at [https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/RemunerationPolicy\\_2019.pdf](https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/RemunerationPolicy_2019.pdf)

**b) Policy on prevention of Sexual Harassment**

The Company has in place Prevention of Sexual Harassment Policy (POSH) in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. During the year 2018-19, 2 (two) incidents of sexual harassment were reported, which was investigated by the ICC under the Policy and action has been taken thereon.

**c) Particulars of Employees**

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as *Annexure D* to this Report.

A statement containing the name of employees who are in receipt of remuneration in excess of the prescribed limits and top 10 employees in terms of remuneration drawn, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as *Annexure E* to this Report.

**d) Employee Stock Option Plans**

**Employee Stock Option Scheme 2007 – ESOP 2007**

The Company had in the past, approved an Employee Stock Option Scheme 2007 (ESOP Scheme 2007), under which employees were granted Options. The Company made grants under the said Scheme during the period 2007 to 2011. Number of vested Options outstanding as at the year end under the ESOP Scheme 2007 was 28,400. It is not proposed to make any further grants under ESOP Scheme 2007.

**Employee Stock Option Plan - ESOP 2016**

The Shareholders had, through Postal Ballot, on 11 January, 2017 authorised the Board/ Nomination and Remuneration Committee to issue to the employees, such number of Options under the ESOP 2016, as would be exercisable into not exceeding 1,45,81,000 fully paid-up equity shares of ₹ 1/- each in the Company.

The Nomination and Remuneration Committee, is empowered to formulate detailed terms and conditions of the ESOP Scheme 2016, administer and supervise the same. The specific employees to whom the Options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee at its sole discretion. Further, the Nomination and Remuneration Committee is empowered to determine the eligible subsidiary companies, whether existing or future, whose employees will be entitled to stock options under this Scheme.

Options granted under this ESOP 2016 would vest on or after 1 (one) year from the date of grant but not later than 4 (four) years from the date of grant of such Options or any other terms as decided by the Nomination and Remuneration Committee. The Company has granted 2,43,620 options to the employees during the year under ESOP 2016. The number of Options vested and outstanding as at the year-end was 6,13,820.

The disclosure required to be made under Regulation 14 of the said Regulations is available on the Company's website at [https://coromandel.biz/inv\\_financial.html](https://coromandel.biz/inv_financial.html)

**16. Extract of the Annual Return**

In accordance with Section 134(3)(a) of the Act, an extract of the Annual Return in the prescribed format is appended as *Annexure F* to this Report.

**17. Vigil Mechanism/ Whistle Blower Policy**

The Company has a Whistle Blower Policy which provides the employees, customers, vendors and directors an avenue to raise

concerns on ethical and moral standards and legal provisions in conduct of the business operations of the Company. It also provides for necessary safeguards for protection against victimisation for whistle blowing in good faith. The Vigil Mechanism is also placed on the website of the Company.

**18. Conservation of energy, technology absorption, foreign exchange earnings and outgo.**

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Act, read with Companies (Accounts) Rules, 2014, are enclosed as *Annexure G* to this Report.

**19. Corporate Social Responsibility Initiatives**

Corporate Social Responsibility (CSR) has been an integral part of your Company's culture and the Company has been associated in the past directly and through AMM Foundation (an autonomous public charitable trust engaged in philanthropic activities in the field of Education and Healthcare) for contributing towards society's development. During the year, your Company has undertaken various CSR projects in the areas of education, health and community development targeting inclusive growth and social capital improvement. Details of composition of CSR Committee and CSR Projects undertaken during the year are given in *Annexure H* to this Report.

**20. Safety, Health and Environment (SHE)**

Your Company gives utmost importance to employee's health and safety, given the sensitive nature of operations that involves handling of chemical products. Company has put in robust processes and safety performance indicators to track its SHE performance. Employees are encouraged to raise 'near-miss' safety concerns and these inputs are periodically monitored and closed. The workforce are valued as the crucial resource for sustaining safety and have been imparted need based training in SHE, by engaging both internal and external expertise. During the year, the Total Recordable Injury Rate (TRIR) per million man hours stood at 0.48. Your Company implemented the additional five elements under advanced risk-based Process Safety Management Systems (PSMS), expanding management's commitment and involvement towards Plant safety. All key manufacturing sites had took up structural integrity upgrading program to mitigate risks, also carried out Safety Culture Survey to identify gaps & improve safety culture.

Your Company's commitment towards environmental sustainability remains firm. To improve Environmental Management reporting, advanced emission monitoring equipment were installed and maintained at the sites. Energy efficient lighting systems were deployed across the organisation. During the year, new avenue of vertical plantation has been explored to expand the green zone at site,

where land is a constraint. The bio-diversity effort of having Bird's Paradise inside the factory premises at Kakinada has been recognised by the Discovery Channel who had made a documentary titled "Between Soil and Sky – The Coromandel Story" and telecasted on 31 January, 2019.

**21. Corporate Governance**

The Company is committed to maintain the highest standards of Corporate Governance. As stipulated under the requirements of the Listing Regulations, a report on Corporate Governance duly audited is appended as *Annexure I* for information of the Members. The requisite certificate from the Auditor's of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

**22. Management Discussion & Analysis**

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this Directors' Report.

**23. Business Responsibility Report**

Pursuant to Regulation 34 of Listing Regulations, the Company has prepared the Business Responsibility Report in line with business principles as provided in the Business Responsibility Policy adopted by the Company. Business Responsibility Report is enclosed as *Annexure J* to this Report and the same is also available on the website of the Company at [https://coromandel.biz/inv\\_report.html](https://coromandel.biz/inv_report.html)

**24. Other disclosures**

**a) Share Capital**

The paid-up equity share capital of the Company as on 31 March, 2019 was ₹ 29.25 crore. During the year, the Company has allotted 1,43,920 equity shares of ₹ 1 each under ESOP Scheme 2007 (23,700 shares) and under ESOP 2016 (1,20,220 shares).

**b) Material Subsidiary Policy**

The Company has adopted a policy for determining material subsidiary, in line with the requirements of the Listing Regulations. The Policy on Material Subsidiary is available on the website of the Company at [https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/PolicyOnMaterialSubsidiaries\\_2019.pdf](https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/PolicyOnMaterialSubsidiaries_2019.pdf)

**c) Compliance of Secretarial Standards**

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government.

## 25. Acknowledgement

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from bankers, business associates, lenders, financial institutions, shareholders, various departments of the Government of India, as well as the State Governments, the farming community and all our other stakeholders.

The Directors acknowledge and would like to place on record the commitment and dedication on the part of the employees of your Company for their continued efforts in achieving good results.

**On behalf of the Board of Directors**

Place : Secunderabad  
Date : 23 April, 2019

**M M Murugappan**  
Chairman

# MANAGEMENT DISCUSSION

## AND ANALYSIS

### Coromandel International

Coromandel International Limited is amongst India's pioneers and leading agri solutions provider, offering diverse products and services across the agri inputs value chain. Its sustainable farming approach encompasses improving soil health, balancing nutrition and providing responsible crop care through a series of crop interventions.

It operates in two major segments: Nutrient & other allied businesses which includes Fertilisers, Speciality Nutrients, Organic Compost, and Crop Protection. The Company is the second largest manufacturer and marketer of Phosphatic fertiliser in India. The Speciality Nutrients business of the Company focuses on water soluble fertiliser and secondary & micro nutrient segments. The Company is a leading marketer of Organic fertiliser in India. The Company's Crop Protection business offers a wide range of technical and formulation products and has recently added bio pesticide solutions to its portfolio. Its products are marketed in India as well as in international geographies.

Coromandel has successfully pioneered the rural retail model in India and operates a network of around 800 rural retail outlets across Andhra Pradesh, Telangana, Karnataka, and Maharashtra. These Retail outlets act as a one-stop solution for the farming needs, which includes agri inputs, farm mechanisation services, and farm advisory. These Centers have

established relations with around 3 million farmers, offering agri solutions including its own manufactured as well as traded products.

The Company has 16 manufacturing facilities, producing a wide range of Nutrient and Crop Protection products which are marketed through an extensive network of dealers and its own retail centers.

Its R&D facilities located at Vishakhapatnam (for Agri nutrients), Hyderabad and Thiyagavalli (for Crop Protection) have been supporting the businesses in product development and process improvement initiatives. The Company has partnerships with leading research, technology and agriculture institutions for developing technologically superior agri solutions for the farming community.

Coromandel is a flagship Company of the Murugappa Group and is a subsidiary of E.I.D Parry (India) Limited which holds 60.56% of the equity share capital in the Company.

### Economic Overview

The global environment was marked by trade tensions, increased protectionism, capital constraints, and lower labour mobility, that has resulted in lower than expected recovery. As per the World Bank, global growth is estimated at 3



percent for 2018 (v/s 3.1 percent in 2017), showing divergent growth trends within the developed and emerging economies. Growth in the United States has remained solid, backed by fiscal stimulus. In contrast, slowing net exports in the Euro Area has resulted in weaker growth.



Emerging and Developing Economies (EDME) experienced substantial financial market pressures and a slowdown in activity. Tighter external financing conditions contributed to significant capital outflows and currency pressures in more vulnerable EDME.

On the commodity side, energy prices fluctuated markedly, influenced by supply-side volatility and Iran sanctions. Prices of most metals and, to a lesser extent, agricultural commodities also weakened, largely due to concerns about the effects of tariffs on global growth and trade. As per

the World Bank estimate, prices of these three commodity groups are expected to generally stabilise in 2019.

On the domestic front, India continued to be the fastest growing large economy, surpassing France to become the sixth largest economy in the world. The domestic economy was driven by an upswing in consumption and investment. There has been an increased thrust by the Government towards infrastructure, healthcare, agriculture, credit and asset quality and digital connectivity. Macro-economic indicators like inflation rate (2.9 percent), fiscal deficit (3.4 percent) and foreign exchange reserves (USD 407 billion) remained at comfortable levels. However, currency volatility weighed negatively on borrowing and imports. During the year, rupee witnessed high levels of volatility with the sharp depreciation of 16 percent followed by a quick retracement in the later part of the year. As per the provisional estimates released by the National Statistical Office, India's GDP for 2018-19 is projected to grow by 6.8 percent as compared to the growth rate of 7.2 percent in 2017-18.

Going forward, World Bank estimates the Indian economy to grow by 7.5 percent in 2019, driven by domestic demand and benefits of structural reforms such as GST harmonisation and bank recapitalisation taking effect.

## Agriculture Scenario

Globally, after gaining momentum earlier in the year, most agricultural commodity prices weakened significantly during the second half of the year. On average, the Agricultural Price Index is expected to be roughly unchanged in 2018 compared to 2017. Overall, Stock to Use ratio remains at comfortable levels, signifying a stable price outlook for 2019. The tariff war between the US and China resulted in weakened soyabean prices and may have an impact on the crop acreages in 2019 in the US. Weather vagaries like drought conditions in Australia and wettest fall in the US had an impact on crop production and agri input usage during the year.

In India, below normal South West Monsoons and deficit North East monsoons impacted the sowings during Kharif and Rabi seasons respectively. Overall, acreages were down by ~2.6 percent, with the major drop coming under pulses, paddy, and coarse cereals. As per the 2<sup>nd</sup> advance estimates of production, food grain output is expected to come down marginally by 1 percent to 281 million tons. National Statistical Office (NSO) estimates the Agriculture and allied segment GVA for 18-19 to moderate to 2.9 percent due to slowdown in agriculture activities during the second half of the year.

On the reforms side, Direct Income Support schemes introduced by various state governments and the Central government is expected to improve the cash supplies in the market. Further, Minimum Support



Prices (MSP) announced during the year have been fixed with an objective to provide minimum 50 percent returns over the cost of production, though the procurement mechanisms are yet to be firmed up.

Under the Accelerated Irrigation Benefit Programme, investments are being made to create additional irrigation potential in the country. Major Irrigation projects like Kaleshwaram and Polavaram in Coromandel's key markets are progressing well and will improve the agricultural prospects of the region.

In India, higher labour costs, increased quality consciousness, and horticulture focus is driving the technology shift in agriculture. Over the past few years, India has seen good advancement in the agri technology ecosystem. GIS imagery-based crop advisory, spraying services,

mechanisation of seeding and harvesting operations are fast gaining traction among the farmers. There has been increased awareness around precision farming and sustainable agriculture practices and new delivery mechanisms using water soluble, slow release technologies and farm mechanisation are being adopted.

## Business Overview

Coromandel had a resilient performance during the year and achieved its highest ever turnover (₹ 13,240 crore, a 19% Y-o-Y growth) and EBITDA (₹ 1,450 Cr, a 11% Y-o-Y growth).

Coromandel made significant progress towards improving the quality of customer engagement. The business worked on differentiated product approach and during the year introduced ten new products. Further, there has been strengthening in the product development team for Crop

protection, with Technology Transfer, Business Development, Regulatory and R&D functions getting scaled up. During the year, Bio pesticide business was successfully integrated with Coromandel's Crop Protection, which has enabled Business's access to developed markets. The Nutrient Management structure and Agronomist teams continued to support the channel and farmer activation initiatives, improving the Company's market share in its key markets. Coromandel's Retail business strengthened its technology interventions, farm advisory and farm mechanisation offerings for improving its customer value proposition.

Major infrastructure projects, including new and existing products, storage and structural stability got commissioned during the year. Business is closely monitoring its Phosphoric Acid augmentation project at Vishakhapatnam, which is likely to be commissioned in FY19-20. As a focus area for enabling a Safe Work Environment, Safety culture across the plant locations was firmed up through structural upgrades and process compliances. Businesses have engaged with external agencies for carrying

out Safety Survey (DuPont, UK-HSL) and Quantitative Risk Assessment (ioMosaic, Lloyds) across major Fertiliser and Crop protection plants. On the environment front, Kakinada Bird's Paradise was widely covered and featured as part of a 20-minute documentary by Discovery channel.

Coromandel's People initiative has been focusing on enabling an environment for Happy & Satisfied Employees. There has been a significant improvement in employee engagement scores across the businesses, driven by its capability enhancement, employee recognition and

communication and job rotation initiatives.

## Strategic Business Review

### Fertiliser

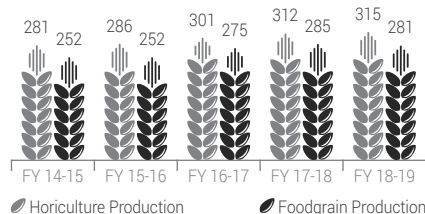
#### Industry Overview: Global Markets

As per International Fertilizer Association, global fertiliser demand for 18-19 is expected to grow marginally by 0.7% to 188 million tons, due to unfavourable weather in some countries (Australia, Europe), currency depreciation (India, Pakistan, Turkey), geopolitical tensions (Iran sanctions) and continuous gains in fertilizer use efficiency in developed countries and China.

Global Nutrient Consumption (in million tons)	N	P <sub>2</sub> O <sub>5</sub>	K <sub>2</sub> O	Total
2015/16	104.0	43.5	34.9	182.4
2016/17	104.7	44.2	35.7	184.6
2017/18 estimate	105.6	45.1	36.3	187.0
2018/19 forecast	105.9	45.4	36.9	188.3
2019/20 forecast	107.4	46.3	37.7	191.4
% change over 18/19	1.4%	1.8%	2.1%	1.6%

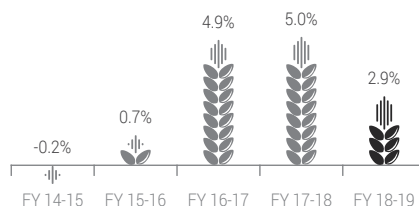
Source: International Fertilizer Association

#### Production Trend (in mil tons)



Source: Agriculture Ministry

#### Agri GVA growth%



Source: National Statistical Office

Throughout the world, policies impacting fertiliser use are expected to become more stringent to meet environmental and sustainability targets. In China, the government is scaling up the program for using manure on fruit, vegetables, and tea under its policy of zero growth of mineral fertiliser by 2020.

### Industry Overview: Domestic Markets

India is the third largest producer and consumer of mineral fertiliser globally. Over the years, the Indian fertiliser industry has grown significantly on the back of favourable demand, government's support and increasing agricultural output. Presently, the Government is actively focusing on addressing balanced crop nutrition and improving soil health. Towards this, neem coating of Urea, soil health cards, moderation of Urea bag size and customised fertilisers usage is being promoted. Direct Benefit Transfer, introduced in 2017, is likely to increase awareness towards balanced nutrition practices among the farmers. Industry's fertiliser sales during the year have improved by 6 percent. Lower opening channel inventories and early monsoon onset during Kharif helped in consumption during the first half of the year. However, deficit North East monsoons slowed down the fertiliser sales during the Rabi season.

### Industry Fertiliser Sales (in lakh tons)

	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19 est	% change over last year
Urea	309	320	296	303	317	5%
Phosphatics	158	186	171	175	186	6%
MOP	28	24	28	32	30	-8%

On the Phosphatic (NPK, DAP) fertiliser front, Iran sanctions, hardening of raw material prices and rupee depreciation impacted the cost of finished goods, resulting in price increases of 25 – 30 percent to offset the higher production costs. Phosphatic fertiliser imports went up by 52 percent, as domestic

industry utilised the available acid for manufacturing NPKs.

### Industry's Phosphatic Fertiliser Production and Imports (in lakh tons)

	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19 est	% change over last year
Production	113	122	123	129	129	0%
Imports	41	62	49	47	71	52%

### Government Policies

The year 2018-19 was the first full year of implementation of Direct Benefit Transfer (DBT) in Fertiliser. Under the scheme, the subsidy is released to the fertiliser companies, after the sale is made by the retailers to the farmers. The retailer carries out the sales based on Aadhaar-based authentication of the farmers on Point of Sale (PoS) devices.

The process under DBT has fairly stabilised during the year, though there were transitional challenges with respect to

similar levels in 2019-20 as that in the previous year. The overall allocation of subsidy in the Union budget has moved up by 7 percent to ₹ 74,996 Cr, with

the major increase coming for Urea segment. However, Industry continues to be impacted by high subsidy backlog of ₹ 39,000 Cr (as on Mar 31, 2019).



NBS rates (₹/kg)

	2011-12	2018-19	2019-20
<b>Nitrogen (N)</b>	27.153	18.901	18.901
<b>Phosphorus (P)</b>	32.338	15.216	15.216
<b>Potash (K)</b>	26.756	11.214	11.214
<b>Sulphur (S)</b>	1.667	2.722	2.722

Source: Department of Fertilizers

During the year, the Goods and Services Tax rates on Phosphoric acid were revised downwards from 12 percent to 5 percent. With this, the inverted duty structure and subsequent GST credit accumulation have come down substantially for the Phosphatic fertiliser manufacturers.

## Fertiliser Performance

During the year, Coromandel maintained a healthy growth rate, despite facing tough environment conditions during the second half of the year. Business focused on infrastructure strengthening, capability building, and customer centricity initiatives, sustaining its growth trajectory.

Overall, sales volumes have moved up by 10 percent to 30.3 lakh tons, with growth registered across all its major markets. Market share for the year stands at 16.3 percent, up from 15.8 percent in 2017-18. Unique product sales increased by 10 percent, improving its share in the overall product portfolio to 38 percent. Integrated nutrient marketing structure along with the Agronomist team, have well supported the business in promoting its balanced nutrition approach and market development initiatives.

During the year, Business successfully transitioned into DBT regime, effectively connecting with the channel partners and the Government, to ensure PoS machine-based recording for the farmer purchases.

With around 3.5 million ton capacity, Coromandel accounts for ~22 percent of the domestic production capacity. Its production facilities at Visakhapatnam, Kakinada, and Ennore provides a considerable presence in South, East, and West India markets. Coromandel, with its integrated manufacturing facilities at Visakhapatnam and Ennore, features among the lowest cost producers in India. Over the years, the plants have developed the flexibility to produce around 13 products from multiple rock and acid combinations. During the year, Plant operated at its highest ever capacity, producing 29.4 lakh tons of phosphatic fertilisers.

Phosphoric acid augmentation project is progressing as per the schedule and likely to be commissioned in 2019. Once completed, Coromandel's Vishakhapatnam unit will become self-sufficient for its phosphoric acid requirement.

During the year, the Business partnered with leading educational institutions like IIT Bombay – Monash Academy, NAARM and Tamil Nadu Agriculture University with focus on enhancing people capability and new-tech product development. A zinc-based fortified product, launched during the year, has performed well in the market. Its strategic engagement with Shell Technology continues to support the business in developing slow release, sulphur enhanced fertilisers.

The Company continued to put a high focus on improving Plant safety and overall Total Reportable Injuries Rate (TRIR) was kept below 0.5 levels. The business has engaged with global experts for carrying safety culture and quantitative risk assessment across its major plants.

## Crop Protection Performance

Globally, the Crop Protection industry is valued over ~\$57 bn and there are around 600 active ingredients available to farmers. Companies have continued to develop and improve the efficacy and safety profiles of products to ensure high and enhanced regulatory standards are met and farmers are provided with effective tools to provide nutritious, safe and affordable food. Although the rate of new product approvals has decreased in recent years, investment remains high and the industry has been able to maintain a decent level of product innovation, alongside other developments such as integrated crop solutions, application technology and precision farming.



situation, impacted due to the closure of Plants in China, has partially stabilised. The domestic industry had a stable year. Sub-normal monsoon and lower pest incidence impacted the agri input consumption in some pockets, which was partially balanced by a recovery in product prices.

During the year, Coromandel's Crop Protection business registered a growth of 8 percent, with the increase coming from both domestic and international operations. The business has taken progressive steps towards upgrading its portfolio from old generics to patented combinations or recently off patented molecules.

There has been a significant increase in interest in biologicals in recent years from both the larger R&D-based companies and off-patent product manufacturers. This trend has been spurred by the growth of integrated pest management (IPM) programs, relatively less stringent registration processes and farmers' demand for more diverse solutions to deal with pest threats.

With higher pest resistance, stiffer regulations, increased activism towards health and environment and concerns about sustainability, Industry is focusing on innovative combinations and formulations, especially in the emerging markets. In the past few years, Industry has witnessed increased consolidation activity, as companies are working towards rationalising research spends and improving market synergies.

On the domestic side, the Crop protection market is estimated at ~\$3 billion and

is the fourth largest manufacturer after USA, Japan and China. With around 15-25 percent of food produced in India infested by pests and diseases, the Business offers significant growth opportunities to meet the nation's food security needs. Further, low application rates of crop protection products and increasing labour cost are likely to act as growth drivers for this segment in India. With ~26 molecules becoming off patent between 2017-2022, the Indian industry offers increased export opportunities in coming years. As China's environmental norms continue to remain stringent for chemical manufacturing operations, the Indian industry is witnessing increased interest from the global players towards expanding plant capacities.

During 2018, global crop protection market made a good recovery and nominal growth is estimated at 6%. The major share of this growth was led by South, Central, and North America. The raw material supply

The business introduced five new products, including two in-house patented combination molecules, which have received encouraging response from the market. The business received 75 new registrations in international markets, taking the overall count to ~1000. Coromandel opened a subsidiary in Africa (Nigeria) during the year to improve its customer access and product registration capabilities. The domestic formulation business had a good year, driven by its channel initiatives and new product performance. The market development structure has been strengthened over the last few years and is supporting the business in establishing the customer connect.

Bio pesticide business, acquired from E.I.D Parry (India) Limited, was successfully integrated with Coromandel's Crop Protection, which has enabled Business's

access in developed markets and provided a presence in complementary product segments. Bio business recorded a good year, as it focused on strengthening its product offerings and sourcing capabilities.

On the manufacturing side, Coromandel is in the process of completing its Mancozeb facility at Dahej, Gujarat. New plants are being added in Ankleshwar and Sarigam for manufacturing recently off-patented technical products. During the year, Business further strengthened its product development structure, with scaling up of Technology Transfer, Business development, regulatory and R&D functions.

As a focus area for enabling a Safe Work Environment, Safety culture across the plant locations was firmed up through structural upgrades and process compliances. The business has engaged reputed agencies for carrying out Safety survey and Quantitative risk assessment across major Crop Protection plants.

During the year, an unfortunate fire incident occurred at Coromandel's Sarigam plant in the warehouse section due to a short circuit. Adequate control measures were taken to safeguard the fire from spreading to other sections and no injury or casualty was reported.

## Retail Performance

Coromandel Retail's centers have evolved as a 'Complete Farming Solution Multi-Brand Platform' offering the entire range of agri-input products and services to around 3 million farmers. The Retail centers are called 'Mana Gromor Centre' in Andhra Pradesh

& Telangana, 'Namma Gromor Centre' in Karnataka and 'Aapla Gromor Centre' in Maharashtra. Through its 800 stores supported by ~2000 development team, these centers work closely with growers, helping them optimise crop yields and maximise economic returns on their farms.

During the year, the business continued its focus towards improving the customer value proposition by delivering superior 'Quality, trust and farm advice'. Its major operating markets of Rayalaseema and North Interior Karnataka were severely impacted by drought conditions during Kharif and Rabi seasons, which resulted in lower crop sowings and affected the agri input consumption.

On the agri-technology side, the Business has tested out new delivery models (direct plant deliveries, e-kiosks) and farm advisory services. The business has pilot tested drone-based crop monitoring and

spraying services and the initial results have been encouraging. Its partnership with Andhra Pradesh government for providing farm mechanisation services through Custom Hiring and Service Centers (CHSC) has been progressing well. During the year, Business initiated harvesting services through the CHSCs, and going forward expects to scale up its operations significantly. Company's joint venture with Yanmar, Japan has been supporting the business well.

## Speciality Nutrients Performance

The intensification of agriculture in India has led to the increasing removal of secondary and micronutrients from the soil. Further, declining resource use efficiency and water stress have adversely affected the farm profitability.

To address this, Coromandel entered into the Speciality Nutrients business in 2006



Farm Mechanisation Services through Retail Centres

and presently ranks amongst market leaders in this segment. The business comprises of Water Soluble Fertiliser, Secondary and Micro nutrients and is one of the fastest growing segments in agri inputs space in India.

During the year, the business continued to perform well through its focused product approach. It introduced two new crop specific products targeting crops like Sugarcane and Banana. The business has collaborated with multiple agri players across the value chain to improve its customer connect initiatives. The business effectively leveraged its manufacturing facilities for producing Bentonite Sulphur and water soluble fertilisers to deliver technologically superior, differentiated products.

As the government focuses on promoting balanced nutrition practices, Speciality Nutrients is expected to drive the productivity improvement of the Indian farms, going forward.

## Organic Manure Performance

Coromandel forayed into the Organic business with a view to addressing the soil health issue, and over the years has gained the leadership position. During the year, Organic business's sales volume were 1.3 lakh tons. Business strengthened its sourcing capabilities, quality assurance systems, and product offerings. The business effectively leveraged the integrated nutrient marketing structure to promote its differentiated product offerings. Its Bio Mining plant at Vishakhapatnam has been stabilised and is promoting the 'Swachh Bharat' campaign by converting the municipal waste into city compost manure.



Over the past five years, organic manure industry has seen a lot of traction. Increased consumer awareness, soil health focus, waste management and government's market development assistance have been driving the expansion of the segment. With about 70 percent of the Indian soils deficient in organic carbon, the segment offers significant growth opportunities.

## Single Super Phosphate (SSP) Performance

SSP Business registered a strong performance in 2018-19, maintaining its national leadership position and improving its market share to 14%. During the year, Coromandel sales volumes moved by 9 percent to 5.7 lakh tons, driven by granulated and fortified products. Two new products introduced during the year have been well received by the customers. Business effectively migrated into DBT regime and is raising the subsidy claims periodically. Production for the year stood at 5.6 lakh tons. Manufacturing technology upgradation and stabilisation at Udaipur plant has resulted in

improved throughput, conversion efficiency, and product quality. Coromandel continued its focus towards improving the quality consciousness of the farmers by effectively utilising the Quick Test Kits.

SSP is uniquely positioned to address the nutrient needs of dryland, sulphur



New product GroPlus

consuming crops like oilseeds and pulses. Largely using domestically sourced raw material and having low farmgate prices, SSP segment stands to gain under government's reform initiatives. Coromandel, with its 8 manufacturing locations spread across India, will continue to focus on offering unique crop solutions to the farming community.

### Opportunities

- Government's vision to double farmer's income by 2022 is likely to increase agri inputs consumption
- Improved awareness about soil health and sustainable practices to promote balanced nutrient usage, including Bio pesticides and organic fertiliser
- Irrigation projects in Coromandel's key operating markets of Telangana and Andhra to increase the area under assured irrigation
- Likely reforms in Tenancy, Contract farming, Pesticide management, etc to bring structural improvement in the Indian agriculture
- Central and State governments' support towards drip and micro-irrigation adoption to improve the resource use efficiency and promote water soluble fertiliser usage
- Opportunity for generic crop protection manufacturers due to molecules going off-patent over the next five years
- Low per capita consumption of agro chemicals in India offers significant upside potential
- India's low-cost manufacturing in Crop protection and high capacity opens significant export potential. Further,

the closure of China's chemical units due to increased environmental scrutiny offers export opportunity for domestic players.

- Direct benefit transfer in fertiliser to improve product traceability across the channel and provide opportunities to leverage data generated for operational improvements
- Adoption of agri technologies to improve crop yield and improve product efficiency

### Strengths

- Direct consumer connect through 800 Retail Centers in Andhra Pradesh, Telangana, Karnataka and Maharashtra offering products and services to around 3 million farmers
- Significant presence in domestic and global markets. Strong B2B and dealer/distributor network.
- High brand equity and farmers trust in major agri input consuming markets
- Diversified product portfolio to meet the farmer's requirements - focus on unique, differentiated products
- Significant Captive infrastructure for manufacturing Phosphatic fertiliser, Crop Protection Chemicals, SSP, Secondary Nutrients and Water-Soluble Fertilisers. Efficient integrated manufacturing operations in Fertiliser, enabling low-cost production. Technical and formulation manufacturing in Crop Protection.
- State of the art R&D facilities for new product development in Nutrient, Crop Protection Chemicals and Bio Pesticides.
- Strategic partnerships for technology and sourcing. Strategic investment in

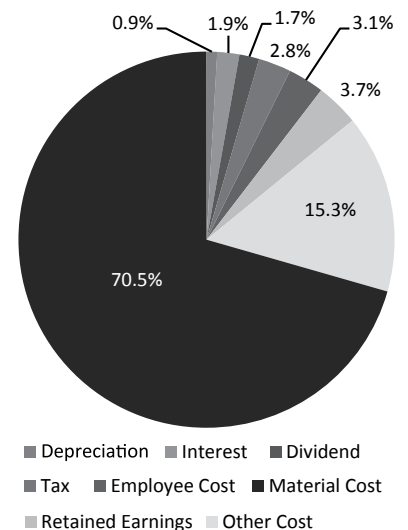
Tifert (in Tunisia) and Foskor (in South Africa) for upstream integration for Phosphoric Acid sourcing.

- Strong Balance Sheet, Zero long term debt. Strong credit rating: 'AA + (Stable outlook)' with CRISIL India and 'IND AA+ (Stable)' with India Ratings

### Financial Review

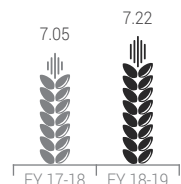
The Company's overall financial performance for the year 2018-19 has been good. The total revenue stood at ₹ 13,240 Crore in 2018-19 as compared to ₹ 11,168 Crore in the previous year. The Company's PBT is ₹ 1,086 Crore as compared to ₹ 1,028 Crore in the previous year, and PAT is ₹ 714 Crore as compared to ₹ 685 Crore in the previous year.

**Distribution of Income During 2018-19 (in %)**

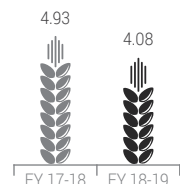


### Key Financial Ratios

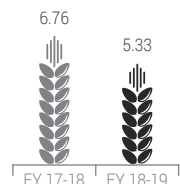
#### Debtors Turnover



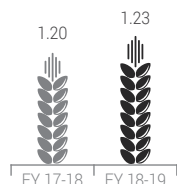
#### Inventory Turnover



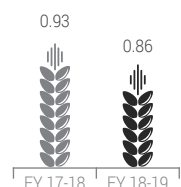
#### Interest Coverage Ratio



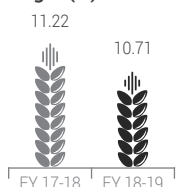
#### Current Ratio



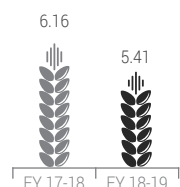
#### Debt Equity Ratio



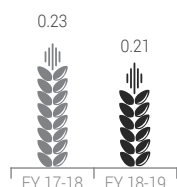
#### Operating Profit Margin (%)



#### Net Profit Margin (%)



#### Return on Net Worth



The decrease in return on Net Worth compared to previous year is due to decrease in EBITDA during the year.

The Company generated ₹ 1,351 Crore of cash in Financial Year 2018-19 compared with ₹ 1,364 Crore of cash from its operations, before changes in working capital. The net cash from operating activities is ₹ 513 Crore as compared to ₹ 261 Crore.

### Outlook

For 2019-20, major reforms are expected on the agriculture front covering Direct Income Support, Tenancy laws, Insurance, Credit access and Output price support. The government has initiated a few steps towards improving farmer income by increasing MSP to 1.5 times the cost of production and price support schemes (PM-AASHA). On the subsidy side, DBT has fairly stabilised and the industry sales are likely to further streamline as per the nutrient consumption cycle.

There has been an increased awareness towards resource use efficiency. This is likely to support the growth of drip/fertigation segments and develop new input delivery mechanisms like customised/crop specific/coated technologies. Biologicals like plant extract, microbial, organic manure, green triangle products are gaining increased attention in the market and companies are expanding their portfolio offerings to meet the customer expectations. The agri technology ecosystem has been witnessing significant traction as companies aim to strengthen their presence along the farmer's value chain. This includes offering mechanisation services, advisory platforms, precision solutions and presence in output procurement space. As the resources (land, water, labour) get scarcer, the technology will shape the

modern agricultural practices to meet the growing global food demand.

Coromandel will continue to focus on improving the quality of customer engagement, creating new infrastructure & strengthening existing operations, promoting a safe work environment, enabling culture for happy and satisfied employees, thereby enhancing its stakeholder's value creation.

On the Customer side, Agronomist and market development structure created over the past two years, will be leveraged to improve customer level engagement. Businesses will be expanding to newer markets and increase channel width in key geographies. R&D and product development teams across Nutrition and Crop Protection segments, strengthened over the past few years, will be engaged in reducing the 'Lab to Land' cycle time. Further, Coromandel will partner with leading academic and research centers for developing technologically superior agri solutions. Branding and marketing activities will be scaled up to improve customer connect initiatives. Capacity creation for new products, phosphoric acid project commissioning, and other infrastructure projects will be taken up. Businesses will drive the operational improvement, cost reduction initiatives and smart purchases to improve plant efficiencies. Coromandel will scale up its efforts in bringing in new technology solutions in agriculture. The large customer data generated post DBT implementation along with the Company's Retail

analytics will be leveraged for developing customer insights.

Overall, with a normal monsoon expectation and strengthened business processes, Coromandel expects to sustain its growth momentum in 2019-20.

### **Risk Management**

Risk management is a very important part of the Company's business policy. Coromandel's Risk Management structure spans across different levels and the Company continuously identifies, classifies and formulates mitigation measures. Coromandel has a Risk Management Committee, comprising of three Directors, of which one is an Independent Director who chairs the Committee meetings. The Committee members along with the senior executives and Business Heads of the Company carry out regular review of risk management practices and evaluate their implementation status. The key risk management practices include risk assessment, measurement, monitoring, reporting, mitigation actions and integration with strategy and business planning. The key risks associated with various processes of Company's business are analysed in detail, covering causes and sources of the risk, a logical sequence of triggering events (Key Risk Indicators), positive and negative consequences and the likelihood of occurrence of such consequences and the severity of the impact, both in qualitative and quantitative terms. The Key Risk Indicators are mapped to the job

function of respective executives and the reporting and monitoring frequencies are also defined. The identified key risks at the Entity Level are evaluated on quantitative, semi-quantitative and qualitative aspects of impact for timely decision on its treatment.

The risks associated with the Company's businesses are broadly classified into six major categories:

**Environmental Risk:** Due to adverse impact of its effluents on eco-system, the Company may face litigation and penalty.

**Economic Risk:** Due to downturn or adverse political situations which may negatively impact on the Company's organisational objectives.

**Regulatory Risk:** Due to inadequate compliance to regulations, contractual obligations or any other statutory violations, which may lead to litigations and loss of reputation.

**Operational Risk:** Inherent to business operations including manufacturing & distribution operations, tangible or intangible property and any other business activity disruptions.

**Financial Risk:** Due to major fluctuations in currency market, rise in interest rates and possible non recovery of debts, which could impact the organisation.

**HR & Legal Risk:** Due to attrition of any Key Managerial Person or disruption



of operations due to any other human resources issue.

In addition, IT related risks can result in loss of important data etc., leading to disruption in operations. These are addressed through adequate back-up mechanism, including Disaster Recovery Centre, authorisation verification, regular training programs, regular purchase of licenses in line with the business requirement and other preventive measures.

The assets of the Company, including its plant and machinery, work in process inventory and finished stocks are adequately insured against loss or destruction by fire and allied perils.

The key risks associated with the Company's business, its likely impact and the mitigation mechanism evolved are discussed hereunder. The evaluation of risk is based on management's perception and the risks listed below are not exhaustive.

Risk	Risk Assessment	Mitigation Plan
<b>Environmental / Economic / Regulatory Risks</b>		
Handling and storage of hazardous materials incl., Ammonia , sulphuric acid etc	<ul style="list-style-type: none"> <li>- Impact on operations</li> <li>- Stoppage of production</li> <li>- Accidents resulting from release of the hazardous materials and consequent claims</li> </ul>	<ul style="list-style-type: none"> <li>• Strict PSMS Implementation</li> <li>• Strict adherence to maintenance/ inspection schedules, training and emergency /disaster management plans.</li> <li>• Public Liability Insurance Policy</li> <li>• ISO 14001 &amp; OHSAS 18001</li> </ul>
Emission / Un-treated effluents causing pollution	<ul style="list-style-type: none"> <li>- Revocation of factory license</li> <li>- Civil / criminal action</li> </ul>	<ul style="list-style-type: none"> <li>• Augmenting ETP facilities</li> <li>• Strict adherence to PC standards</li> </ul>
Non-compliance with Legal / Regulatory / Tax Compliance -Including other Countries	<ul style="list-style-type: none"> <li>- Disruption of operations</li> <li>- Legal proceedings against the Company and its officials</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding / awareness of regulations and statutes</li> <li>• Engagement / advice by renowned lawyers and experts</li> <li>• Monitoring regulatory changes</li> </ul>
Non-compliance with FCO Standards & Specifications	<ul style="list-style-type: none"> <li>- Civil / criminal proceedings</li> <li>- Production stoppages</li> <li>- Disallowance of subsidy claims</li> </ul>	<ul style="list-style-type: none"> <li>• Rigid quality checks at Plants</li> <li>• Test verification of bags</li> <li>• Reprocessing of non-standard materials</li> <li>• Better bags handling procedures</li> </ul>
Change in Government Subsidy Policies	<ul style="list-style-type: none"> <li>- Impact on turnover / working capital</li> <li>- Change in distribution pattern</li> </ul>	<ul style="list-style-type: none"> <li>• DBT Policy – greater clarity / certainty</li> <li>• Increased focus on non-subsidy Business</li> <li>• Optimisation of rail road transportation.</li> <li>• Liaison with Government</li> </ul>
Restriction on sale / usage of some crop protection products in India / abroad	<ul style="list-style-type: none"> <li>- Impact on turnover / profitability</li> <li>- Negative publicity</li> </ul>	<ul style="list-style-type: none"> <li>• Development of newer and safer technical;</li> <li>• Extension of product life-cycle</li> </ul>
Change in climate / Monsoon failure in target market	<ul style="list-style-type: none"> <li>- Impact on turnover / profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated Nutrient &amp; Agronomist Structure</li> <li>• Diversified Market / High Margin Products</li> </ul>
<b>Operational Risks</b>		
Possibility of reduction of timely supply or non-availability of key raw materials & proper pricing	<ul style="list-style-type: none"> <li>- Impact on revenues.</li> <li>- Increased cost of production</li> <li>- Increase in working capital requirement</li> <li>- Volume shrinkage</li> </ul>	<ul style="list-style-type: none"> <li>• Forecasting</li> <li>• Close monitoring of international price of raw materials.</li> <li>• Diversified sourcing &amp; Strategic tie up</li> <li>• Manufacturing Flexibility</li> </ul>
High dependence on certain product categories; molecules which are likely to be obsolete in near future & lack of new generation molecules and herbicide portfolio	<ul style="list-style-type: none"> <li>- Impact on turnover / profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Faster new product pipeline &amp; Registration</li> <li>• Combination molecules Pilot Plant</li> </ul>

**Note:** PSMS: Process Safety Management, ETP : Effluent Treatment Plant, PC: Pollution Control, DBT: Direct Benefit Transfer

Risk	Risk Assessment	Mitigation Plan
Introduction of pest / resistant BT crops or change in crop Pattern	- Impact on turnover / profitability	<ul style="list-style-type: none"> <li>• Identification of emerging pests and suitable molecules</li> <li>• Introduction of new products</li> </ul>
<b>Financial Risks</b>		
Currency and exchange fluctuation risk	<ul style="list-style-type: none"> <li>- Under recovery of Subsidy</li> <li>- Impact on profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Close monitoring of exchange trend</li> <li>• Forward covers at appropriate time and Level</li> </ul>
Interest rate risk	<ul style="list-style-type: none"> <li>- Increase in cost of borrowing</li> <li>- Impact on profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy debt-equity and interest cover ratio</li> <li>• Sustain good credit rating</li> </ul>
Credit risk	<ul style="list-style-type: none"> <li>- Impact on working capital</li> <li>- Dues becoming bad</li> <li>- Loss of interest</li> </ul>	<ul style="list-style-type: none"> <li>• Review of credit evaluation and limits</li> <li>• Close monitoring of receivables</li> </ul>
Liquidity risk	<ul style="list-style-type: none"> <li>- Impact on working capital</li> <li>- Increase in cost of borrowing</li> </ul>	<ul style="list-style-type: none"> <li>• Close monitoring of receivables</li> <li>• Increased working capital facilities</li> <li>• Securitisation of receivables</li> </ul>
<b>Legal &amp; Human Resource</b>		
Contractual Liability Risk	<ul style="list-style-type: none"> <li>- Disruption of operations</li> <li>- Impact on turnover &amp; profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Contract Management Policy</li> <li>• Standardisation of Contract templates</li> <li>• Legal to approve Changes in contract clauses if any</li> <li>• Monitoring strict adherence</li> <li>• Strengthening legal manpower</li> </ul>
Attrition of skilled / trained Manpower	<ul style="list-style-type: none"> <li>- Disruption of operations</li> <li>- Knowledge dissipation</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation revision in-line with market</li> <li>• Succession Planning</li> <li>• Career planning and training</li> </ul>

### Internal Financial Controls

Coromandel has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved

on a regular basis. Coromandel has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

The Company has its own corporate internal audit function to monitor and assess the adequacy and effectiveness of the Internal Controls and System across all

key processes covering various locations. Deviations are reviewed periodically and due compliance is ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to the Board.

## Human Resources

People well-being and capability development remains at the forefront of Coromandel's business approach and is being recognised as a key component for achieving organisational goals.

## Talent Development

During the year, the Company has deployed various training initiatives to build the people capabilities. Sales Force Learning Academy (SFLA) has been initiated in collaboration with NAARM, Hyderabad (National Academy of Agri Research Management). The Academy focuses on augmenting capabilities in agriculture domain & managerial skills of its frontline and middle management sales and marketing team. Company has launched 11 e-learning modules covering technical and behavioural aspects in the areas of plant physiology, fertigation, pesticides, new products, PSMS culture enablers, design thinking, etc. During the year, Coromandel Knowledge Center (CKC) was opened at Kakinada. It aims at strengthening the manufacturing capability of the Plant teams through best practices sharing involving safety, manufacturing, production, operations, engineering, technology, 5S, TQM, TPM, etc. The Center is equipped with simulation learning, library and classroom facilities. The Company has initiated a structured process of conducting a development center to identify and nurture High Potentials (HiPos) to develop a strong talent pipeline across the businesses.

The Retail business partnered with NAARM and rolled out a program for its

Store Managers and Area Managers to improve technical, agri and managerial competencies. Further, a program was designed with MANAGE to develop people capabilities. In line with the Government notification, 350 Retail Store Managers have been enrolled for DAESI (Diploma in Agriculture Extension Services for Input Dealers) Programme through MANAGE and IIPM in collaboration with State Agricultural Management and Extension Training Institutes to equip themselves with the formal knowledge on agriculture management.

## Employee Engagement

During the year, the employee engagement survey was conducted and the results showed a significant in the scores across the functions. The Leadership team at Coromandel has chartered key engagement agendas for the organisation through specific action plans that will be implemented and reviewed periodically.

## Industrial Relations

During the year 2018-19, Industrial Relations across all plants of Coromandel continued to remain cordial. Kakinada Unit has been awarded 'Best Management Award' by the Labour Department, Government of Andhra Pradesh, for maintenance of harmonious industrial relations, industrial productivity and commendable contribution for the welfare of the workers. Long term settlements were concluded at Kakinada, Udaipur and Nandesari.

## Prevention of Sexual Harassment at Workplace Policy

Coromandel has a Policy of Prevention of Sexual Harassment (POSH) to ensure a harassment-free workplace for employees. Harassment cases are dealt as per Company's zero-tolerance policy.

To ensure that all employees are made aware of the policy and various aspects of the Act, the Company organised POSH campaigns across locations, covering all employee groups (Management,



Non-management and Contract) through workshops. Workshops were conducted for the Leadership and members of Internal Complaints Committee (ICC) for understanding the POSH Act, of 2013 and the process of dealing with cases of harassment. As per the requirement of the Sexual Harassment of Women at Workplace Act, Coromandel has constituted the ICC. During the year 2018-19, two cases were reported on Sexual harassment and the same has been investigated and action has been taken by the Management in line with ICC recommendations.

## CSR

Coromandel's Corporate Social Responsibility focuses on adding value to each of the lives it reaches out to and brings about sustainable development with inclusive growth. During the year, Coromandel has continued its commitment to serve the communities and focused on the areas of education, healthcare and community development. Coromandel has also worked towards skill development by training youth in employable trades.

## Education

Coromandel touched the lives of 19,469 children and brought about a change with various programs under education. The organisation has continued its focus of supporting and strengthening the government schools by implementing programs to improve the quality of education and decrease the dropout rate. New initiatives have been included to bring about wholesome personality development



of the children in these government schools. Fundamentals of Chemistry have also been introduced to inculcate interest among the children about Science. A total number of 1,303 children were touched with the initiative, and Company plans to scale it up to other locations.

Coromandel continued to support the educational needs at Udbhav School, which caters to more than 500 first generation learners from an economically deprived background and is run in collaboration with the IIM Ahmedabad Alumni Association-Hyderabad Chapter. The school recorded 97 percent pass in Class X board exams conducted by Telangana State Board of Secondary Education. During the year, Coromandel also supported Udbhav School in establishing a Computer laboratory.

The Coromandel Girl Child Education Scheme has been supporting girls in standards IX and X to complete their education and reduce the dropout rate. The scheme has reached out to 1,038 girls in 102

government schools and ensured that they continue to shine and set examples for their peers in society. Follow-up sessions were undertaken with the scholarship beneficiaries on career counseling and personality development.

Coromandel supports education for children born with a hearing impairment through its engagement with Balavidyalaya school. The school provides a free learning environment to infants & young children and also diagnoses the hearing loss in children & provides intensive training so that they acquire early verbal languages. The school is operating with 65 students, 15 teachers and 2 audiologists. The school focuses on integrating the drop outs to school and during the year, 21 children got integrated in school.

The Murugappa Polytechnic College imparts quality education and training of international standards in engineering and technology through continuous improvement, team work, growth and innovation.

## Health

A major thrust of Coromandel's CSR initiatives focuses on enhancing community health. The initiatives are aimed at providing quality community healthcare and ensuring support for basic healthcare needs. Health awareness programs, as well as special drives to address the specific health needs of communities, were the focus of the interventions. Through the Coromandel Medical Centres, health education programs and public-private partnerships in healthcare initiatives, Coromandel has been supporting in developing a healthy community. The Coromandel Medical Centres reached out to 73,268 patients in 2018-19. A total number of 7789 infants have availed service in the Pediatric Ward and lives of 272 infants have been saved.



Neo Natal ICU ward, Govt General Hospital, Kakinada

Coromandel continued with its commitment to support and supplement government health services. The Pediatric Ward in the Government General Hospital in Kakinada has been supported with the provision of the latest medical equipment for ensuring improved medical services. Coromandel also partnered a Government Health Centre in Ankleshwar to ensure institutional deliveries take place. A total number of 119

women have registered in the center and 106 deliveries have taken place in 2018-19.

Sanitation remains a focus to ensure support towards the government's call for Swachh Bharat. In addition to building toilets in schools and communities, Coromandel has actively undertaken behavior change communication with its communities. The importance of washing hands and inculcating hygiene practices through various innovative means have been taking place in all areas.

Coromandel continued to support 'Hrudaya – Cure a little Heart Foundation' to treat the under privileged children with congenital and acquired heart diseases. A total number of 133 surgeries have taken place in the last five years of its association with the organisation.

The commitment to ensuring quality healthcare to the needy has been strengthened with the support to the AMM Foundation run hospitals namely the Sir Ivan Stedeford Hospital, AMM Hospital and AMM Arunachalam Hospital. The AMM Hospital got 14,346 new cases with an OP attendance of 53,361. The AMM Arunachalam Hospital is a 24 bedded hospital at Nellikuppam in Cuddalore district. The main aim of this hospital is to provide quality healthcare to the deprived sections of society. The Hospital attended to the medical needs of ~1.4 lakh patients during the year.

## Community Development

The interventions in community development are aimed at transforming the lives of the community through result oriented participatory approach. Tailoring

training has been initiated for women to improve their economic conditions and 250 women have been trained. The organisation has also undertaken training programs for youth in retail operation to provide employable opportunities. Youth have also been trained on computer skills to broaden up their horizons for better jobs.

Coromandel is working towards restoring the salt pans for the conservation of migratory water birds in Kanyakumari district in Tamil Nadu in association with Bombay Natural History Society (BNHS). Studies have also been taken up to mitigate climate change by the Murugappa Chettiar Research Centre (MCRC).

The Company's societal commitment has been well appreciated by the stakeholders and during the year it received three national awards for its efforts. Coromandel received two awards from the National CSR Summit for its contribution towards girl child education under the 'Coromandel Girl Child Scholarship' program, and the 'Kakinada Birds Paradise', under the Green & Environment Stewardship category. The Public Relations Society of India (PRSI) awarded Coromandel for the Best Private Organisation implementing CSR.



Tailoring classes at Vishakhapatnam

## Annexures to Directors' Report

## Annexure-A

Statement showing salient features of the financial statements of subsidiaries and joint ventures and associates as per the Companies Act, 2013

## Part "A" : Subsidiaries

(₹ in Lakhs)

Name of entity	Parry Chemicals Limited	Dare Investments Limited	Liberty Pesticides and Fertilisers Limited	CFL Mauritius Ltd.	Coromandel Brasil Ltda	Sabero Australia Pty Ltd.	Sabero Organics America S.A.	Sabero Europe B. V.	Coromandel Agronegocios de Mexico, S.A de C.V	Sabero Argentina S.A.	Parry America Inc	Coromandel International (Nigeria) Limited
Date on which subsidiary is acquired	25 September, 2003	13 April, 2012	8 May, 2014	17 June, 2008	24 November, 2008	31 December, 2014	31 December, 2014	31 December, 2014	31 December, 2014	31 December, 2014	19 April, 2018	5 October, 2018
Share capital	1,000	500	75	10,281	471	41	888	19	29	18	38	23
Reserves and surplus	619	159	191	(14,030)	(532)	(41)	(758)	(19)	75	(6)	2,321	(2)
Total liabilities	8	57	14	3,976	105	2	113	-	-	3	1,809	75
Total assets	1,627	716	280	227	44	2	243	-	104	15	4,168	96
Investments (included in Total assets)	-	715	-	4,804	-	1	-	-	-	-	-	-
Total income (including other income)	93	-	17	*	166	16	178	-	226	21	6,521	-
Profit/(Loss) before tax	31	(2)	16	(27)	12	7	(48)	-	(3)	21	380	(4)
Provision for tax	13	-	4	-	2	-	(2)	-	-	-	51	-
Profit/(Loss) after tax	18	(2)	12	(27)	10	7	(46)	-	(3)	21	329	(4)
Proposed dividend (including interim dividend and tax thereon)	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	99.98%	100%	100%	95%	100%	99.99%
Reporting period	31 March, 2019	31 March, 2019	31 March, 2019	31 December, 2018	31 December, 2018	31 March, 2019	31 December, 2018	31 May, 2018	31 December, 2018	31 December, 2018	31 March, 2019	31 December, 2018
Reporting currency	Indian Rupee	Indian Rupee	Indian Rupee	USD	Brazilian Real	Australian Dollar	Brazilian Real	Euro	Mexican Peso	Argentina Peso	USD	Naira
Closing exchange rate	-	-	-	69.78	17.93	49.12	17.93	78.86	3.54	1.85	69.78	0.227

\* Less than a lakh

## Notes:

1. There are no subsidiaries which are yet to commence operations.
2. There are no subsidiaries which have been liquidated or sold during the year.

**Annexure A (Contd.)**
**Part "B" : Joint ventures/ Associates**

Name of entity	Coromandel SQM (India) Private Limited	Yanmar Coromandel Agrisolutions Private Limited	Sabero Organics Philippines Asia Inc.
Relationship	Joint venture	Joint venture	Associate
Latest audited balance sheet date	31 March, 2019	31 March, 2019	31 December, 2018
Date on which the associated or Joint venture was associated or acquired	9 October, 2009	14 July, 2014	31 December, 2014
Number of shares held by the Company	50,00,000	13,00,40,000	320
Amount of investment (₹ in lakhs)	500	1,300	*
% of shareholding	50%	40%	40%
Networth attributable to the Company (₹ in lakhs)	1,268	468	(2)
Profit/ (loss) for the year			
i. Considered in consolidation (₹ in lakhs)	73	13	(1)
ii. Not considered in consolidation (₹ in lakhs)	73	19	(2)

\* less than a lakh

Notes:

1. All the joint ventures and associate have been considered for consolidation.
2. In case of Sabero Organics Philippines Asia Inc., an Associate there is significant influence due to percentage of voting share capital.

**For and on behalf of the Board of Directors**

**Sameer Goel**  
Managing Director

**M M Murugappan**  
Chairman

Place: Secunderabad  
Date: 23 April 2019

**Jayashree Satagopan**  
Chief Financial Officer

**P Varadarajan**  
Company Secretary

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

The Members,  
Coromandel International Limited  
1-2-10, Sardar Patel Road,  
Secunderabad,  
Telangana - 500003.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Coromandel International Limited [Corporate Identification Number: L24120TG1961PLC000892]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment. There are no External Commercial Borrowings and Foreign Direct Investment during the year under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) During the year under review, the Company has not issued any new securities mandating compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;
- d) The Employees Share Option Plan 2016 approved under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Employee Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) During the year under review, the Company has neither issued any debentures nor has any outstanding debentures to be redeemed and hence the compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 is not applicable;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) During the period under review, the Company has not delisted its Securities from any of the Stock Exchanges in which it is listed and hence the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable; and
- h) The Company has not bought back any shares during the period under review and hence the provisions of compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 are not applicable;
- (vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:

1. Fertiliser (Control) Order, 1985;
2. Insecticides Act, 1968 and Insecticides Rules, 1971;
3. Seeds Act, 1966 and Seeds Rules;

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws as mentioned above.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Uniform Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company has spent an amount of ₹ 1,438.04 lakhs against the amount of ₹ 1,658 lakhs (Unspent of the Previous Year ₹ 110 lakhs) and Amount to be spent for the current year ₹ 1,548 lakhs amounting to ₹ 1,658 lakhs to be spent towards Corporate Social Responsibility, for which an explanation has been provided in the Director's Report.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors before the schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Agenda / notes on agenda which are circulated less than the specified period, the necessary compliances under

the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with. There are certain businesses that can be transacted through Video Conferencing / Audio Visual means as provided for under the Companies Act, 2013 and the relevant Rules made there under.

The Company has properly convened & recorded in compliance with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 businesses that have been transacted through Video Conferencing/Audio Visual means.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meetings the number of votes cast against the resolutions has been recorded.

**We further report** that based on the review of compliance mechanism established by the Company, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

**We further report that** the above mentioned Company being a listed entity and this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 issued by Securities and Exchange Board of India.

**We further report that** as per the information and explanation provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India pursuant to Regulation 16(c) and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.

**We further report that** during the audit period, there were no specific events/actions having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards during the period under review.

For **R.Sridharan & Associates**  
Company Secretaries

Place : Chennai  
Date : 23 April, 2019

**CS R.Sridharan**  
CP No. 3239  
FCS No. 4775  
UIN : S2003TN063400

**Annexure-C****Directors' Responsibility Statement**

Pursuant to the provisions of Section 134 (3)(c) and 134(5) of the Companies Act 2013, the Board of Directors of Coromandel International Limited make the following statements, to the best of their knowledge and belief and according to the information and explanations obtained by them;

- 1) That in the preparation of the annual financial statements for the year ended 31 March, 2019 the applicable accounting standards have been followed and there have been no material departures therefrom;
- 2) That the accounting policies mentioned in Notes to the Financials Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2019 and of the profits of the Company for the year ended on that date;
- 3) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the annual financial statements have been prepared on a going concern basis;
- 5) That proper internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively;
- 6) That proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**On behalf of the Board of Directors**

Place: Secunderabad  
Date: 23 April, 2019

**M M Murugappan**  
Chairman

## Annexure-D

The details of remuneration during the year 2018-19 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 are as follows:

Sl. No	Disclosure Requirement	Disclosure Details	
i.	Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:	<b>Non- Executive Directors</b>	<b>Ratio to median remuneration</b>
		Mr. M M Murugappan	48.31
		Mr. V Ravichandran	2.32
		Dr. B V R Mohan Reddy	2.54
		Mr. M M Venkatachalam	2.42
		Mrs. Nirupama Rao*	0.30
		Ms. Aruna B. Advani**	1.45
		Mr. Prasad Chandran	2.58
		Dr. R Nagarajan**	1.08
		Mr. K V Parameshwar**	1.26
		Mr. Sumit Bose	2.58
		<b>Managing Director</b>	
		Mr. Sameer Goel	113.22
ii.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	<b>% increase in remuneration in the financial year</b>
		Mr. M M Murugappan#	-
		Mr. V Ravichandran	1.58
		Dr. B V R Mohan Reddy	-0.93
		Mr. M M Venkatachalam	-12.17
		Mrs. Nirupama Rao *	-
		Ms. Aruna B. Advani**	-
		Mr. Prasad Chandran	-5.29
		Dr. R Nagarajan**	-
		Mr. K V Parmeshwar**	-
		Mr. Sumit Bose	-3.15
		Mr. Sameer Goel	18.94
		Mrs. Jayashree Satagopan##	-
		Mr. P Varadarajan	16.80

**Notes:**

# Appointed w.e.f. January 31, 2018 hence comparison is not possible.

\* Ceased to be a Director on May 31, 2018.

\*\* Appointed during the year hence comparison is not possible.

## Appointed as CFO w.e.f. 01 November, 2017 hence comparison is not possible.

@ Increase/Decrease in the remuneration of Non-Executive Directors is due to increase/decrease in the meeting held/attended during the year.

**Annexure-D (Contd.)**

- iii. Percentage increase/(decrease) in the median remuneration of employees in the financial year – **12.87%**
- iv. Number of permanent employees on the rolls of the Company as on March 31, 2019 – **4,764**
- v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**  
 The average annual increase in salaries of employees was around 9.90%. Increase in the managerial remuneration for the year was 12.14%.
- vi. **Affirmation that the remuneration is as per the remuneration policy of the Company:**  
 The Company is in compliance with its Remuneration Policy.

**On behalf of the Board of Directors**

Place: Secunderabad  
Date: 23 April, 2019

**M M Murugappan**  
**Chairman**

## Annexure-E

The details of top ten employees in terms of remuneration drawn during the financial year 2018-19 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as follows:

Sr. No	Name, Age and Qualification	Designation	Date of commencement of employment	Experience in years	Remuneration Received (₹)	Last Employment
1	Amir Alvi, 51 B.Sc. Engineering (Chemical) PGDBM	Executive Vice President & Head - Manufacturing (Fertilisers)	01-03-2013	28	1,11,26,083	Vice President (Manufacturing) Tata Chemicals Limited
2	Arun Leslie George, 52 M.A(SW), PMIR	Executive Vice President & Head of Business (SSP)	01-10-2003	29	1,29,46,032	Deputy General Manager-HR E.I.D Parry (India) Limited
3	S Govindarajan, 56 B.Tech (Mech), GMMM (IIMM)	Executive Vice President & Head of Commercial	26-09-1992	34	1,53,54,329	Asst. Manager, National Fertilisers Limited
4	Jayashree Satagopan, 51 B.com, C.A., ICWA, CS	Executive Vice President & Chief Financial Officer	23-10-2017	26	1,79,15,359	President & CFO PI Industries Limited
5	Kalidas Pramanik, 51 B.Sc. (Hos) Physics, PGD (IRPM), MBA (Marketing)	Executive Vice President – Marketing (Fertilisers & Organics)	01-09-2014	25	1,09,04,696	Director – Sales, ACC Limited
6	Prasannatha Rao B, 58 B.Sc., LLB, PGDM(NIPM)	Executive Vice President & Head of HR	26-10-2015	30	1,13,50,740	Vice-President -HR for Global operations Glenmark Pharmaceuticals Limited
7	Ripu Daman Singh, 57 Ph.D in Agronomy PLAM (IIMC)	Executive Vice President & Head of Retail	16-05-2012	34	1,25,88,563	Vice President – Marketing Matix Fertilisers and Chemicals Limited
8	Sameer Goel, 55 Masters in Economics, PG Dip. In Management (IIM-A)	Managing Director	01-10-2015	32	4,71,60,787	Country Head-India, Cipla Ltd.
9	S Sankarasubramanian, 49 B.Sc., ICWA	President-Fertilisers	01-12-2003	28	1,80,83,779	Deputy General Manager – Finance E.I.D Parry (India) Limited

## Annexure-E (Contd.)

Sr. No	Name, Age and Qualification	Designation	Date of commencement of employment	Experience in years	Remuneration Received (₹)	Last Employment
10	Srikanthan Srinivasan, 57 B.E., PGDM (IIM-A)	Executive Vice President & Head-CPC	21-01-2016	31	1,06,37,802	Sr. Vice President – Nutraceuticals E.I.D Parry (India) Ltd.
11	G Veerabhadram, 60* M.Sc. (Agr), PGDM (IIMA)	President – Crop Protection	01-12-2003	39	1,65,68,867	General Manager – Marketing, E.I.D (Parry) India Limited

\* Ceased to be employee of the Company on 30 June, 2018.

## Notes:

1. Remuneration includes salary and allowances, incentive, commission where applicable, Company's contribution to Provident Fund, Superannuation Fund, National Pension Scheme, and Group Gratuity Scheme, reimbursement of medical expenses at actuals, and monetary value of perquisites calculated in accordance with the Income Tax Act/Rules.
2. The employment of the above persons is whole time and contractual in nature, terminable with 3 months' notice on either side.
3. There are no employees in the service of the Company within the category covered by Rule 5 (2) (iii) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.
4. None of the above employees is a relative of any Director of the Company.

## On behalf of the Board of Directors

Place: Secunderabad  
Date: 23 April, 2019

**M M Murugappan**  
Chairman

**FORM MGT 9**

**EXTRACT OF ANNUAL RETURN**

(as on Financial Year ended on 31.03.2019)

{Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Company (Management & Administration) Rules, 2014}

**I REGISTRATION & OTHER DETAILS**

1. CIN	L24120TG1961PLC000892
2. Registration Date	16/10/1961
3. Name of the Company	Coromandel International Limited
4. Category/Sub-category of the Company	Public Company / Limited by Shares
5. Address of the Registered office & contact details	Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003, Telangana +91 40 66997000 / 7300 / 7500
6. Whether Listed Company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 +91 40 67161616 Email: einward.ris@karvy.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S.No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Fertilizers	20122	81%
2	Pesticides	20211	13%

**III PARTICULARS OF HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURES COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate / Joint ventures	% of Shares held	Applicable Section
1	E.I.D Parry (India) Limited Dare House, Parry's Corner, Chennai – 600 001	L24211TN1975PLC006989	Holding	60.56%	2(46)
2	Dare Investments Limited Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003	U65110TG2012PLC080296	Subsidiary	100.00%	2(87)
3	Parry Chemicals Limited Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003	U74999MH1995PLC088809	Subsidiary	100.00%	2(87)
4	Liberty Pesticides and Fertilisers Limited Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003	U24124RJ1978PLC001807	Subsidiary	100.00%	2(87)

## Annexure F (Contd.)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate / Joint ventures	% of Shares held	Applicable Section
5	CFL Mauritius Limited IFS Court, Bank Street, Twenty Eight Cybercity, Ebène 72201, Republic of Mauritius	081272C1/GBL	Subsidiary	100.00%	2(87)
6	Coromandel Brasil Limitada Rua Jorge Caixe, 132, Sala 01, Jd Nomura Cotia, Sao Paulo, Brazil	10.599.435/0001-58	Subsidiary	100.00%	2(87)
7	Sabero Australia Pty Ltd SUITE 2, Level 22, 66, Goulburn Street, Sydney, NSW -2000	-	Subsidiary	100.00%	2(87)
8	Sabero Europe BV De Boelelaan 7, 1083 HJ Amsterdam, Postbus 71389, 1008HJ, Amsterdamt	-	Subsidiary	100.00%	2(87)
9	Coromandel Agronegocios de Mexico SA de CV (earlier Sabero Organics Mexico S.A. de C.V.) Campos Eliseos 219, 2, Palmas Polanco, Miguel Hidalgo, Didtrito Federal -11560	-	Subsidiary	100.00%	2(87)
10	Parry America, Inc. 1521 N Cooper St #350, Arlington, TX 76011, USA	-	Subsidiary	100.00%	2(87)
11	Coromandel International (Nigeria) Limited KPMG Towers, Bishop Aboyade Cole Street, Victoria Island, Lagos, Nigeria	-	Subsidiary	99.99%	2(87)
12	Sabero Organics America S.A. Avenida Raja Gabaglia 1492/605, Gutierrez, Belo Horizont, MG, CEP 30441-194	04-016-649/0001-51	Subsidiary	99.98%	2(87)
13	Sabero Argentina S.A. Marcelo T, De Alear 1430. Argentina	-	Subsidiary	95.00%	2(87)
14	Coromandel SQM (India) Private Limited Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003	U24100TG2009PTC065404	Joint Venture	50.00%	2(6)
15	Yanmar Coromandel Agrisolutions Private Limited Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003	U29253TG2014PTC094854	Joint Venture	40.00%	2(6)
16	Sabero Organics Philippines Asia Inc. 2005B 20 <sup>th</sup> Floor West Tower, Philippine Stock Exchange, Exchange Road, Ortigas Center, Pasig City 1605	-	Associates	40.00%	2(6)

**Annexure F (Contd.)**
**IV SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 April, 2018]				No. of Shares held at the end of the year [As on 31 March, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	33,65,736	-	33,65,736	1.15	24,03,641	-	24,03,641	0.82	-0.33
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	17,71,69,763	-	17,71,69,763	60.60	17,71,99,443	-	17,71,99,443	60.58	-0.02
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	1,85,850	-	1,85,850	0.06	11,18,433	-	11,18,433	0.38	0.32
<b>Sub Total (A)(1)</b>	<b>18,07,21,349</b>	<b>-</b>	<b>18,07,21,349</b>	<b>61.81</b>	<b>18,07,21,517</b>	<b>-</b>	<b>18,07,21,517</b>	<b>61.78</b>	<b>-0.03</b>
<b>(2) Foreign</b>									
a) Individuals (NRI/ Foreign Individuals)	-	-	-	-	1,832	-	1,832	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,832</b>	<b>-</b>	<b>1,832</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A) =(A)(1)+(A)(2)</b>	<b>18,07,21,349</b>	<b>-</b>	<b>18,07,21,349</b>	<b>61.81</b>	<b>18,07,23,349</b>	<b>-</b>	<b>18,07,23,349</b>	<b>61.78</b>	<b>-0.03</b>

**B. Public Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 April, 2018]				No. of Shares held at the end of the year [As on 31 March, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>1. Institutions</b>									
a) Mutual Funds/UTI	2,70,30,105	26	2,70,30,131	9.25	3,64,71,493	26	3,64,71,519	12.47	3.22
b) Banks / FI	226,758	11,408	238,166	0.08	88,745	11,748	1,00,493	0.03	-0.05
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	26,10,328	-	26,10,328	0.89	22,12,494	-	2,2,12,494	0.76	-0.13
g) Foreign Portfolio Investors	1,63,14,768	-	1,63,14,768	5.58	1,20,67,638	-	12,067,638	4.12	-1.45
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Banks	-	1,840	1,840	-	-	1,840	1,840	-	-
Alternate Investment Fund	7,84,954	-	7,84,954	0.27	15,51,544	-	15,51,544	0.53	0.26
<b>Sub-total (B)(1)</b>	<b>4,69,66,913</b>	<b>13,274</b>	<b>4,69,80,187</b>	<b>16.07</b>	<b>5,23,91,914</b>	<b>13,614</b>	<b>5,24,05,528</b>	<b>17.91</b>	<b>- 1.84</b>

## Annexure F (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 April, 2018]				No. of Shares held at the end of the year [As on 31 March, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>	1,87,10,324	39,313	1,87,49,637	6.41	1,60,80,092	36,847	1,61,16,939	5.51	-0.90
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,14,46,156	57,05,737	2,71,51,893	9.29	2,04,58,795	49,91,792	2,54,50,587	8.70	-0.59
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	39,58,413	18,35,830	57,94,243	1.98	33,86,192	18,35,830	52,22,022	1.79	-0.19
<b>c) Others (specify)</b>									
Clearing Members	3,76,640	-	3,76,640	0.13	1,69,046	-	1,69,046	0.06	-0.07
Foreign Companies	-	19,500	19,500	0.01	-	19,500	19,500	0.01	-
Foreign Nationals	3,180	67,460	70,640	0.02	3,180	67,460	70,640	0.02	-
I E P F	28,42,175	-	28,42,175	0.97	30,08,799	-	30,08,799	1.03	0.06
NBFC	1,28,442	-	1,28,442	0.04	1,19,296	-	1,19,296	0.04	-
Non Resident Indians	18,53,048	4,71,569	23,24,617	0.80	17,71,595	4,27,184	21,98,779	0.75	-0.04
NRI Non-Repatriation	23,08,332	-	23,08,332	0.79	21,38,743	-	21,38,743	0.73	-0.06
Overseas Corporate Bodies	48,00,000	1,000	48,01,000	1.64	48,00,000	1,000	48,01,000	1.64	-
Societies	-	4,500	4,500	-	-	4,500	4,500	-	-
Trusts	1,09,354	900	1,10,254	0.04	77,701	900	78,601	0.03	-0.01
<b>Sub-total(B)(2)</b>	<b>5,65,36,064</b>	<b>81,45,809</b>	<b>64,681,873</b>	<b>22.12</b>	<b>5,20,13,439</b>	<b>73,85,013</b>	<b>5,93,98,452</b>	<b>20.31</b>	<b>-1.82</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>10,35,02,977</b>	<b>81,59,083</b>	<b>11,16,62,060</b>	<b>38.19</b>	<b>10,44,05,353</b>	<b>7,398,627</b>	<b>11,18,03,980</b>	<b>38.22</b>	<b>0.03</b>
<b>C. Shares held by Custodian for GDR &amp; ADR</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>28,42,24,326</b>	<b>81,59,083</b>	<b>29,23,83,409</b>	<b>100.00</b>	<b>28,51,28,702</b>	<b>73,98,627</b>	<b>29,25,27,329</b>	<b>100.00</b>	<b>-</b>

**Annexure F (Contd.)**
**(ii) Shareholding of Promoter**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01 April, 2018]			Shareholding at the end of the year [As on 31 March, 2019]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
<b>A.</b>	<b>Promoters</b>							
1	E.I.D. Parry (India) Ltd.	17,71,55,580	60.59	-	17,71,55,580	60.56	-	-0.03
2	M M Murugappan	3,78,150	0.13	-	-	-	-	-0.13
3	M V Subbiah	2,56,598	0.09	-	2,56,598	0.09	-	-
4	Arun Venkatachalam	2,03,010	0.07	-	2,03,010	0.07	-	-
5	S Vellayan	1,68,560	0.06	-	1,68,560	0.06	-	-
6	M V Murugappan	5,670	-	-	5,670	0.00	-	-
7	V Narayanan	1,40,370	0.05	-	1,40,370	0.05	-	-
8	V Arunachalam	1,34,770	0.05	-	1,34,770	0.05	-	-
9	A Venkatachalam	1,22,670	0.04	-	1,22,670	0.04	-	-
10	A Vellayan	1,18,510	0.04	-	1,18,510	0.04	-	-
11	Arun Alagappan	1,02,940	0.04	-	1,02,940	0.04	-	-
12	M M Venkatachalam	1,92,486	0.07	-	62,283	0.02	-	-0.05
13	M A M Arunachalam	78,660	0.03	-	78,660	0.03	-	-
14	M. A. Alagappan	34,000	0.01	-	34,000	0.01	-	-
15	Ambadi Investments Ltd.	7,453	-	-	7,453	0.00	-	-
16	M V Murugappan	2,060	-	-	2,060	0.00	-	-
17	Carborundum Universal Limited	330	-	-	330	0.00	-	-
	<b>TOTAL (A)</b>	<b>17,91,01,817</b>	<b>61.27</b>	<b>-</b>	<b>17,85,93,464</b>	<b>61.05</b>	<b>-</b>	<b>-0.21</b>
<b>B.</b>	<b>Promoter Group</b>	<b>16,19,532</b>	<b>0.54</b>	<b>0.01</b>	<b>21,29,885</b>	<b>0.73</b>	<b>0.01</b>	<b>0.19</b>
	<b>Promoter &amp; Promoter Group (Total A+B)</b>	<b>18,07,21,349</b>	<b>61.81</b>	<b>0.01</b>	<b>18,07,23,349</b>	<b>61.78</b>	<b>0.01</b>	<b>-0.02</b>

## Annexure F (Contd.)

## (iii) Change in Promoters/Promoter Group Shareholding

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason <sup>#</sup>	Cumulative Shareholding during the Year	
		No of Shares	% of total shares				No of Shares	% of total shares
1	E.I.D Parry (India) Ltd.	17,71,55,580	60.59	01/04/2018			17,71,55,580	60.59
				31/03/2019			17,71,55,580	60.56
2	Meenakshi Murugappan	3,81,540	0.13	01/04/2018			3,81,540	0.13
				31/12/2018	-3,78,150	Transfer	3,390	0.00
				26/03/2019	-3,300	Transfer	90	0.00
				31/03/2019			90	0.00
3	M M Murugappan	3,78,150	0.13	01/04/2018			3,78,150	0.13
				31/12/2018	-3,78,150	Transfer	-	0.00
				31/03/2019			-	0.00
4	M M Venkatachalam	1,92,486	0.07	01/04/2018			1,92,486	0.07
				31/12/2018	-65,102	Transfer	1,27,384	0.04
				25/03/2019	-65,101	Transfer	62,283	0.02
				31/03/2019			62,283	0.02
5	Lakshmi Venkatachalam	67,920	0.02	01/04/2018			67,920	0.02
				31/12/2018	-65,102	Transfer	2,818	0.00
				25/03/2019	-2,818	Transfer	-	0.00
				31/03/2019			-	0.00
6	Uma Ramanathan*	2,000	-	01/04/2018			-	0.00
				31/03/2019			2,000	0.00
7	M M Murugappan (Trustee of M M Muthiah Family Trust)	370	0.00	01/04/2018			370	0.00
				31/12/2018	3,78,150	Transfer	3,78,520	0.13
				31/03/2019			3,78,520	0.13
8	M M Venkatachalam (Trustee of M V Subramanian Family Trust)	370	0.00	01/04/2018			370	0.00
				31/12/2018	65,102	Transfer	65,472	0.02
				31/03/2019			65,472	0.02
9	M M Murugappan (Trustee of M M Veerappan Family Trust)	370	0.00	01/04/2018			370	0.00
				31/12/2018	3,78,150	Transfer	3,78,520	0.13
				31/03/2019			3,78,520	0.13
10	M M Venkatachalam (Trustee of M V Muthiah Family Trust)	370	0.00	01/04/2018			370	0.00
				31/12/2018	65,102	Transfer	65,472	0.02
				31/03/2019			65,472	0.02
11	M M Venkatachalam (Trustee of M M Venkatachalam Family Trust)	-	0.00	01/04/2018			-	0.00
				25/03/2019	2,818	Transfer	2,818	0.00
				31/03/2019			2,818	0.00
12	M M Venkatachalam (Trustee of Lakshmi Venkatachalam Family Trust)	-	0.00	01/04/2018			-	0.00
				25/03/2019	65,101	Transfer	65,101	0.02
				31/03/2019			65,101	0.02
13	M M Murugappan (Trustee of M M Murugappan Family Trust)	-	0.00	01/04/2018			-	0.00
				26/03/2019	3,300	Transfer	3,300	0.00
				31/03/2019			3,300	0.00

Notes:

\* Became promoter group member w.e.f. 07/12/2018

# Transfer by way of family settlement.

**Annexure F (Contd.)**
**(iv) Shareholding Pattern of top ten Shareholders  
(Other than Directors and Promoters)**

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
1	ICICI Prudential Life Insurance Company Limited	1,36,65,482	4.67	01/04/2018			1,36,65,482	4.67
				06/04/2018	2,45,941	Transfer	1,39,11,423	4.76
				13/04/2018	-3,30,693	Transfer	1,35,80,730	4.64
				20/04/2018	-3,03,789	Transfer	1,32,76,941	4.54
				27/04/2018	-5,59,859	Transfer	1,27,17,082	4.35
				04/05/2018	-2,09,628	Transfer	1,25,07,454	4.28
				11/05/2018	-86,562	Transfer	1,24,20,892	4.25
				18/05/2018	-2,668	Transfer	1,24,18,224	4.25
				25/05/2018	-5,219	Transfer	1,24,13,005	4.25
				29/06/2018	-4,820	Transfer	1,24,08,185	4.24
				13/07/2018	-2,61,815	Transfer	1,21,46,370	4.15
				03/08/2018	-1,09,325	Transfer	1,20,37,045	4.12
				10/08/2018	-10,746	Transfer	1,20,26,299	4.11
				17/08/2018	-5,821	Transfer	1,20,20,478	4.11
				24/08/2018	-671	Transfer	1,20,19,807	4.11
				31/08/2018	482	Transfer	1,20,20,289	4.11
				07/09/2018	25,327	Transfer	1,20,45,616	4.12
				28/09/2018	-1,30,030	Transfer	1,19,15,586	4.07
				05/10/2018	50,914	Transfer	1,19,66,500	4.09
				19/10/2018	-46,088	Transfer	1,19,20,412	4.08
				02/11/2018	-55,618	Transfer	1,18,64,794	4.06
				09/11/2018	-40,759	Transfer	1,18,24,035	4.04
				16/11/2018	-2,35,703	Transfer	1,15,88,332	3.96
				23/11/2018	-77,416	Transfer	1,15,10,916	3.94
				30/11/2018	-11,146	Transfer	1,14,99,770	3.93
				07/12/2018	-55,672	Transfer	1,14,44,098	3.91
				21/12/2018	-1,80,151	Transfer	1,12,63,947	3.85
				28/12/2018	-3,962	Transfer	1,12,59,985	3.85
				31/12/2018	-4,731	Transfer	1,12,55,254	3.85
				04/01/2019	-1,01,053	Transfer	1,11,54,201	3.81

## Annexure F (Contd.)

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
				11/01/2019	-61,566	Transfer	1,10,92,635	3.79
				18/01/2019	-1,92,940	Transfer	1,08,99,695	3.73
				25/01/2019	-1,41,332	Transfer	1,07,58,363	3.68
				01/02/2019	-1,79,715	Transfer	1,05,78,648	3.62
				08/02/2019	-94,764	Transfer	1,04,83,884	3.58
				15/02/2019	-46,823	Transfer	1,04,37,061	3.57
				22/02/2019	-1,49,313	Transfer	1,02,87,748	3.52
				01/03/2019	-29,831	Transfer	1,02,57,917	3.51
				08/03/2019	-2,69,206	Transfer	99,88,711	3.42
				15/03/2019	-28,931	Transfer	99,59,780	3.40
				29/03/2019	71,425	Transfer	1,00,31,205	3.43
				30/03/2019			1,00,31,205	3.43
2	L&T Mutual Fund Trustee Ltd - L&T Mid Cap Fund	53,79,974	1.84	01/04/2018			53,79,974	1.84
				06/04/2018	92,018	Transfer	54,71,992	1.87
				27/04/2018	-2,53,596	Transfer	52,18,396	1.78
				11/05/2018	50,000	Transfer	52,68,396	1.80
				18/05/2018	64,510	Transfer	53,32,906	1.82
				25/05/2018	68,484	Transfer	54,01,390	1.85
				01/06/2018	38,525	Transfer	54,39,915	1.86
				08/06/2018	71,712	Transfer	55,11,627	1.88
				15/06/2018	3,51,290	Transfer	58,62,917	2.01
				31/08/2018	-2,00,000	Transfer	56,62,917	1.94
				28/09/2018	1,79,204	Transfer	58,42,121	2.00
				05/10/2018	1,66,432	Transfer	60,08,553	2.05
				23/11/2018	-19,550	Transfer	59,89,003	2.05
				07/12/2018	-1,00,000	Transfer	58,89,003	2.01
				14/12/2018	-1,00,000	Transfer	57,89,003	1.98
				21/12/2018	33,918	Transfer	58,22,921	1.99
				28/12/2018	92,831	Transfer	59,15,752	2.02
				04/01/2019	-17,600	Transfer	58,98,152	2.02
				11/01/2019	10,488	Transfer	59,08,640	2.02
				18/01/2019	1,92,386	Transfer	61,01,026	2.09

**Annexure F (Contd.)**

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
				25/01/2019	27,377	Transfer	61,28,403	2.10
				08/03/2019	1,71,800	Transfer	63,00,203	2.15
				15/03/2019	85,500	Transfer	63,85,703	2.18
				30/03/2019			63,85,703	2.18
3	DSP Blackrock Equity Opportunities Fund	53,05,464	1.81	01/04/2018			53,05,464	1.81
				06/04/2018	645	Transfer	53,06,109	1.81
				27/04/2018	11,555	Transfer	53,17,664	1.82
				11/05/2018	10,134	Transfer	53,27,798	1.82
				18/05/2018	11,30,219	Transfer	64,58,017	2.21
				08/06/2018	-19,163	Transfer	64,38,854	2.20
				22/06/2018	-2,46,724	Transfer	61,92,130	2.12
				29/06/2018	-25,399	Transfer	61,66,731	2.11
				06/07/2018	94,442	Transfer	62,61,173	2.14
				20/07/2018	3,14,852	Transfer	65,76,025	2.25
				20/07/2018	-1,05,001	Transfer	64,71,024	2.21
				27/07/2018	1,21,359	Transfer	65,92,383	2.25
				10/08/2018	1,35,000	Transfer	67,27,383	2.30
				17/08/2018	-38,601	Transfer	66,88,782	2.29
				24/08/2018	1,43,191	Transfer	68,31,973	2.34
				07/09/2018	-19,555	Transfer	68,12,418	2.33
				14/09/2018	1,10,000	Transfer	69,22,418	2.37
				19/10/2018	61,537	Transfer	69,83,955	2.39
				26/10/2018	67,630	Transfer	70,51,585	2.41
				30/11/2018	1,00,000	Transfer	71,51,585	2.45
				07/12/2018	939	Transfer	71,52,524	2.45
				28/12/2018	-1,24,524	Transfer	70,28,000	2.40
				18/01/2019	-1,79,923	Transfer	68,48,077	2.34
				15/02/2019	43,913	Transfer	68,91,990	2.36
				22/02/2019	23,663	Transfer	69,15,653	2.36
				01/03/2019	73,152	Transfer	69,88,805	2.39
				29/03/2019	-77,826	Transfer	69,10,979	2.36
				30/03/2019			69,10,979	2.36

## Annexure F (Contd.)

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
4	Groupe Chimique Tunisien	48,00,000	1.64	01/04/2018			48,00,000	1.64
				30/03/2019			48,00,000	1.64
5	Franklin Templeton Mutual Fund a/c Franklin India	16,84,709	0.58	01/04/2018			16,84,709	0.58
				20/04/2018	3,53,941	Transfer	20,38,650	0.70
				27/04/2018	2,81,285	Transfer	23,19,935	0.79
				04/05/2018	3,03,626	Transfer	26,23,561	0.90
				11/05/2018	1,13,190	Transfer	27,36,751	0.94
				18/05/2018	24,893	Transfer	27,61,644	0.94
				25/05/2018	3,20,000	Transfer	30,81,644	1.05
				01/06/2018	48,880	Transfer	31,30,524	1.07
				22/06/2018	1,00,000	Transfer	32,30,524	1.10
				29/06/2018	90,848	Transfer	33,21,372	1.14
				06/07/2018	83,906	Transfer	34,05,278	1.16
				20/07/2018	20,793	Transfer	34,26,071	1.17
				27/07/2018	50,000	Transfer	34,76,071	1.19
				03/08/2018	1,25,000	Transfer	36,01,071	1.23
				17/08/2018	43,896	Transfer	36,44,967	1.25
				24/08/2018	1,56,104	Transfer	38,01,071	1.30
				12/10/2018	18,964	Transfer	38,20,035	1.31
				19/10/2018	119	Transfer	38,20,154	1.31
				26/10/2018	1,245	Transfer	38,21,399	1.31
				02/11/2018	29,672	Transfer	38,51,071	1.32
				30/11/2018	1,00,000	Transfer	39,51,071	1.35
				07/12/2018	1,50,000	Transfer	41,01,071	1.40
				30/03/2019			41,01,071	1.40
6	UTI - Long Term Advantage Fund Series VII	40,73,768	1.39	01/04/2018			40,73,768	1.39
				13/04/2018	28,752	Transfer	41,02,520	1.40
				20/04/2018	44,814	Transfer	41,47,334	1.42
				27/04/2018	1,18,085	Transfer	42,65,419	1.46
				04/05/2018	16,332	Transfer	42,81,751	1.46

**Annexure F (Contd.)**

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
				04/05/2018	-12,707	Transfer	42,69,044	1.46
				11/05/2018	28,359	Transfer	42,97,403	1.47
				18/05/2018	33,304	Transfer	43,30,707	1.48
				15/06/2018	60,752	Transfer	43,91,459	1.50
				20/07/2018	16,420	Transfer	44,07,879	1.51
				27/07/2018	42,208	Transfer	44,50,087	1.52
				03/08/2018	1,25,610	Transfer	45,75,697	1.56
				17/08/2018	8,170	Transfer	45,83,867	1.57
				24/08/2018	12,731	Transfer	45,96,598	1.57
				24/08/2018	-76,660	Transfer	45,19,938	1.55
				14/09/2018	-18,933	Transfer	45,01,005	1.54
				28/09/2018	33,254	Transfer	45,34,259	1.55
				05/10/2018	6,094	Transfer	45,40,353	1.55
				19/10/2018	28,601	Transfer	45,68,954	1.56
				30/11/2018	1,76,604	Transfer	47,45,558	1.62
				11/01/2019	1,53,213	Transfer	48,98,771	1.68
				18/01/2019	3,00,000	Transfer	51,98,771	1.78
				22/02/2019	60,000	Transfer	52,58,771	1.80
				01/03/2019	73,188	Transfer	53,31,959	1.82
				15/03/2019	1,27,340	Transfer	54,59,299	1.87
				30/03/2019			54,59,299	1.87
7	Investor Education and Protection Fund Authority	28,42,175	0.97	01/04/2018			28,42,175	0.97
				21/09/2018	71,744	Transfer	29,13,919	1.00
				28/09/2018	368	Transfer	29,14,287	1.00
				09/11/2018	1,773	Transfer	29,16,060	1.00
				29/03/2019	92,739	Transfer	30,08,799	1.03
				30/03/2019			30,08,799	1.03
8	Sundaram Mutual Fund a/c Sundaram Select Midcap	27,96,269	0.96	01/04/2018			27,96,269	0.96
				27/04/2018	-1,11,250	Transfer	26,85,019	0.92
				04/05/2018	-2,05,117	Transfer	24,79,902	0.85
				20/07/2018	-15,016	Transfer	24,64,886	0.84

## Annexure F (Contd.)

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
				27/07/2018	-34,038	Transfer	24,30,848	0.83
				30/11/2018	10,000	Transfer	24,40,848	0.83
				15/03/2019	-1,81,334	Transfer	22,59,514	0.77
				22/03/2019	-1,20,041	Transfer	21,39,473	0.73
				29/03/2019	-50,000	Transfer	20,89,473	0.71
				30/03/2019			20,89,473	0.71
9	SBI Magnum Midcap Fund	24,77,729	0.85	01/04/2018			24,77,729	0.85
				03/08/2018	5,00,000	Transfer	29,77,729	1.02
				07/09/2018	-1,81,447	Transfer	27,96,282	0.96
				14/09/2018	-1,09,843	Transfer	26,86,439	0.92
				21/09/2018	-1,19,112	Transfer	25,67,327	0.88
				28/09/2018	-1,73,093	Transfer	23,94,234	0.82
				30/03/2019			23,94,234	0.82
10	Kotak Bluechip Fund	23,64,570	0.81	01/04/2018			23,64,570	0.81
				20/04/2018	50,000	Transfer	24,14,570	0.83
				27/04/2018	3,50,000	Transfer	27,64,570	0.95
				04/05/2018	50,000	Transfer	28,14,570	0.96
				11/05/2018	16,103	Transfer	28,30,673	0.97
				18/05/2018	1,33,561	Transfer	29,64,234	1.01
				25/05/2018	41,439	Transfer	30,05,673	1.03
				01/06/2018	10,000	Transfer	30,15,673	1.03
				08/06/2018	33,043	Transfer	30,48,716	1.04
				15/06/2018	21,957	Transfer	30,70,673	1.05
				22/06/2018	20,000	Transfer	30,90,673	1.06
				06/07/2018	10,000	Transfer	31,00,673	1.06
				13/07/2018	3,675	Transfer	31,04,348	1.06
				20/07/2018	1,00,000	Transfer	32,04,348	1.10
				27/07/2018	50,000	Transfer	32,54,348	1.11
				03/08/2018	26,325	Transfer	32,80,673	1.12
				31/08/2018	3,13,908	Transfer	35,94,581	1.23
				07/09/2018	72,302	Transfer	36,66,883	1.25
				21/09/2018	4,072	Transfer	36,70,955	1.26
				28/09/2018	5,067	Transfer	36,76,022	1.26

**Annexure F (Contd.)**

S. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
				12/10/2018	18,871	Transfer	36,94,893	1.26
				19/10/2018	3,00,847	Transfer	39,95,740	1.37
				26/10/2018	78,153	Transfer	40,73,893	1.39
				23/11/2018	44,651	Transfer	41,18,544	1.41
				30/11/2018	228,993	Transfer	43,47,537	1.49
				07/12/2018	96,146	Transfer	44,43,683	1.52
				14/12/2018	23,009	Transfer	44,66,692	1.53
				21/12/2018	-22,500	Transfer	44,44,192	1.52
				28/12/2018	21,780	Transfer	44,65,972	1.53
				31/12/2018	10,747	Transfer	44,76,719	1.53
				11/01/2019	5,255	Transfer	44,81,974	1.53
				18/01/2019	-2,319	Transfer	44,79,655	1.53
				25/01/2019	67,697	Transfer	45,47,352	1.55
				08/02/2019	-79,811	Transfer	44,67,541	1.53
				15/02/2019	-12,311	Transfer	44,55,230	1.52
				01/03/2019	18,714	Transfer	44,73,944	1.53
				08/03/2019	10,664	Transfer	44,84,608	1.53
				08/03/2019	-37,056	Transfer	44,47,552	1.52
				15/03/2019	-66,347	Transfer	43,81,205	1.50
				22/03/2019	89,400	Transfer	44,70,605	1.53
				29/03/2019	-40,000	Transfer	44,30,605	1.51
				30/03/2019			44,30,605	1.51
11	Government Pension Fund Global	22,15,281	0.76	01/04/2018			22,15,281	0.76
				20/04/2018	-89,217	Transfer	21,26,064	0.73
				27/04/2018	-2,39,564	Transfer	18,86,500	0.65
				04/05/2018	-3,45,856	Transfer	15,40,644	0.53
				11/05/2018	-3,00,000	Transfer	12,40,644	0.42
				18/05/2018	-10,15,958	Transfer	2,24,686	0.08
				30/03/2019			2,24,686	0.08

## Annexure F (Contd.)

## (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
<b>1</b>	<b>M M Murugappan</b>				
	At the beginning of the year	3,78,150	0.13	3,78,150	0.13
	*Sale on 31/12/2018	3,78,150	0.13	-	-
	At the end of the year	-	-	-	-
<b>2</b>	<b>V Ravichandran</b>				
	At the beginning of the year	1,29,670	0.04	1,29,670	0.04
	Purchase/Sales during the year	-	-	1,29,670	0.04
	At the end of the year	1,29,670	0.04	1,29,670	0.04
<b>3</b>	<b>M M Venkatachalam</b>				
	At the beginning of the year	1,92,486	0.07	1,92,486	0.07
	*Sale on 31/12/2018	65,102		1,27,384	0.04
	*Sale on 25/03/2019	65,101		62,283	0.02
	At the end of the year	62,283	0.02	62,283	0.02
<b>4</b>	<b>B V R Mohan Reddy</b>				
	At the beginning of the year	48,000	0.02	48,000	0.02
	Purchase/Sales during the year	-	-	48,000	0.02
	At the end of the year	48,000	0.01	48,000	0.01
<b>5</b>	<b>P Varadarajan</b>				
	At the beginning of the year	11,680	-	11,680	-
	Purchase/Sales during the year	-	-	11,680	-
	At the end of the year	11,680	-	11,680	-

Note:

a) \* Transfer by way of family settlement

b) No other Director/KMP were holding shares at the beginning or end of the year

**Annexure F (Contd.)**
**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness (01.04.2018) (IND AS)</b>				
i) Principal Amount	10,15,02,95,827	17,15,78,04,195	-	27,30,81,00,022
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,59,97,947	-	2,59,97,947
<b>Total (i+ii+iii)</b>	<b>10,15,02,95,827</b>	<b>17,18,38,02,142</b>	<b>-</b>	<b>27,33,40,97,969</b>
<b>Changes during the financial year</b>				
* Addition	9,90,06,98,948	2,04,96,21,34,673	-	2,14,86,28,33,621
* Reduction	10,32,93,48,054	2,02,27,21,95,063	-	2,12,60,15,43,117
<b>Net Change</b>	<b>-42,86,49,106</b>	<b>2,68,99,39,610</b>	<b>-</b>	<b>2,26,12,90,504</b>
<b>Indebtedness (31.03.2019)</b>				
i) Principal Amount	9,72,16,46,721	19,84,77,43,805	-	29,56,93,90,526
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	90,92,509	3,23,91,906	-	4,14,84,415
<b>Total (i+ii+iii)</b>	<b>9,73,07,39,230</b>	<b>19,88,01,35,711</b>	<b>-</b>	<b>29,61,08,74,941</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager.**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
	<b>Name &amp; Designation</b>	<b>Sameer Goel (Managing Director)</b>	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,12,63,576	<b>3,12,63,576</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	41,388	<b>41,388</b>
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others -		-
	Contribution to Retiral Funds	59,35,818	59,35,818
	Incentive	99,20,005	99,20,005
	<b>Total (A)</b>	<b>4,71,60,787</b>	<b>4,71,60,787</b>
	Ceiling as per the Act @ 5 % of Net Profit		<b>54,30,10,936</b>

## Annexure F (Contd.)

## B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	Independent Directors	Prasad Chandran	Sumit Bose	Aruna B. Advani*	R Nagarajan**	K V Parameshwar**	Nirupama Rao@	
	Fee for attending Board / Committee Meetings	3,25,000	3,25,000	1,65,000	75,000	1,50,000	-	10,40,000
	Commission	7,50,000	7,50,000	4,39,726	3,73,973	3,73,973	1,25,342	28,13,014
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>10,75,000</b>	<b>10,75,000</b>	<b>6,04,726</b>	<b>4,48,973</b>	<b>5,23,973</b>	<b>1,25,342</b>	<b>38,53,014</b>
2.	Other Non-Executive Directors	M M Murugappan	V Ravichandran	M M Venkatachalam	B V R Mohan Reddy			
	Fee for attending Board / Committee Meetings	1,25,000	2,15,000	2,60,000	3,10,000	-	-	9,10,000
	Commission	2,00,00,000	7,50,000	7,50,000	7,50,000	-	-	2,22,50,000
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>2,01,25,000</b>	<b>9,65,000</b>	<b>10,10,000</b>	<b>10,60,000</b>	<b>-</b>	<b>-</b>	<b>2,31,60,000</b>
	<b>Total (B)=(1+2)</b>							<b>2,70,13,014</b>
	<b>Total Managerial Remuneration</b>							<b>7,41,73,801</b>
	Overall Ceiling as per the Act @ 11 % of Net Profit							<b>1,19,46,24,058</b>

\* Appointed as Additional Director (Independent Director) w.e.f. 30 August, 2018

\*\* Appointed as Additional Director (Independent Director) w.e.f. 01 October, 2018

@ Resigned from the Board w.e.f. 31 May, 2018

Fees and Commission excludes Goods and Services tax

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name & Designation	Jayashree Satagopan	P Varadarajan	
		CFO	CS	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,56,73,843	68,74,616	2,25,48,459
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,21,600	4,69,848	10,91,448
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option*	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5.	Others - Contribution to Retiral Funds	16,19,916	10,25,883	26,45,799
	<b>Total</b>	<b>1,79,15,359</b>	<b>83,70,347</b>	<b>2,62,85,706</b>

\*The deemed benefit on exercise of options under the Company's ESOP Scheme has not been considered as there is no cost to the Company.

**Annexure F (Contd.)**

**VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

Note:

- During the past two years, there were no strictures or penalties imposed on the Company by either Stock Exchanges or Securities and Exchange Board of India or any statutory authority for non-compliance on any matter related to capital markets.
- During the year 2017-18, SEBI has passed an Order against Liberty Urvarak Limited (LUL), a Company which has since been merged into the Company, levying a penalty of Rs.2 lakh for delay in making disclosure under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 in respect of acquisition of shares of Liberty Phosphate Limited (LPL) in the year 2012, before LPL and LUL was acquired by the Company. The penalty amount has been paid by the erstwhile promoters of LUL.

**On behalf of the Board of Directors**

Place: Secunderabad  
Date: 23 April, 2019

**M M Murugappan**  
Chairman

## Annexure-G

**Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 3 of the Companies (Accounts) Rules, 2014 and forming part Report to Directors.**

**A. CONSERVATION OF ENERGY**

Various Energy conservation steps taken by the Company, as detailed below, have yielded considerable energy savings during the year 2018-19.

**Fertiliser Plants**

- a) Energy efficient Lighting – LED Lighting replaced compact fluorescent lamps, fluorescent tube lights, mercury & sodium vapor lamps in Administrative Building, Storage Godowns & Street lighting area.
- b) Installed Condenser onload tube cleaning system, keeping tubes free from scaling, resulting in increased turbo power generation efficiency.
- c) Installed 25,000 MT raw material storage tanks at the Wharf in Vizag and laid 6-kilometer long pipeline for transport of the imported acid to the plant, eliminating transport, diesel consumption and multiple material handling.
- d) Replaced Old rewound 600 KW old ball mill motor with modern motor.
- e) ENCON and Small Group Activity teams have been constituted to constantly look at the energy conservation, other improvement schemes which has resulted in considerable energy savings.
- f) Company has purchased non-solar and solar Renewable Energy Certificates 1,363 and 682, respectively.
- g) The capital investment on energy conservation equipments: ₹ 28.85 crore.

**CPC Plants:**

- a) Replacement of old motors and pumps with high efficient pumps and motors.
- b) Energy efficient Lighting – Replacement of lighting to LED Lighting
- c) The Capital Investments on energy efficient pumps and motors was ₹ 8 Lakhs.

**SSP Plants:**

- a) Energy efficient Variable Frequency Drive have been installed for optimum utilization of Energy at various plant locations.
- b) APFC (Auto power factor control) panel has been installed at Baroda Unit.
- c) Reduction in power consumption achieved at Nimrani, Udaipur and Nandesari by installing new energy efficient crane, gear box and motors.
- d) Dryer and Cooler drum in Hospet have been changed with energy efficient drives improving the throughput.

**B. TECHNOLOGY ABSORPTION**

- i. The efforts made towards technology absorptions
  - a) Production trials were conducted with low grade Algeria, Morocco K12 & PB1 rock phosphates at Phosphoric acid plant
  - b) Gypsum Neutralisation Technology – New plant commissioned and new cement grade Phospho gypsum being produced and marketed
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution  
Enhanced flexibility in use of raw materials for phosphoric acid production. Gypsum neutralisation helps in improving the sale of gypsum.
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
  - a. The details of technology imported: Design and know-how for the new Phosphoric Acid Plant
  - b. The year of import -2018-19
  - c. Whether the technology been fully absorbed – Installation of the Plant is in progress
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable.

- iv. The expenditure incurred on Research and Development

(₹ in Lakh)

Expenditure on R & D	2018-19	2017-18
Revenue	1,305	929
Capital	262	39

**Annexure G (Contd.)**

**RESEARCH AND DEVELOPMENT**

**Fertilisers :**

Technology to process several low grade rock phosphates was developed which has enhanced the raw material flexibility of the phosphoric acid plant. The knowledge base in the area of granulation technology was expanded which allowed the plants to strengthen the manufacturing processes for unique Urea Ammonium Phosphates thus giving the Company a significant competitive edge. The performance of existing fertiliser grades was improved by fortifying them with secondary and micronutrients. A new technology was developed for increasing the nutrient use efficiency of Single Super Phosphate. New micronutrient products were developed for expanding the range of speciality products. Package of Practices were developed for some important crops. Lab space at IIT Bombay – Monash Academy was taken on lease for the purpose of developing next generation plant nutrition products.

**Crop Protection**

Crop Protection Chemicals (CPC) Business of the Company has three R&D centres at Ankleshwar, Sarigam and Hyderabad and has new Technology Transfer Department at Ankleshwar. CPC R&D is focused on development of new off patent molecules, its advanced intermediates, different type of agrochemical formulation and Transfer the manufacturing process of Technical and Formulation to Technology Transfer Team. The technology Transfer team is conducting pilot trial and transferring the process to the manufacturing plant. In addition the CPC R&D is also synthesising impurities for several products to smoothen the registration process and improving the processes for existing products.

The R&D centre at Hyderabad has strong analytical laboratory equipped with all essential advanced analytical equipment required for chemical R&D. During the years, the analytical laboratory at the R&D Centre has obtained NABL accreditation for analysing of Pesticide formulation and Technical concentrate, which enables it to undertake the five-batch analysis and residue analysis for registration purpose.

The R&D Centre is also focusing on the development of new combination products with the goal to market at least two/three new combination product each year and also taken initiatives to work on new types of formulation like EW, CS and bio-pesticides formulation.

During the current year the R & D centre has successfully demonstrated manufacturing process of three technical products and two formulation products to Technology Transfer Team. Further, the R & D has successfully demonstrated sample withdrawal process of four technical products for CIB registration.

		(₹ in Lakh)	
C	Foreign Exchange Earnings and Outgo	2018-19	2017-18
	Foreign Exchange Earnings	83,926	61,827
	Foreign Exchange Outgo	8,76,285	6,25,412

**On behalf of the Board of Directors**

Place: Secunderabad  
Date: 23 April, 2019

**M M Murugappan**  
Chairman

## Annexure-H

## Annual Report on CSR Activities

1	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.			The Company's CSR Policy has been uploaded in the website of the Company under the web-link <a href="http://coromandel.biz/csr_policy/html">http://coromandel.biz/csr_policy/html</a>			
2	The Composition of the CSR Committee as at the end of the year			Mr. Sumit Bose Mr. M M Venkatachalam Mr. V Ravichandran Mr. Sameer Goel			
3	Average net profit of the Company for last three financial years			₹ 77,377 lakhs			
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)			₹ 1,548 lakhs			
5	Details of CSR activities/ projects undertaken during the year: 2018-19						
a)	Total amount to be spent for the year			₹ 1,548 lakhs			
b)	Amount carried forward from earlier years			₹ 110 lakhs			
c)	Amount spent during the year (as per statement below)			₹ 1,438 lakhs			
d)	Amount carried forward for the year			₹ 220 lakhs [out of which committed ₹ 220 lakhs]			
e)	Manner in which the amount spent during the financial year is detailed below:						
(i) Amount spent on CSR Projects committed during the year 2016-17							
Sl. No	CSR Project/ activity identified	Sector in which the project is covered	Name the District/s, State/s where project/programme was undertaken	Amount budgeted	Amount spent in 2018-19	Cumulative spend upto 31 March 2019	Amount spent directly/ through implementing agency
1	Supporting livelihood opportunities to women farmers	Rural Development	Mahabubnagar in Telangana and Vishakhapatnam in Andhra Pradesh	20.00	4.24	20.00	Directly
Sub total- (A)				20.00	4.24	20.00	
(ii) Amount spent on CSR Projects committed during the year 2017-18							
Sl. No.	CSR Project/ activity identified	Sector in which the project is covered	Name of the District/s, State/s where project/programme was undertaken	Amount budgeted	Amount spent in 2018-19	Cumulative spend upto 31 March 2019	Amount spent directly/ through implementing agency
1	Coromandel Girl Child Education Scheme	Education	Throughout Andhra Pradesh and Telangana	100.00	23.24	100.00	Directly
2	Improving health conditions for communities through the provision of basic medical services	Health	Chennai (Ennore) in Tamil Nadu, East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh , Valsad (Sarigam) in Gujarat	106.10	30.51	106.10	Directly
3	Improving facility at government hospital	Health	East Godavari (Kakinada) in Andhra Pradesh	9.50	1.47	8.96	Directly
4	Supporting government health facilities	Health	East Godavari (Kakinada) in Andhra Pradesh	45.00	8.72	45.00	Directly
5	Support to Swachh Bharat activities	Health & Empowerment	East Godavari (Kakinada) in Andhra Pradesh, Valsad (Sarigam) in Gujarat	20.00	0.89	20.00	Directly
6	Provision of safe drinking water in schools and communities	Education & Health	Prakasham, Vizianagaram, Chittoor and Visakhapatnam in Andhra Pradesh	30.00	13.70	30.00	Directly

Annexure H (Contd.)

		(₹ in Lakhs)				
Sl. No.	CSR Project/ activity identified	Sector in which the project is covered	Name of the District/s, State/s where project/programme was undertaken	Amount budgeted	Amount spent in 2018-19	Cumulative spend upto 31 March 2019
7	Community Development projects	Empowerment	East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Valsad (Sarigam) and Bharuch (Ankleshwar) in Gujarat, Bellary (Hospet) in Karnataka, Chennai (Ennore) in Tamil Nadu, Jammu in Jammu & Kashmir	100.00	4.87	100.00
8	Improving health of communities through medical camps and other measures	Health	East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Chennai (Ennore) and Vellore (Ranipet) in Tamil Nadu and Bharuch (Ankleshwar) in Gujarat	13.50	11.32	13.50
9	Contribution to increasing green cover	Environment Sustainability	Visakhapatnam in Andhra Pradesh	50.00	10.54	49.68
<b>Sub total- (B)</b>				<b>474.10</b>	<b>105.25</b>	<b>473.23</b>
<b>(iii) Amount spent on CSR Projects committed during the year 2018-19</b>						
Sl.No.	CSR Project/ activity identified	Sector in which the project is covered	Name of the District/s, State/s where project/ programme was undertaken	Amount budgeted	Amount spent in 2018-19	Cumulative spend upto 31 March 2019
1	Contribution to Udbhav School	Education	Hyderabad in Telangana	45.00	45.00	45.00
2	Coromandel Girl Child Education Scheme	Education	Srikakulam, Prakasam, East Godavari (Kakinada), Kadapa and Visakhapatnam in Andhra Pradesh, Mahbubnagar, Karimnagar, Nirmal in Telangana, Valsad (Sarigam) Bharuch (Ankleshwar) in Gujarat, Bellary (Hospet) in Karnataka, Jhagaram in West Bengal	60.00	33.64	33.64
3	Contribution to Balavidyalaya- Supporting children with hearing impairment	Education	Chennai, Tamil Nadu	18.00	18.00	18.00
4	Improving health conditions for communities through the provision of basic medical services in Ennore, Vizag, Kakinada & Sarigam	Health	Chennai (Ennore) in Tamil Nadu, East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Valsad (Sarigam) in Gujarat	92.00	72.68	72.68

## Annexure H (Contd.)

SI.No.	CSR Project/ activity identified	Sector in which the project is covered	Name of the District/s, State/s where project/ programme was undertaken	Amount budgeted	Amount spent in 2018-19	Cumulative spend upto 31 March 2019	Amount spent directly/ through implementing agency (₹ in Lakhs)
5	Improving government health facilities in Kakinada	Health	East Godavari, Andhra Pradesh	8.00	-	-	Directly
6	Improving health of communities through medical camps and other measures	Health	East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Bharuch (Ankleshwar) in Gujarat, Chennai (Ennore), Vellore (Ranipet) in Tamil Nadu, Meerut in Uttar Pradesh	25.00	12.18	12.18	Directly
7	Contribution to Hrudaya Cure a Little Heart Foundation	Health	Hyderabad, Telangana	30.00	30.00	30.00	Implementing agency
8	Establishment of Hospital at Kakinanda	Health	East Godavari, Andhra Pradesh	68.00	68.00	68.00	Directly/ Implementing agency
9	Community Development projects	Empowerment	East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Valsad (Sarigam) and Bharuch (Ankleshwar) in Gujarat, Hospet in Karnataka, Jammu in Jammu & Kashmir, Chennai (Ennore), and Vellore (Ranipet) in Tamil Nadu	142.00	106.78	106.78	Directly
10	Supporting livelihood opportunities to women farmers	Rural Development	Mahbubnagar, Telangana	20.00	15.76	15.76	Implementing agency
11	Skill development in retail and agri skills	Skill Development	Hyderabad, Telangana	75.00	28.92	28.92	Implementing agency
12	Scholarships for Class XI students	Education	Visakhapatnam and East Godavari (Kakinada) in Andhra Pradesh, Chennai (Ennore) in Tamil Nadu	10.00	-	-	Directly
13	Contribution to wards Nature Conservation	Environment Sustainability	Chennai and Kanyakumari in Tamil Nadu.	50.00	42.59	42.59	Implementing agency
14	Contribution towards meeting running expenses of Murugappa Polytechnic College	Education	Chennai, Tamil Nadu	30.00	30.00	30.00	Implementing agency

**Annexure H (Contd.)**

(₹ in Lakhs)

Sl.No.	CSR Project/ activity identified	Sector in which the project is covered	Name of the District/s, State/s where project/ programme was undertaken	Amount budgeted	Amount spent in 2018-19	Cumulative spend upto 31 March 2019	Amount spent directly/ through implementing agency
15	Contribution towards construction and improvement of Sir Ivan Stedeford Hospital	Health	Chennai, Tamil Nadu	520.00	520.00	520.00	Implementing agency
16	Contribution towards meeting running expenses of AMM Hospital	Health	Sivaganga, Tamil Nadu	55.00	55.00	55.00	Implementing agency
17	Contribution towards meeting running expenses of AMM Arunachalam Hospital	Health	Cuddalore, Tamil Nadu	80.00	80.00	80.00	Implementing agency
18	Provision of safe drinking water in schools and communities	Health	Prakasam, Nellore, Kurnool and East Godavari in Andhra Pradesh	20.00	20.00	20.00	Implementing agency
19	Contribution to increasing green cover in Visakhapatnam	Environment Sustainability	Vishakhapatnam in Andhra Pradesh	50.00	-	-	Directly and implementing agency
20	Mobile health care program	Health	Valsad in Gujarat	33.00	33.00	33.00	Implementing agency
21	Studies on Water related – Eco Sanitation and Safe Drinking Water	Health	Kancheepuram, Villupuram, Sivaganga, Karur, Dindigul and Coimbatore in Tamil Nadu	57.00	57.00	57.00	Implementing agency
22	Expenditure towards administration expenses	Overheads		60.00	60.00	60.00	
<b>Sub- total (C)</b>				<b>1,548.00</b>	<b>1,328.54</b>	<b>1,328.54</b>	
<b>Total amount spent during the year (A+B+C)</b>				<b>1,438.04</b>			

6 Shortfall in amount spent on CSR projects during the year was mainly due to delay in identification of students / beneficiaries under newly expanded scholarship program and the skill development program, coupled with few unforeseen delays in the execution of some of the projects, including receipt of approval from concerned authorities for green plantation in the identified areas. All the unspent amount is carried forward to the following years(s) and spent on the same / similar projects.

7 The implementation of and monitoring of CSR policy, is in compliance with CSR Objectives and Policy of the Company.

**Sameer Goel**  
Managing Director

**Sumit Bose**  
Chairperson-CSR Committee

Place: Secunderabad  
Date: 23 April, 2019

# REPORT ON CORPORATE GOVERNANCE

## Annexure-I

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), compliance with the requirements of Corporate Governance is set out below:

### Company's Philosophy

Coromandel International Limited ("the Company"/"Coromandel"), a constituent of the Murugappa Group, is committed to the highest standards of corporate governance in all its activities and processes.

Coromandel looks at corporate governance as the corner stone for sustained superior financial performance, for serving all its stakeholders and for instilling pride of association. Apart from drawing on the various legal provisions, the Group practices are continuously benchmarked in terms of the best business practices. The entire process begins with the functioning of the Board of Directors ('Board'), with leading professionals and experts serving as Independent Directors and represented in various Board Committees. Systematic attempt is made to eliminate informational asymmetry between Executive and Non-Executive Directors. Coromandel's commitment to ethical and lawful business conduct is a fundamental value shared by Board of Directors, the senior management and all other employees of the Company.

Key elements of corporate governance are transparency, internal controls, risk management, internal and external communications, high standards of safety, health, environment, accounting fidelity and product & service quality. The Board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes/mechanisms to serve this purpose.

The following is a report on the Corporate Governance.

### 1. Board of Directors

#### • Composition and size of the Board

The Board of Directors, as at the end of the year on 31 March, 2019, comprised of ten Directors of which Managing Director is an Executive Director. Out of nine Non-Executive Directors, five are Independent Directors and four are Non-Independent Directors. One Independent Director is a Woman Director. The Independent Directors have been issued formal letter of appointment and the terms and conditions of their appointment have been disclosed on the website of the Company. The Independent Directors have given declarations to the Company about their independence to enable the Board for determining its composition as

envisaged in Regulation 17 of the Listing Regulations and further confirming compliance as per Section 149 of the Companies Act, 2013 read with the Rules made thereunder.

The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. All material information is circulated to the Directors, including minimum information that are required to be made available to the Directors under Part A of Schedule II of the Listing Regulations.

During the year, Mrs. Nirupama Rao resigned as Non-Executive Independent Director from the Board w.e.f. 31 May, 2018. Ms. Aruna B. Advani has been appointed as Independent Director (Additional Director) w.e.f. 30 August, 2018. Dr. R Nagarajan and Mr. K V Parameshwar have been appointed in the Board as Independent Directors (Additional Directors) w.e.f. 01 October, 2018.

Dr. B V R Mohan Reddy was appointed as an Independent Director of the Company for a period of 5 years w.e.f. 23 July, 2014. In view of the amendment made in the SEBI Listing Regulations, Dr. B V R Mohan Reddy ceased to be an Independent Director w.e.f. 01 October, 2018 and continued as Non-Independent Director on the Board.

#### • Board Meetings and Attendance

Five Board Meetings were held during the year as against the minimum requirement of four meetings. The dates on which the meetings were held are as follows:

Sl. No.	Date of Meeting	Board Strength	No. of Directors present
1.	24 April, 2018	8	7
2.	27 July, 2018	7	7
3.	26 October, 2018	10	9
4.	21 January, 2019	10	10
5.	15 March, 2019	10	10

- Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM), and the number of Directorship, Membership and Chairmanship in Committees of other companies are given below:

**Annexure I (Contd.)**

Name and Designation of the Director	Category of Directorship	Attendance particulars		No. of other Directorships and Committee Memberships / Chairmanship		
		Board Meetings	Last AGM	Directorships in other public companies as on 31 March, 2019*	Committee** Member	Chairman
Mr. M M Murugappan Chairman	Non-Executive Promoter	5	Yes	8	5	3
Mr. V Ravichandran Vice Chairman	Non-Executive	5	Yes	4	1	1
Mr. Prasad Chandran Director	Non-Executive & Independent	5	Yes	2	2	1
Dr. B V R Mohan Reddy Director <sup>#</sup>	Non-Executive	5	Yes	2	1	Nil
Mr. M M Venkatachalam Director	Non-Executive & Promoter	4	Yes	7	6	2
Mr. Sumit Bose Director	Non-Executive & Independent	5	Yes	4	4	2
Mrs. Nirupama Rao Director <sup>@</sup>	Non-Executive & Independent	Nil	NA	-	-	-
Ms. Aruna B. Advani Additional Director <sup>##</sup>	Non-Executive & Independent	3	NA	4	2	Nil
Dr. R Nagarajan Additional Director <sup>###</sup>	Non-Executive & Independent	3	NA	1	1	Nil
Mr. K V Parameshwar Additional Director <sup>###</sup>	Non-Executive & Independent	3	NA	Nil	Nil	Nil
Mr. Sameer Goel Managing Director	Executive	5	Yes	Nil	Nil	Nil

\* Excludes Directorships in private, foreign and Section 8 companies.

\*\* Represents Memberships of Audit and Stakeholder Relationship Committee of Public Limited Companies.

<sup>@</sup> Mrs. Nirupama Rao resigned from the Board w.e.f. 31 May, 2018.

<sup>#</sup> Dr. B V R Mohan Reddy ceased to be an Independent Director w.e.f. 01 October, 2018 and continued as Non-Independent Director on the Board.

<sup>##</sup> Ms. Aruna B. Advani was appointed as Independent Director w.e.f. 30 August, 2018.

<sup>###</sup> Dr. R Nagarajan and Mr. K V Parameshwar were appointed as Independent Director w.e.f. 01 October, 2018.

Mr. M M Venkatachalam and Mr. M M Murugappan are related to each other and none of the other Directors of the Company are, inter-se, related to each other.

**Details of Directorship in other Listed entities as on 31 March, 2019:**

	Name of the Listed Entity	Category
Mr. M M Murugappan	Carborundum Universal Limited	Non-Executive & Promoter; Chairman
	Tube Investments of India Limited	Non-Executive & Promoter; Chairman
	Cholamandalam Financial Holdings Limited	Non-Executive & Promoter; Chairman (Additional Director)

## Annexure I (Contd.)

	Name of the Listed Entity	Category
	Mahindra & Mahindra Limited	Non-Executive & Independent
	Cholamandalam Investment and Finance Company Limited	Non-Executive & Promoter Chairman
	Cholamandalam MS General Insurance Company Limited	Non-Executive & Chairman
	Cyient Limited	Non-Executive
Mr. V Ravichandran	E.I.D Parry (India) Limited	Non- Executive, Chairman
	Cholamandalam Financial Holdings Limited	Non-Executive (Additional Director)
Mr. Prasad Chandran	HDFC Life Insurance Company Limited	Non-Executive & Independent
Dr. B V R Mohan Reddy	Cyient Limited	Executive, Chairman
Mr. M M Venkatachalam	E.I.D Parry (India) Limited	Non-Executive - Non Independent
	The Ramco Cements Limited	Non-Executive - Independent
	Ramco Systems Limited	Non-Executive - Independent
Mr. Sumit Bose	HDFC Life Insurance Company Limited	Non-Executive - Independent
	BSE Limited	Non-Executive - Independent
	Oil and Natural Gas Corporation Limited	Non-Executive - Independent
Ms. Aruna B. Advani	Ador Welding Limited	Executive & Chairperson
Dr. R Nagarajan	-	-
Mr. K V Parameshwar	-	-
Mr. Sameer Goel	-	-

- The Board composition of your Company encompasses right mix of skill and competencies, namely Directors having experience and expertise in general management, business strategy, corporate strategy, governance practices, etc. All the Directors have the ability to make points succinctly and effectively at Board Meetings.
- Mrs. Nirupama Rao, Non-Executive Independent Director resigned from the Board w.e.f. 31 May, 2018 due to overwhelming preoccupation with the research and writing of her book on India's China relationship.

- Independent Directors Meeting**

A Meeting of the Independent Directors, chaired by Mr. Sumit Bose, was held on 15 March, 2019 which was attended by all the Independent Directors. The Independent Directors have evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company. The Board was briefed on the deliberations made at the Independent Directors Meeting. The details of Familiarisation Program imparted to Independent Directors of the Company are available on website of the Company at [https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/IndependentDirectorsFamiliarisationProgramme\\_2019.pdf](https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/IndependentDirectorsFamiliarisationProgramme_2019.pdf)

- Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and CSR Committee. Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of participation in the meetings and contribution, independence of judgments, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. During such evaluation, the Director whose performance was evaluated was not present at the meeting. The performance evaluation of the Chairman

**Annexure I (Contd.)**

and the Non-Independent Directors was carried out by the Independent Directors.

**2. Audit Committee**

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations and, *inter alia*, includes:

- a) To hold periodic discussions with the Statutory Auditor's and Internal Auditors of the Company concerning the financial reports of the Company, internal control systems, scope of audit and observations of the Auditors / Internal Auditors and overseeing that the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) To call for the comments of the auditor's about internal control systems, scope of audit, including the observations of the auditor's and review of financial statements before their submission to the Board and also discuss any related issues with the internal and statutory auditor's and the management of the Company;
- c) To evaluate internal financial controls and risk management systems;
- d) To, *inter alia*, review Management Discussion and Analysis of financial condition and results of operations, Statement of Related Party Transactions submitted by the management before submission to the Board;
- e) To investigate into any matter in relation to the items referred to it by the Board and for this purpose obtain professional advice from external sources.
- f) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- g) To approve Related Party Transactions.
- h) Reviewing the functioning of the Whistle Blower mechanism;
- i) Recommending the appointment, re-appointment, and if required, the replacement or removal of the statutory auditor's and fixation of audit fee and approval for payment for any other services.

**• Composition, Meetings and Attendance**

The Audit Committee as at the end of the year 31 March, 2019 consisted of 6 (six) Directors of which 4 (four) were Independent Directors. Details of attendance of the Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Mr. Sumit Bose	Chairman	Non-Executive & Independent	5
Dr. B V R Mohan Reddy	Member	Non-Executive	5
Mr. M M Venkatachalam	Member	Non-Executive	4
Mr. Prasad Chandran	Member	Non-Executive & Independent	5
Ms. Aruna B. Advani*	Member	Non-Executive & Independent	3
Mr. K V Parameshwar*	Member	Non-Executive & Independent	3

\* Nominated as a member of the Committee w.e.f. 13 October, 2018

Five Audit Committee Meetings were held during the year. The dates on which the meetings were held are 23 April, 2018; 27 July, 2018; 26 October, 2018; 21 January, 2019 and 15 March, 2019.

The Company Secretary is the Secretary of the Committee. The Managing Director, Chief Financial Officer, Executive Vice Presidents, Associate Vice President-Management Audit and Risk Management, along with the Statutory Auditor's are invitees to the Audit Committee Meetings. Cost Auditors are invited to the meeting as and when required.

The Chairman of the Audit Committee, Mr. Sumit Bose, was present at the Annual General Meeting of the Company held on 27 July, 2018.

**3. Nomination and Remuneration Committee**

**Terms of Reference**

The terms of reference of Nomination and Remuneration Committee *inter alia*, includes:

- Formulate the criteria for appointment of Directors/ Senior Management including determining qualifications, positive attributes and independence of Directors.
- Recommend to the Board any new appointment(s) including re-appointment(s) and the tenure of office, whether of Executive or of Non-Executive Directors and Senior Management.
- Recommend the remuneration package and any compensation payment, of the Managing / Whole time Director(s)/Senior Management.
- Formulate the criteria for evaluation of Independent Directors and Board.
- Determine the increments in salary of the Managing / Whole-time Director(s).

**Annexure I (Contd.)**

- Determine the annual incentives of the Managing / Whole-time Director(s).
- Determine the minimum remuneration of the Managing / Whole-time Director(s) in the event of inadequacy of profits.
- Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Recommend to the Board, all remuneration in whatever form, payable to the Senior Management.
- The Committee also administers the Employee Stock Option Schemes.
- Exercise any other powers as may be conferred by the Board.

**Composition, Attendance and Meetings**

- Details of the composition of the Nomination and Remuneration Committee and attendance of Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Mr. Sumit Bose@	Chairman	Non-Executive & Independent	3
Dr. B V R Mohan Reddy@	Member	Non-Executive	3
Mr. M M Venkatachalam	Member	Non-Executive	3
Ms. Aruna B. Advani*	Member	Non-Executive & Independent	1

@ Mr. Sumit Bose has been nominated as Chairman in place of Dr. B V R Mohan Reddy w.e.f. 13 October, 2018

\* Nominated as a member of the Committee w.e.f. 13 October, 2018

- Three Meetings of the Nomination and Remuneration Committee were held during the year. The dates on which the meetings were held are 24 April, 2018; 27 July, 2018 and 21 January, 2019.

**4. Remuneration to Directors****Executive Director**

- The compensation of the Executive Director comprises of fixed component and a performance incentive/ commission. The compensation is determined based on levels of responsibility and scales prevailing in the industry. The performance incentive/commission is determined based on certain pre-agreed performance parameters.

- The Executive Director is not paid sitting fees for any Board/ Committee meetings attended by him.

**Non-Executive Directors**

- The compensation of the Non-Executive Directors is in the form of commission paid out of profits. Though the shareholders have approved payment of commission upto 1% of net profits of the Company for each year calculated as per the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the commission paid to the Directors is usually restricted to a fixed sum, which is within the limits.
- The sitting fees/commission is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the directors for attending to the affairs and business of the Company and extent of responsibilities cast on directors under general law and other relevant factors. Depending on the time and efforts put in by the directors towards the affairs of the Company, the directors are also paid a differential remuneration. The aggregate commission paid to all Non-Executive Directors currently is well within the limit of 1% of net profits as computed in the manner laid down in Section 198 of the Companies Act, 2013, and as approved by the shareholders. The Non-Executive Directors are also paid sitting fees as permitted under the relevant statutory provisions for every Board/ Committee meeting attended by them.

**Shareholdings**

The details of Shareholdings of the Non-Executive Directors in the Company as at 31 March, 2019 are as follows:

Name	No. of Shares
Mr. M M Murugappan	Nil
Mr. V Ravichandran	129,670
Mr. Prasad Chandran	Nil
Dr. B V R Mohan Reddy	48,000
Mr. M M Venkatachalam	62,283
Mr. Sumit Bose	Nil
Ms. Aruna B. Advani	Nil
Dr. R Nagarajan	Nil
Mr. K V Parameshwar	Nil

**Annexure I (Contd.)**
**Details of remuneration paid to the Directors for the year :**

- The details of remuneration paid/payable to the Managing Director for the financial year ended 31 March, 2019 is as follows:

(Amount in ₹)	
Name	Mr. Sameer Goel Managing Director
Salary	3,12,63,576
Contribution to Funds	59,35,818
Value of Perk & Allowances	41,388
Incentives	1,11,87,571
<b>Total</b>	<b>4,84,28,353</b>

Mr. Sameer Goel was appointed as Managing Director of the Company for a period of five years from 1 October, 2015 to 30 September, 2020. Notice period for termination of contract of service is 3 months. No severance pay is payable.

A sum of ₹ 99,20,005/- was paid during the year towards incentives for the year 2017-18, as against ₹ 1,01,90,343/- provided in the accounts for the year.

- During the year 2007-08, Mr. V Ravichandran the then Managing Director was granted 9,67,000 Options, pursuant to Employee Stock Option Scheme 2007 at an exercise price of ₹ 44.58 per equity share. The first vesting was exercisable over a period of three years from the date of vesting. The second, third and fourth vesting were exercisable over a period of 6 years from the date of vesting. The following is the summary of Options granted to Mr. V Ravichandran:

Options Granted	9,67,000
Options Vested	9,37,990
Options cancelled	29,010
Options Lapsed	Nil
Options Exercised	9,37,990
Balance Outstanding	Nil

- During the year 2016-17, Mr. Sameer Goel, the Managing Director was granted 6,56,900 Options, pursuant to Employee Stock Option Scheme 2016 at an exercise price of ₹ 319.65 per equity share. The following is the summary of Options granted to Mr. Sameer Goel:

Options Granted	6,56,900
Options Vested	2,62,760
Options cancelled	Nil
Options Lapsed	Nil
Options Exercised	Nil
Balance Outstanding (vested options)	2,62,760

- The details of sitting fees paid and commission payable to Non-Executive Directors for the financial year ended 31 March, 2019, are as under:

**(Amount in ₹)**

Non-Executive Directors	Sitting Fees <sup>@</sup>	Commission <sup>@</sup>
Mr. M M Murugappan	1,25,000	2,00,00,000
Mr. V Ravichandran	2,15,000	7,50,000
Mr. Prasad Chandran	3,25,000	7,50,000
Dr. B V R Mohan Reddy	3,10,000	7,50,000
Mr. M M Venkatachalam	2,60,000	7,50,000
Mr. Sumit Bose	3,25,000	7,50,000
Ms. Aruna B. Advani*	1,65,000	4,39,726
Dr. R Nagarajan**	75,000	3,73,973
Mr. K V Parameshwar**	1,50,000	3,73,973
Mrs. Nirupama Rao	-	1,25,342

\* Appointed as Additional Director (Independent Director) w.e.f. 30 August, 2018

\*\* Appointed as Additional Director (Independent Director) w.e.f. 01 October, 2018

<sup>@</sup> Excludes Goods and Services tax

**5. Stakeholders Relationship Committee**

Two meetings of the Stakeholders Relationship Committee were held during the year on 26 October, 2018 and 15 March, 2019.

- Details of the composition of the Stakeholders Relationship Committee and attendance of Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Mr. Prasad Chandran	Chairman	Non-Executive & Independent	2
Mr. V Ravichandran	Member	Non-Executive	2
Mrs. Nirupama Rao <sup>@</sup>	Member	Non-Executive & Independent	-
Mr. Sameer Goel	Member	Executive	2

<sup>@</sup> Resigned w.e.f. 31 May, 2018

- Name, designation and address of the Compliance Officer:  
Mr. P Varadarajan  
Company Secretary  
Coromandel International Limited  
Coromandel House, 1-2-10 Sardar Patel Road  
Secunderabad – 500 003  
Phone: +91 40 6699 7000 / 7300 / 7500  
Fax: 040 27844117  
Email ID: [investorgrievance@coromandel.murugappa.com](mailto:investorgrievance@coromandel.murugappa.com)
- During the year, the Company had received 23 complaints from the investors and all of them were resolved

**Annexure I (Contd.)**

satisfactorily. There were no complaints pending at the end of the financial year.

- In order to facilitate faster redressal of investors' grievances the Company has created an exclusive email ID "[investorsgrievance@coromandel.murugappa.com](mailto:investorsgrievance@coromandel.murugappa.com)". Investors and shareholders may lodge their query/complaints addressed to this email ID which would be attended immediately.

**6. Risk Management Committee**

The Risk Management Committee as at the end of the year consists of 3 Directors. Two meetings of the Risk Management Committee were held during the year on 21 May, 2018 and 21 November, 2018. Details of composition and attendance of Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Mr. Prasad Chandran	Chairman	Non-Executive & Independent	2
Mr. Sameer Goel	Member	Executive	2
Mr. V Ravichandran	Member	Non-Executive	1

**7. Corporate Social Responsibility Committee**

Two meetings of the Corporate Social Responsibility Committee were held during the year on 23 April, 2018 and 26 October, 2018.

Details of the composition of the Corporate Social Responsibility Committee and attendance of Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Mr. Sumit Bose	Chairman	Non-Executive & Independent	2
Mr. M M Venkatachalam	Member	Non-Executive	1
Mr. V Ravichandran	Member	Non-Executive	2
Mr. Sameer Goel	Member	Executive	2

The details of the CSR Activities of the Company as per the CSR Policy are provided as *Annexure H* to the Directors Report.

**8. Banking and Borrowing Committee**

The Board, at its meeting held on 24 April, 2018, has constituted Banking and Borrowing Committee and authorised the Committee to review and approve availing of borrowing upto ₹ 500 Crore.

The Committee consists of 3 members. Dr. B V R Mohan Reddy, Chairman and Mr. V Ravichandran and Mr. Sameer

Goel, are the other two members of the Committee. First meeting of the Committee was held on 04 March, 2019 and the same was attended by all the three members.

**9. Subsidiary Companies**

The Company does not have any material unlisted Indian subsidiary in terms of Regulation 24 of the Listing Regulations. The Minutes of the Meetings of Board of Directors of all the subsidiary companies are periodically placed before the Board of Directors of the Company. The Policy on Material Subsidiary is available on the website of the Company at [https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/PolicyOnMaterialSubsidiaries\\_2019.pdf](https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/PolicyOnMaterialSubsidiaries_2019.pdf)

**10. General Body Meetings**

Location and date/time for last three Annual General Meetings were:

Year	Location	Date	Time
2015-16	Hotel Minerva Grand, CMR Complex, Beside Manju Theatre, Sarojini Devi Road, Secunderabad	26 July, 2016	10.30 AM
2016-17		28 July, 2017	10.30 AM
2017-18		27 July, 2018	10.30 AM

**Postal Ballot**

At the ensuing Annual General Meeting, there is no item on the Agenda that requires approval through Postal Ballot.

**Special Resolutions passed during the previous three Annual General Meetings**

No Special resolution was passed during the past three financial years 2015-16, 2016-17 and 2017-18.

**Details of Ordinary Resolutions passed during the year through postal ballot**

During the year under review, no resolutions were passed through Postal Ballot.

**10a. Details of Directors seeking appointment / re-appointment:**

As per the provisions of Section 152 of the Companies Act, 2013, two-thirds of the Directors should be retiring Directors. One-third of these retiring Directors are required to retire every year and if eligible, these Directors qualify for re-appointment. Mr. V Ravichandran retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Dr. B V R Mohan Reddy was appointed as an Independent Director of the Company for a period of 5 years w.e.f. 23 July, 2014. In view of the amendment made in the SEBI (LODR) Regulations, Dr. B V R Mohan Reddy ceased to be an Independent Director w.e.f. 01 October, 2018 and continued as Non-Independent Director on the Board. He is eligible for appointment as a Director, liable to retire by rotation.

**Annexure I (Contd.)**

Mr. Prasad Chandran was appointed as an Independent Director of the Company for a period of 5 years w.e.f. 23 July, 2014 and his term of five years as an Independent Director ends on 22 July, 2019. As per provisions of Section 149 of the Companies Act, 2013, Mr. Prasad Chandran is eligible for reappointment as an Independent Director by passing special resolution.

Ms. Aruna B. Advani, Dr. R Nagarajan and Mr. K V Parameshwar were appointed as an Additional Directors (Non-Executive, Independent) during the financial year 2018-19 and they are holding office till the date of the ensuing Annual General Meeting.

Notices have been received from members proposing the appointment of Ms. Aruna B. Advani, Dr. R Nagarajan, Mr. K V Parameshwar, Mr. Prasad Chandran and Dr. B V R Mohan Reddy at the ensuing Annual General Meeting and their appointment / re-appointment have been recommended by the Nomination and Remuneration Committee.

Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are not related to each other or any other Director in the Company.

Brief resume and profile of the director seeking appointment / re-appointment along with the additional information required as per Regulation 36(3) of the Listing Regulations is given below:

**Mr. V Ravichandran**

Mr. V Ravichandran, aged 62 years, is an Engineering Graduate and holds a Post Graduate Diploma in Management from IIM, Ahmedabad. He is also a qualified CMA and CS. Having served Ashok Leyland early in his career, he joined Murugappa Group and worked in Parry Group of Companies mainly in the fields of Finance and Marketing. He served as the Whole Time Director/ Managing Director of Coromandel International Limited during 2004-2010. Currently, he is also serving as Lead Director (Fertilisers & Sugars) on the Murugappa Corporate Advisory Board and is the Chairman of E.I.D Parry (India) Ltd. He is also on the Board of Cholamandalam Financial Holdings Limited.

**Dr. B V R Mohan Reddy**

Dr. B V R Mohan Reddy, aged 68 years, holds a degree in Mechanical Engineering from the College of Engineering, Kakinada and post graduate degrees from IIT, Kanpur and University of Michigan, U.S.A. He is the Founder and Executive Chairman of Cyient Limited. He is also the Founding Director of T-Hub, the largest start-up incubation centre in India. He is currently the Chairman of the Board of Governors of IIT-Hyderabad, a member on the Board of National Skill Development Corporation (NSDC), and member of Court of Governors of Administrative Staff College of India (ASCI). He is a proud recipient of an Honorary Doctorate from JNTU, Hyderabad; distinguished Alumnus Award from IIT Kanpur, ASME (American Society of Mechanical Engineers) CIE Leadership Award for outstanding leadership in advancing the use of computers in Information Engineering and Life Time Achievement Award from Hyderabad Management Association. He was also awarded with

"Padma Shri Award 2017", Trade and Industry. He has served as the Chairman of NASSCOM and CII, Southern Region.

**Mr. Prasad Chandran**

Mr. Prasad Chandran, aged 67 years, holds a bachelor's degree in Chemistry from Bombay University and a MBA from University Business School, Chandigarh. He pursued advanced management education in Wharton Business School, University of Pennsylvania, and AOTS from Tokyo University, Japan. Mr. Prasad Chandran is the former Chairman and Managing Director of BASF India Limited and former President of IGCC (Indo German Chamber). He was also Chairman of Ciba India Limited, Cyanamid India Limited and Pushpa Polymers. He is the Founder Chairman of SEEGOS – a Social Enterprise for promoting Ethics and fighting Corruption. He is actively involved with various policy making bodies of the Government and Industry Associations for promoting Ethics in business and supporting anti-corruption legislations in accordance with international protocols and laws. Currently, he is serving on the boards of HDFC Pension Management Company Limited and HDFC Life Insurance Company Limited as an Independent Director.

**Ms. Aruna B. Advani**

Ms. Aruna B. Advani, aged 64 years, is a Science Graduate (Hons) from University of Sussex and has also done Owners Management Programme from Harvard Business School and Strategic Financial Planning from IIM, Ahmedabad. She is the Executive Chairman of Ador Welding Limited (AWL). She is associated with AWL for over 40 years and is on its Board as Chairman and Whole Time Director since 1999. She has vast experience in the area of General Management and Strategic Financial Planning. She is also on the Board of Metro Brands Limited and Ador Powertron Limited.

**Dr. R Nagarajan**

Dr. R Nagarajan, aged 60 years, is currently Professor in the Department of Chemical Engineering at IIT Madras, and recently stepped down after two terms as the Dean of International & Alumni Relations. He obtained his B.Tech. in Chemical Engineering in 1981 from IIT Madras, and a Ph.D. in the same field from Yale University (New Haven, CT, USA) in 1986. From 1986 - 1988, he served as Research Faculty in the Department of Mechanical & Aerospace Engineering at West Virginia University, Morgantown, WV; From 1988 – 2003, he was a Senior Technical Staff Member with IBM Storage Systems' Development Laboratory in San Jose, CA. Dr. Nagarajan joined IIT Madras as Professor in February 2004. His teaching and research endeavors are focused on cleanroom processes, nano-technology and ultrasonic process-intensification. In April 2018, Dr. Nagarajan was named as an "Institute Chair Professor" by IIT Madras.

**Mr. K V Parameshwar**

Mr. K V Parameshwar, aged 58 years, is a Chartered Accountant and holds a Post Graduate Diploma in Management from IIM Ahmedabad. He started his career in Asian Paints Limited and thereafter worked with Citigroup for twenty years in multiple roles in India, Australia, South

**Annexure I (Contd.)**

Korea, UAE and the UK. His last role in Citigroup was as the Regional Chief Financial Officer for the Europe and Middle East division for the Consumer Bank. He then moved as the CFO of a start-up financial services entity- Dunia Group in the UAE from 2010 till early 2018. He has more than 30 years of experience and expertise in Business and Financial Management including Control, Reporting, Taxation, Treasury and Legal. He is currently the Finance Director of the Wildlife Conservation Society - India and an Advisor to TallyX - a Global block-chain based platform for Trade and Supply Chain Finance.

**10b. Other Directorships**

The details of other Directorships and Committee Memberships of the above-referred directors are as follows:

**Mr. V Ravichandran**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
E.I.D Parry (India) Limited	Chairman	Stakeholders Relationship Committee	Chairman
		Nomination and Remuneration Committee	Member
		Risk Management Committee	Member
		CSR Committee	Member
Parry Sugars Refinery India Private Limited	Director	---	---
Parry Infrastructure Company Private Limited	Director	---	---
Cholamandalam Financial Holdings Limited	Additional Director	---	---

**Dr. B V R Mohan Reddy**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
Cyient Limited	Executive Chairman	Stakeholders Relationship Committee	Member
		CSR Committee	Member
Vizag IT Park Limited	Director	---	---

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
T-Hub Foundation	Director	Nomination and Remuneration Committee	Member
National Skill Development Corporation	Director	Nomination and Remuneration Committee	Member
Cyient Urban Micro Skill Centre Foundation	Director	---	---

**Dr. Prasad Chandran**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
HDFC Life Insurance Company Limited	Director	Audit Committee	Member
		Nomination and Remuneration Committee	Member
HDFC Pension Management Company Limited	Director	Audit Committee	Chairman
		Nomination and Remuneration Committee	Member
		Risk Management Committee	Member

**Ms. Aruna B. Advani**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
Ador Welding Limited	Executive Chairman	CSR Committee	Member
Metro Brands Limited (formerly known as Metro Shoes Limited)	Director	Audit Committee	Member
		Nomination and Remuneration Committee	Member

**Annexure I (Contd.)**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
Ador Powertron Limited	Director	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		CSR Committee	Member
Ador Welding Academy Private Limited	Director	---	---

**Dr. R Nagarajan**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
Indian Additives Limited	Director	Audit Committee	Member
		Nomination and Remuneration Committee	Member

**Mr. K V Parameshwar**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
Wildlife Conservation Society – India	Director	---	---

Note: Includes only public limited companies & Section 8 companies as defined in the Companies Act, 2013.

**10c. Shareholding of the Directors seeking appointment/ re-appointment as on 31 March, 2019:**

Name	Category	No. of Shares
Mr. V Ravichandran	Non-Executive, Non-Independent	129,670
Dr. B V R Mohan Reddy	Non-Executive, Non-Independent	48,000
Mr. Prasad Chandran	Non-Executive, Independent	-
Ms. Aruna B. Advani	Non-Executive, Independent	-
Dr. R Nagarajan	Non-Executive, Independent	-
Mr. K V Parameshwar	Non-Executive, Independent	-

**11. Disclosures**
**• CEO and CFO Certification**

The Managing Director and the Chief Financial Officer of the Company have given a Certificate to the Board as contemplated in Regulation 17 of the Listing Regulations.

**• Related Party Transactions**

There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are repetitive in nature. The related party transactions entered into are reviewed by an independent audit firm to confirm that they were in the ordinary course of business and at arm's length basis. A statement of related party transactions is placed before the Audit Committee and Board on quarterly basis.

Transactions with the Related Parties as required under Indian Accounting Standard (Ind AS) – 24, Related Party Transactions, are disclosed in Note No. 41 of the financial statements forming part of this Annual Report.

The Company has framed a Policy on Related Party transactions and the same is available on website of the Company at [https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/PolicyOnRelatedPartyTransactions\\_2019.pdf](https://coromandel.biz/pdf/2018-2019/InvestorsInformation/PoliciesAndCodes/PolicyOnRelatedPartyTransactions_2019.pdf)

**• Compliance**

A Statement of Compliance with all Laws and Regulations as certified by the Managing Director, Chief Financial Officer and the Company Secretary is placed at periodic intervals for review by the Board. The Board considers material Show Cause/Demand Notices received from Statutory Authorities and the steps/action taken by the Company in this regard. The Board reviews the compliance of all the applicable Laws and gives appropriate directions wherever necessary.

**• Code of Conduct**

The Board of Directors has laid-down a 'Code of Conduct' (Code) for all the Board Members and the senior management personnel of the Company and this Code is posted on the Website of the Company. Annual declaration is obtained from every person covered by the Code.

**• Risk Management**

The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.

A Risk Management Committee, constituted by the Board comprised of Mr. Prasad Chandran, Independent Director and Chairman of the Committee, Mr. V Ravichandran, Vice Chairman and Mr. Sameer Goel, Managing Director. This Committee is empowered to monitor the Risk management and their mitigation processes.

**Annexure I (Contd.)**

A detailed note on the risk identification and mitigation is included in Management Discussion and Analysis annexed to the Directors Report.

- **Vigil Mechanism**

The Company has established a whistle blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimisation of employees who avail of it and also for appointment of an Ombudsman who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairman of the Audit Committee. During the year, no employee was denied access to Chairman of the Audit Committee.

- **Pecuniary transactions with Non-Executive Directors**

There were no pecuniary transactions with any of the Non-Executive Directors except for Remuneration/Sitting Fees/Commission paid to them as Directors of the Company.

- **Strictures/Penalty**

There were no strictures or penalties imposed on the Company

by either Stock Exchanges or Securities and Exchange Board of India or any statutory authority for non-compliance on any matter related to capital markets during the past three years, except for the year 2017-18 wherein SEBI has passed an Order against Liberty Urvarak Limited (LUL), a Company which has since been merged into the Company, levying a penalty of Rs. 2 lakh for delay in making disclosure under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 in respect of acquisition of shares of Liberty Phosphate Limited (LPL) in the year 2012, before LPL and LUL was acquired by the Company. The penalty amount has been paid by the erstwhile promoters of LUL.

- **Management Discussion and Analysis**

Management Discussion & Analysis is annexed to the Directors' Report which forms part of this Annual Report.

## 12. Means of Communication

Quarterly results are published in The Business Line (all editions) and Andhra Prabha (Hyderabad Edition). The results are also posted on the Company's Website: <https://coromandel.biz/>. Official press releases, letters sent to Stock Exchanges and presentation made to the Analysts are all also posted on the Company's Website.

**13. General Shareholder Information**

- Date, Time & Venue of AGM	22 July, 2019 at 10:30 AM at Hotel Minerva Grand CMR Complex, Beside Manju Theatre, Sarojini Devi Road, Secunderabad - 500003
- Financial Calendar	i. Financial Year – April to March ii. First Quarter Results – within 45 days of the end of the quarter. iii. Half-yearly Results – within 45 days of the end of the quarter. iv. Third Quarter Results – within 45 days of the end of the quarter. v. Results for the year ending 31 March, 2020 – within 60 days of the end of the quarter.
- Date of Book Closure	12 July, 2019 to 22 July, 2019 (both days inclusive)
- Dividend 2018-19	Proposed Final Dividend: ₹ 3.50 per share (350%), subject to approval by members at the AGM. Interim Dividend: The Company has paid an interim dividend of ₹ 3/- per share for the financial year 2018-19. It was paid on 06 February, 2019.
- Dividend Payment date (s)	Final Dividend: On or after 29 July, 2019
- Listing of Shares	Company's shares are listed at:  1. <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 2. <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No.C/1, G Block Bandra-Kurla Complex,, Bandra (E), Mumbai - 400 051 Listing fees for the year have been paid to both the above Stock Exchanges

**Annexure I (Contd.)**

– Stock Code	
• BSE Limited	506395
• National Stock Exchange of India Limited	COROMANDEL
- ISIN for (shares) of NSDL & CDSL	INE169A01031
- Market Price Data: High, Low during each month in last Financial year/Performance in comparison to BSE Sensex and S&P CNX Nifty	Refer Annexure 'I (i)' of this section
- Registrar and Transfer Agents	M/s Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Tel.No.(040) 6716 1616/1527 Fax No. (040) 2342 0814 E-mail Id: einward.ris@karvy.com
- Share Transfer System	Company Secretary has been authorised to approve request for share transfers upto 1,000 shares. The Company Secretary jointly with the Chief Financial Officer or the Managing Director, has been authorised to approve transfer upto 5,000 shares. Share transfers in excess of 5,000 shares are approved by Stakeholders Relationship Committee.
- Employee Stock Option Scheme	<b>ESOP Scheme, 2007</b>  The Company has earmarked 1,27,85,976 equity shares of ₹ 1/- each under the Employee Stock Option Scheme 2007. Each Option is convertible into an equity share of ₹ 1/- each. The number of vested Options outstanding as on 31 March, 2019 are 28,400. The first vesting is exercisable over a period of three years from the date of vesting. The second, third and fourth vesting are exercisable over a period of 6 years from the date of vesting.  <b>ESOP Scheme, 2016</b>  The Company has earmarked 1,45,81,000 equity shares of ₹ 1/- each under the Employee Stock Option Scheme 2016. Each Option is convertible into an equity share of ₹ 1/- each. Options granted under this ESOP 2016 would vest on or after 1 (one) year from the date of grant but not later than 4 (four) years from the date of grant of such Options. The number of vested Options outstanding as on 31 March, 2019 are 6,13,820. The vested Options are exercisable within a period of 5 years from the date of vesting. The Company has granted 2,43,620 options to the employees during the year under the ESOP 2016.
- Distribution of Shareholding and Share holding pattern as on 31 March, 2019	Refer Annexure 'I (ii)' of this section
- Dematerialisation of shares and Liquidity	97.47% of the shareholding has been dematerialized as on 31 March, 2019
- Outstanding GDR / ADR / Warrants / Convertible instruments, Conversion Date and likely impact on Equity	The Company has not issued any GDR / ADR / Warrants or any convertible instrument, which is likely to have impact on the Company's Equity.
- Commodity price risk or foreign exchange risk and hedging activities	As the Company is not engaged in commodity business, commodity risk is not applicable. Foreign Exchange risk is managed/hedged in accordance with the Policy framed by the Company for that purpose and periodical update is given to the Board on a quarterly basis.

## Annexure I (Contd.)

- Plant Locations	<p>The Company's plants are located at</p> <ol style="list-style-type: none"> <li>Malkapuram, Visakhapatnam, A.P.</li> <li>Beach Road, Kakinada, A.P.</li> <li>Ennore, Chennai, Tamil Nadu</li> <li>Ranipet, North Arcot, Tamil Nadu</li> <li>Ankleshwar, Gujarat</li> <li>Baribrahmana, Jammu &amp; Kashmir</li> <li>Hospet, Karnataka</li> <li>Udaipur, Rajasthan</li> <li>Baroda, Gujarat</li> <li>Kota, Rajasthan</li> <li>Raigad, Maharashtra</li> <li>Khargone, Madhya Pradesh</li> <li>Raebareli, Uttar Pradesh</li> <li>Sarigam, Gujarat</li> <li>Dahej, Gujarat</li> <li>Thiyagavalli, Tamil Nadu</li> </ol>
- Registered Office / Address for Correspondence	<p>Coromandel International Limited Coromandel House 1-2-10, Sardar Patel Road, Secunderabad - 500 003 Tel. No. +91 40 6699 7000 / 7300 / 7500 Fax: +91 40 27844117 email: <a href="mailto:investorsgrievance@coromandel.murugappa.com">investorsgrievance@coromandel.murugappa.com</a> Website: <a href="https://coromandel.biz/">https://coromandel.biz/</a></p>
- Nomination Facility	<p>Section 72 of the Companies Act 2013, provides the facility of nomination to share / debenture / deposit holders. The facility is mainly useful for all those holding the shares / debentures / deposits in single name. In cases where the securities / deposits are held in joint names, the nomination will be effective only in the event of the death of all the holders.</p> <p>Investors are advised to avail of this facility, especially investors holding securities in single name.</p> <p>The nomination form may be had on request from the Company's Registrars &amp; Transfer Agents for the shares held in physical form. For the shares held in dematerialised form, the nomination has to be conveyed by the shareholders to their respective Depository Participant directly, as per the format prescribed by them.</p>
- Details of all credit ratings obtained by the Company along with any revisions thereto during the year 2018-19, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.	<p>The Company's long-term credit rating by 'CRISIL' continued to be 'CRISIL AA+ (stable)' and short-term debt rating at 'CRISIL A1+'.</p> <p>The Company's long-term credit rating by 'India Ratings &amp; Research (A Fitch Group Company)' continued to be 'IND AA+ (stable)' and short-term debt rating at 'IND A1+'.</p> <p>This reflects a very high degree of safety regarding timely servicing of financial obligations and also a vote of confidence reposed in your Company's financials.</p>

**Annexure I (Contd.)**

**14. Discretionary Requirement**

a)	The Board	The Company maintains an office for non-executive Chairman at the Company's expense and has also allowed reimbursement of expenses incurred in performance of his duties.
b)	Shareholder Rights	Quarterly financial results are published in leading newspapers, viz. The Business Line and vernacular – Andhra Prabha. The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.
c)	Separate posts of Chairman and CEO	The Company has a separate post of Chairman
d)	Modified opinion(s) in audit report	All the financial statements received during the last five (5) years were with unmodified audit opinion
e)	Other Discretionary Requirements	At present, other discretionary requirements have not been adopted by the Company

**15. Other Requirements**

a) Unclaimed shares

Following is the reconciliation of unclaimed shares in "Coromandel International Limited – Unclaimed Suspense Account", pursuant to Schedule V of the Listing Regulations.

Number of shareholders as on 01 April, 2018	973
Outstanding shares in the suspense account lying as on 01 April, 2018	4,02,225
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	21
Number of shareholders to whom shares were transferred from suspense account during the year	21
Number of shareholders whose shares were transferred from suspense account to IEPF during the year	-
Aggregate number of shareholders at the end of the year as on 31 March, 2019	952
Aggregate number of shares at the end of the year as on 31 March, 2019	3,90,945

All corporate benefits that accrue on these shares such as bonus shares, split, etc., shall also be credited to the Unclaimed Suspense Account and the voting rights on such shares shall remain frozen till the rightful owner of such shares claim the shares.

b) Compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46:

Company has complied with all the relevant corporate governance requirements stipulated in the Listing Regulations.

## Annexure I (Contd.)

## c) Transfer of Unpaid / Unclaimed Dividend and Shares to Investor Education and Protection Fund

Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), mandates the companies to transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). During the year under review, the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Further, the Rules mandate that the shares on which dividend remains unpaid or unclaimed for seven consecutive years or more be transferred to the IEPF.

Accordingly, during the year 2018-19, the Company has transferred to IEPF unpaid/unclaimed dividends and the shares on which the dividends remains unpaid or unclaimed for a consecutive period of 7 years as detailed below:

Particulars	No. of shares	Amount of dividend
Final Dividend - 2010-2011	72,112	11,838,954
Final Dividend - 2010-2011*	1,773	90,484
Interim Dividend - 2011-2012	92,739	18,574,672

\* Declared by erstwhile Liberty Phosphate Limited, which subsequently got merged with the Company.

d)	Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	During the financial year 2018-19, Company has not raised any fund through preferential allotment or qualified institutions placement.	
e)	Certificate from Practicing Company Secretary w.r.t. qualification for continuing as Director on the Board of Company as per Ministry of Corporate Affairs or any other statutory authority.	Refer Annexure 'I (iii)' of this section	
f)	Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof	No such instance occurred	
g)	Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	₹ 22,449,194 by the Company and ₹ 931,212 (rupee equivalent) by its subsidiary – CFL Mauritius Ltd. Total ₹ 23,380,406	
h)	Status of complaints in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as on 31 March, 2019	- Number of complaints filed during the financial year	2
		- Number of complaints disposed of during the financial year	2
		- Number of complaints pending as on end of the financial year	Nil

## Coromandel International Limited

Annual Report 2018-19

### Annexure I (Contd.)

#### Annexure – I (i)

Period	BSE Limited (₹)		Sensex Index		National Stock Exchange of India Limited (₹)		S&P CNX Nifty Total Return Index Value	
	High	Low	High	Low	High	Low	High	Low
Apr-18	548.40	460.20	35213.30	32972.56	545.40	458.55	10759.00	10111.30
May-18	469.95	412.50	35993.53	34302.89	470.60	412.20	10929.20	10417.80
Jun-18	468.00	382.15	35877.41	34784.68	468.45	383.45	10893.25	10550.90
Jul-18	440.20	382.60	37644.59	35106.57	440.00	384.00	11366.00	10604.65
Aug-18	444.90	402.00	38989.65	37128.99	446.00	404.25	11760.20	11234.95
Sep-18	429.90	384.60	38934.35	35985.63	421.85	387.50	11751.80	10850.30
Oct-18	424.00	340.00	36616.64	33291.58	425.00	339.10	11035.65	10004.55
Nov-18	435.00	394.30	36389.22	34303.38	438.00	393.10	10922.45	10341.90
Dec-18	454.30	399.10	36554.99	34426.29	457.00	399.35	10985.15	10333.85
Jan-19	474.60	412.80	36701.03	35375.51	474.50	411.15	10987.45	10583.65
Feb-19	465.00	430.00	37172.18	35287.16	465.00	426.35	11118.10	10585.65
Mar-19	519.90	437.05	38748.54	35926.94	517.00	436.65	11630.35	10817.00

#### Annexure – I (ii)

##### Distribution of Holdings as on 31 March, 2019

No. of equity shares held	No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
1-5000	1,90,36,127	6.51	55,944	98.26
5001- 10000	33,32,597	1.14	471	0.83
10001- 20000	31,87,789	1.09	224	0.39
20001- 30000	15,40,316	0.53	63	0.11
30001- 40000	13,77,414	0.47	39	0.07
40001- 50000	13,59,811	0.46	30	0.05
50001- 100000	30,04,916	1.03	43	0.08
100001 & Above	25,96,88,359	88.77	118	0.21
<b>Total</b>	<b>29,25,27,329</b>	<b>100.00</b>	<b>56,932</b>	<b>100.00</b>
<b>Physical Mode</b>	<b>73,98,627</b>	<b>2.53</b>	<b>13,150</b>	<b>23.10</b>
<b>Demat Mode</b>	<b>28,51,28,702</b>	<b>97.47</b>	<b>43,782</b>	<b>76.90</b>

## Annexure I (Contd.)

## Shareholding Pattern as on 31 March, 2019

Category	No. of shares	Percentage
Promoters	18,07,23,349	61.78
Mutual Funds	3,64,71,519	12.47
Banks, Financial Institutions	1,00,493	0.03
Alternate Investment Fund	15,51,544	0.53
Insurance Company	22,12,494	0.76
Foreign Institutional Investor/Foreign Portfolio Investor	1,20,67,638	4.13
Private Bodies Corporates	1,61,16,939	5.51
Indian Public	3,06,72,609	10.49
NBFCs Registered with RBI	1,19,296	0.04
Non-Resident Indians	43,37,522	1.48
Foreign Nationals	70,640	0.02
Foreign Bank	1,840	0.00
Overseas Corporate Bodies	48,01,000	1.64
Trusts	78,601	0.02
Clearing Members	1,69,046	0.06
Foreign Companies	19,500	0.01
Societies	4,500	0.00
IEPF	30,08,799	1.03
<b>Total</b>	<b>29,25,27,329</b>	<b>100.00</b>

On behalf of the Board of Directors

Place: Secunderabad  
Date: 23 April, 2019

**M M Murugappan**  
Chairman

**Annexure I (Contd.)****Annexure I (iii)****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Members,

**Coromandel International Limited**

1-2-10, Sardar Patel Road, Secunderabad,  
Hyderabad, Telangana - 500003

We have examined the relevant books, papers, minutes books, forms and returns filed, notices received from the directors during the financial year under review and other records maintained by the Company and also the information provided by the company, its officers, agents and authorised representatives of **COROMANDEL INTERNATIONAL LIMITED (CIN: L24120TG1961PLC000892)** having its Registered Office at 1-2-10, Sardar Patel Road, Secunderabad, Hyderabad, Telangana - 500003, (hereinafter referred to as "The Company") for the purpose of issue of certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 as amended vide Notification No: **SEBI/LAD-NRO/GN/2018/10** dated May 9, 2018 issued by the Securities and Exchange Board of India.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors as stated below on the Board of the Company as on 31<sup>st</sup> March 2019 have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board (SEBI)/ Ministry of Corporate Affairs or any such statutory authority.

SI.NO	DIN	NAME OF THE DIRECTOR	DESIGNATION
1	00170478	M M Murugappan	Non-Executive - Chairman
2	00110086	V Ravichandran	Non-Executive - Non Independent Director
3	00029256	Aruna B. Advani	Non-Executive - Independent Director
4	00058215	B V R Mohan Reddy	Non-Executive - Non-Independent Director
5	08244973	K V Parameshwar	Non-Executive - Independent Director
6	00152619	M M Venkatachalam	Non-Executive - Non Independent Director
7	02705175	R Nagarajan	Non-Executive - Independent Director
8	00200379	Prasad Chandran	Non-Executive - Independent Director
9	03340616	Sumit Bose	Non-Executive - Independent Director
10	07298938	Sameer Goel	Managing Director

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Place : Chennai**

**Date : 23<sup>rd</sup> April, 2019**

**For R. Sridharan & Associates  
Company Secretaries**

**CS R.Sridharan  
CP No. 3239  
FCS No. 4775  
UIN : S2003TN063400**

## Annexure I (Contd.)

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of  
Coromandel International Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. ST/050/2018 dated September 12, 2018.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditor's of Coromandel International Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(F.R.N. 008072S)

Place : Secunderabad  
Dated : 23 April, 2019

Sumit Trivedi  
(Partner)  
(Membership No.209354)

**Annexure I (Contd.)**

## **Declaration on Code of Conduct**

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31 March, 2019 as envisaged in Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Secunderabad  
Dated: 23 April, 2019

**Sameer Goel**  
Managing Director

## Annexure-J

## Business Responsibility Report 2018-19

### Preface:

Coromandel International Limited presents its 'Business Responsibility Report' (BRR), as mandated by Securities and Exchange Board of India (SEBI), and in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015.

### About Coromandel International Limited

Coromandel International Limited is amongst India's pioneers and leading agri solutions provider, offering diverse products and services across the farming value chain. It operates in two major segments: Nutrient and other allied businesses and Crop Protection. These include Fertiliser, Crop Protection, Speciality Nutrients and Organic compost businesses. The Company is 2nd

largest manufacturer and marketer of Phosphatic fertiliser in India. The Company's Crop Protection products are marketed in India as well as in international geographies, offering wide range of technical and formulation products. The Speciality Nutrients business of the Company focuses on water soluble fertiliser and secondary & micro nutrients segments. The Company is a leading marketer of Organic fertiliser in India and has recently added bio pesticide solutions to its portfolio. It also operates a network of around 800 rural retail outlets across Andhra Pradesh, Telangana, Karnataka and Maharashtra. Through these Retail outlets, the Company offers farming services including crop advisory, soil testing and farm mechanisation to around 3 million farmers. The Company has a strong R&D and Regulatory setup, supporting the businesses in process development and new product introduction. The Company has 16 manufacturing facilities, producing wide range of Nutrient and Crop Protection products, which are marketed through an extensive network of dealers and its own retail centers.

For more details, visit <https://coromandel.biz/>

### Section A: General Information about the Company

1	Corporate Identity Number	L24120TG1961PLC000892
2	Name of the company	Coromandel International Limited
3	Registered address	Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad - 500 003, Telangana
4	Website	<a href="https://coromandel.biz/">https://coromandel.biz/</a>
5	E-mail id	<a href="mailto:mail@coromandel.murugappa.com">mail@coromandel.murugappa.com</a>
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in(industrial activity code-wise)	Fertilisers & Chemicals Fertiliser – 20122   Pesticides – 20211
8	List three key products/services that the Company manufactures/provides	Fertilisers, Crop Protection Products and Speciality Nutrients
9	Total number of locations where business activity is undertaken by the Company	16 Manufacturing Locations in India AP - Vizag, Kakinada   TN: Ennore, Ranipet, Thiyagavalli   JK: Jammu   GJ: Ankleshwar, Dahej, Sarigam, Nandesari   RJ: Udaipur, Kota   MP: Nimrani   KA-Hospet, UP – Raebareli   MH – Pali
10	Markets served by the Company	India, Latin America, APAC, Africa, Europe, Australia and New Zealand

### Section B: Financial Details of the Company

1	Paid up capital	₹ 29.25 Crore
2	Total turnover	₹ 13,204 Crore
3	Total profit after tax	₹ 714 Crore
4	Total spending on CSR as percentage of PAT (%)	2 %
5	List of the activities in which expenditure in 4 above has been incurred	CSR Activities of Coromandel are focused on Health, Education and Community Development. For details refer Annual Report on CSR activities Page Nos. 81, 82, 83, 84

**Annexure J (Contd.)**
**Section C: Other Details**

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiaries of Coromandel are primarily either investment companies or companies holding product registration in foreign countries for export of the Company's products. Hence, this is not applicable.  Number of subsidiary companies: 11
3	Do any other entity/entities (e.g. suppliers, distributors) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate % of such entity/entities?	No

**Section D : BR information**

1	Details of Director(s) responsible for BR	Mr. Sameer Goel, Managing Director DIN: 07298938  BR Head: Mr. Sameer Goel, Managing Director DIN: 07298938   Phone: 040 - 27841368 Email: GoelS@coromandel.murugappa.com
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**2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

Sl.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/CEO/ appropriate Board of Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Polices & Codes: <a href="https://coromandel.biz/inv_financial.html">https://coromandel.biz/inv_financial.html</a> CSR Policy: <a href="https://coromandel.biz/pdf/CSRPolicy/CSRPolicy_dec2014.pdf">https://coromandel.biz/pdf/CSRPolicy/CSRPolicy_dec2014.pdf</a> EQOHS Policy: <a href="https://coromandel.biz/pdf/2016-2017/she/Policy/EQSH_policy.pdf">https://coromandel.biz/pdf/2016-2017/she/Policy/EQSH_policy.pdf</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**Annexure J (Contd.)**

All the policies in Coromandel are governed by its guiding principles and core values. These policies are mapped to each principle hereunder:

**Coromandel Policies Mapping to BR Principles**

	Principle	Applicable Policies
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	<ul style="list-style-type: none"> <li>• Values and Beliefs, called the 'Five Lights'</li> <li>• Whistle Blower policy</li> <li>• Code of Conduct</li> <li>• Coromandel Guide to Business Conduct (CGBC)</li> </ul>
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<ul style="list-style-type: none"> <li>• Environment, Quality, Occupational Health and Safety Policy (EQOHS Policy)</li> </ul>
3	Businesses should promote the wellbeing of all employees	<ul style="list-style-type: none"> <li>• HR Policy</li> <li>• Communication policy</li> <li>• Prevention of Sexual Harassment Policy</li> <li>• Training Policy</li> <li>• 5S policy</li> </ul>
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	<ul style="list-style-type: none"> <li>• CSR Policy</li> <li>• Values and Beliefs, called the 'Five Lights'</li> </ul>
5	Businesses should respect and promote human rights	<ul style="list-style-type: none"> <li>• Values and Beliefs, called the 'Five Lights'</li> <li>• Whistle Blower policy</li> <li>• Code of Conduct</li> </ul>
6	Business should respect, protect, and make efforts to restore the environment	<ul style="list-style-type: none"> <li>• Environment, Quality, Occupational Health and Safety Policy (EQOHS Policy)</li> </ul>
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	<ul style="list-style-type: none"> <li>• Values and Beliefs, called the 'Five Lights'.</li> <li>• Coromandel Guide to Business Conduct (CGBC)</li> </ul>
8	Businesses should support inclusive growth and equitable development	<ul style="list-style-type: none"> <li>• CSR Policy</li> </ul>
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	<ul style="list-style-type: none"> <li>• Values and Beliefs, called the 'Five Lights'</li> <li>• Environment, Quality, Occupational Health and Safety Policy (EQOHS Policy)</li> </ul>

**2a. If answer to the compliance status of any of the Principles listed above is 'No', please explain why**

Sl.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

**Not Applicable**

**Annexure J (Contd.)****3. Governance related to BR**

- Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:

The BR Performance revolves around a number of policies which is assessed by the BR Head monthly, quarterly and annually based upon its importance and impact on the environment and Company's operations & activities.

- Publication of BR or a Sustainability Report and its frequency:

This is the third Business Responsibility Report of the Company for the Financial Year 2018-19 which forms part of the Company's Annual Report for FY 2018-19. The same can be accessed at [https://coromandel.biz/inv\\_report.html](https://coromandel.biz/inv_report.html) Previous reports were made for the financial year 2016-17 and 2017-18.

**Section E: Principle-wise performance**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

Coromandel fosters a work culture with high ethical principles and standards and encourages its employees to perform with total integrity, commitment and ownership. Commitment to ethical and lawful business conduct is a cornerstone of Coromandel's business practices. It is a fundamental shared value among the Board of Directors, the senior management and all the employees in the company. Coromandel has adopted the 'Code of Conduct' (Code), to ensure ethics, transparency and accountability in all aspects of the business, and create value for its stakeholders in a sustainable manner. The code embodies the belief that being aware of the Company's responsibility towards its stakeholders and acting with the Company's legitimate interest in mind, is essential for the Company's long-term excellence. All Directors and senior management personnel shall affirm compliance with this Code on an annual basis.

In line with the Murugappa Group's values and beliefs (The Five Lights), Coromandel has also adopted the 'Coromandel Guide to Business Conduct (CGBC)' to set forth the principles which guide business transactions with customers, outside businesses, governments, communities and shareholders. All policies are communicated to Coromandel's employees upon joining as well as reinforced through annual refresher sessions.

Coromandel has well established policies in accordance with the statutory guidelines and the relevant SEBI Regulations.

- Whistle Blower Policy/Vigil Mechanism
- The Dividend Distribution Policy
- Code of practices for fair disclosure of unpublished price sensitive information

- Remuneration Policy
- Policy on preservation and archival of documents
- Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges
- Policy on Related Party Transactions
- Policy for determining Material Subsidiaries

The above Company policies can be accessed by anyone from the Company's website [https://coromandel.biz/inv\\_financial.html](https://coromandel.biz/inv_financial.html)

Key elements of Coromandel's corporate governance are transparency, disclosure, internal controls, risk management, internal and external communications, and adherence to high standards of safety, health, environment, accounting fidelity, products and service quality. The Board has empowered responsible persons to implement its broad policies and guidelines and has also set up adequate review processes. The Company ensures selection of vendors and contractors, who maintain and follow ethical standards. The Company endeavours to impart periodical training on Ethics to its employees and relevant stakeholders are also made aware of the same, on a regular basis.

During the year 2018-19, 9 complaints were received by the Ombudsman under Whistle Blower Policy which were enquired into and suitable actions were taken thereon and 2 complaints that were received during the last quarter were pending as on 31 March, 2019. Quarterly report on such complaints and action taken thereon are reported to the Audit Committee

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

The core operating principles of Coromandel are Knows, Cares and Fulfils, in which, 'CARE' emphasises on environment, community, partners, employees and shareholders. Coromandel has its own Fertiliser Technology Centre, FTC, at Vizag, recognised by Department of Scientific & Industrial Research (DSIR) of Ministry of Science & Technology and a R&D center at Hyderabad for Crop Protection Products. Coromandel is having an active R&D program to develop products with high Nutrient Use Efficiency (NUE) which offer the twin advantages of providing higher value to the farmer and protecting the environment and also during the life-cycle of the product the nutrient uptake by the plant is maximised and losses to the environment are minimised.

In 2018-19, a new lab space has been taken at IIT Bombay – Monash Academy in Mumbai for development of innovative, patented and scientifically differentiated products. While 3 of the Company's employees are deployed at the facility, there is also access to talent pool of IIT Bombay and Monash Academy professors for discussions and collaborations. Coromandel also has an exclusive R&D facility at Thiyyagavalli, Tamil Nadu, and continuously invests in R&D activities to develop new neem based / Bio - pesticides products.

## Annexure J (Contd.)

The social and environmental concerns have been incorporated in the development of the following products of Coromandel.

- Organic Fertilisers - City Compost : Recycling of nutrients and carbon in organic waste
- Sulphur Enhanced Fertilisers: Maximising the availability of Sulphur to the crop and minimising leaching losses of Sulphur
- Zinc Fortified Fertilisers – Improving crop productivity and human health
- Bio-Pesticides: Coromandel acquired Bio-Pesticides unit towards producing and delivering sustainable and environment friendly products

Coromandel has been a leader in promoting organic fertilisers (Municipal compost, sugarcane filter-cake compost, oilseed cakes) to farmers for sustaining the soil health and improving productivity, by sustaining nutrient availability to crops and enriching organic carbon content of soil. Coromandel has initiated city compost Bio-mining in association with Visakhapatnam Municipality contributing significantly to conserve clean environment and add value to available resources. In the year 2018-19, around 4618 MT of municipal waste from Visakhapatnam has been converted to organic manure through Bio-mining. Also, during the year Coromandel has launched three crop specific water soluble grade Speciality Nutrient products, Gromor Ultrasol Solanaceae, Gromor Ultrasol Banana, Speedfol Sugarcane which help in providing balanced nutrition of the selected crops.

Further during the year 2018-19, New unique grade, Zincated 10:26:26 and new grade, 12:32:16 of fertilisers were manufactured at Kakinada to address market needs and enhance the crop yield for farmers and a new recipe was developed for Mancozeb 75 WDG for better stability and for successful commercial production at the Sarigam unit.

There was a continuous focus at the manufacturing units for improved operational efficiencies and sustainable practices through effective conservation of water, energy and raw material resources.

During the year 2018-19, the Company has:

- Reduced the specific power consumption by 3 kWh/MT at Kakinada unit
- Reduced the specific power consumption by 19.5 kWh/MT at Ennore unit
- Reduced the specific power consumption by 2 kWh/MT at Vizag unit
- Sustained the specific water consumption by 0.4 m3/MT at Kakinada unit
- Reduced the specific water consumption by 0.18 m3/MT at Vizag unit
- Reduced the specific water consumption by 0.13 kg/MT at Ennore unit

- Reduced the specific power consumption in GSSP plant at Udaipur by 0.75 units/MT, Nandesari by 1.12 units/MT and Nimrani by 2 units/MT
- Reduced the steam consumption by 55.5% of Ammoniacal Nitrogen removal Process by converting batch to continuous process at Sarigam unit
- Reduced the Ethyl Acetate reduction in ANF for Acephate production by 15.3% at Sarigam unit

Coromandel consistently has been receiving the awards for its various environment friendly and sustainable manufacturing practices. Few of the awards received during 2018-19 are mentioned below.

- Coromandel Vizag unit has received the 'Best Energy Efficient Unit' from CII for the 5<sup>th</sup> consecutive year
- Coromandel Vizag unit has received 'All India Best operating phosphoric acid plant' from FAI for the 5<sup>th</sup> consecutive time and overall 17 times in the past 24 years

In 2018-19, Coromandel as part of its commitment to sustainability has invested in transportation of sulphuric acid in an environment friendly manner. The Company has commissioned a new sulphuric acid tank at Vizag plant with storage capacity of 25000 MT and 5.6 km of pipeline for transferring the acid, replacing the previous practice of transporting with the help of trucks, thereby avoiding movement of 30-40 trucks in a day and hence, reduced the carbon-foot print and improved the safety. The Company's Crop Protection product manufacturing Unit at Ranipet has disposed around 350 MT of returned/recycled crop protection chemicals material in a responsible way through authorised hazardous material processing agency



FAI's 'All India Best operating Phosphoric acid plant' award received by Vizag plant

**Annexure J (Contd.)**



**CII's 'Best Energy Efficient Unit' award received by Vizag plant**

Coromandel encourages the local and small vendors for supply of consumables, engineering stores and carrying out job contracts in order to develop the sustainable capabilities.

Coromandel strives towards sustainable way of utilising the resources & recycling of resources.

- Coromandel Ennore unit has processed 4500 MT of Sulphur, that got piled up over a period of 5 years, in an environmentally friendly manner through effective monitoring and incorporating required changes in the process
- Coromandel completely reprocesses or recycles the off-spec materials which include fines and over size products that get generated in the fertilizer granulation process, which constitutes to 8% of production volume in 2018-19
- In Vizag unit the waste water recycling and consumption is accounted to 88% of overall waste water generated from process and 100% from complex production process
- All other Fertilizer and Single Super Phosphate (SSP) units are zero process effluent discharge units and all process liquids are recycled back into the fertilizer manufacturing process.
- Scrap material like torn HDPE bags and MS scrap are recycled by licensed vendor as applicable

Coromandel fully complies with the Indian laws relating to Intellectual Property Rights (IPR) and takes the help of renowned Patent Attorneys for guidance in IPR matters.

**Principle 3: Businesses should promote the wellbeing of all employees**

Coromandel continues to emphasise employee training and capability building by placing employee well-being at the forefront, as a key enabler in the organisational strategy

As on 31 March, 2019 there were 4768 Permanent employees (3234 Management staff, 1383 Non-Management staff (NMS) and 151 Trainees) with 154 female employees and 3 differently abled employees. Also, there are around 6,900 off-roll/contract employees.

During the year 2018-19, industrial relations across all plants of Coromandel continued to remain cordial and the Kakinada Unit was

awarded 'BEST MANAGEMENT AWARD' by the Labour Department, Government of Andhra Pradesh. This award was for maintenance of Harmonious Industrial Relations, Industrial Productivity and Commendable contribution for the welfare of the workers.

There are 8 employee associations across the manufacturing locations of the company, with nearly 890 (64%) NMS being members of it. Long term settlements concluded at Kakinada, Udaipur and Nandesari. Productivity Linked Incentive Scheme u/s 31 A of Payment of Bonus Act has been introduced at Udaipur along with long term settlement. Adequate control measures have been deployed for engagement of contractual staff across the Company. Statutory compliances were monitored and tracked for closure of any significant observations. Education and training of shop floor employees as per unit requirements have been well deployed across the Company. Family picnics, annual communications meetings and other structured social gatherings as part of Employee Engagement and Work life balance across Coromandel have received good support and applause from all employees.

As part of organisational value reinforcement, sensitisation and awareness workshops on Murugappa Group's 'Five Lights' – Values and Beliefs, Whistle Blower policy and Coromandel Guide to Business Conduct (CGBC) were organised across locations with 100% employee coverage to promote & reinforce value system and equality across the organisation

Coromandel has a policy on prevention of sexual harassment (POSH) to ensure a harassment free workspace for the employees. Sexual harassment cases are dealt as per the Company policy on prevention of sexual harassment. All the employees are communicated on regular basis on the various aspects of prevention of sexual harassment at work through e-articles and other means of communication. During 2018-19, all the employees have been oriented on POSH policy and procedures.

- As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, Coromandel has constituted Internal Complaints Committees (ICC) with a designated independent Chairperson.



**'Best Management Award' received from Honorable Chief Minister of AP, by Kakinada Unit**

## Annexure J (Contd.)

Sl.No	Category	No. of complaints filed during 2018-19	No. of complaints as on end of 2018-19	Remarks
1	Child labour/forced / involuntary labour	Nil	Nil	
2	Sexual Harassment	2	Nil	ICC investigated and submitted its recommendations to management within 45 days from the date of complaint. Both cases have been closed with appropriate actions.
3	Discriminatory employment	Nil	Nil	

**Employee Well-Being:** Coromandel continues to emphasise on employee well-being, health and engagement through various initiatives like

- Employee Wellness: The flagship health and wellness program of '10K Challenge 3.0' – fitness, health and happiness campaign was initiated across all locations for all employees including outsourced, to promote healthy lifestyle. Employee participation in 10K Challenge increased as against the previous year (1888 Nos. in 2016-17| 2400 Nos. in 2017-18 | 2463 Nos. in 2018-19)
- Employee Assistance Programme (EAP) has been revitalised with enhanced face to face consulting and over the phone consultation with expert counselors focusing on emotional well-being of an employee and his/her family
- Coromandel aims to prevent work-related illness and occupational diseases through implementation of management systems like ISO 14001, ISO 45001, OHSAS 18001 and Process Safety Management System (PSMS). During 2018-19, road safety expo was organised to inculcate safe behavior and attitude for safe commuting & road travel through experiential learning. More than 1,175 employees benefitted from the expo organised at Corporate office and all the Fertiliser manufacturing units.

Coromandel ensures continuous skill and competence upgrading of all its employees by providing access to necessary learning opportunities on an equal and non-discriminatory basis. The learning & development process of Coromandel aims to build employee capabilities in line with the current and future core competency requirements of the organisation. The Company has deployed various key developmental initiatives in 2018-19

- Sales Force Learning Academy (SFLA)** launched in collaboration with NAARM (National Academy of Agri Research Management).
- "Vidhyaonline":** 15 e-learning modules delivered during the year for knowledge on crops, fertilisers and crop protection chemicals, time management, goal setting and safety.

- Coromandel Knowledge Center (CKC)** launched at Kakinada with the objective of building fertiliser manufacturing technical capabilities – 43 training programs delivered during 2018-19
- Developed a comprehensive technical competency framework** for CPC Technical Units. Also, a Shopfloor behavioural training "Pratibimb aur Jagrukta", was conducted for around 140 employees in Ankleshwar and Dahej units
- Retail Business Unit designed and delivered various interventions to build people capabilities in line with the core competency requirements as below
  - DAESI:** In line with the Government Notification (GO), 350 Retail Store Managers have been enrolled for DAESI (Diploma in Agriculture Extension Services for Input Dealers) to equip themselves with the formal knowledge on agriculture management.
- Various Skill Enhancement and Employee Development programs organised for Retail Store Managers, Area Manager Retail Operations and entry level talent pool including off-roll employees. Also to strengthen agri and technical skills of the field team, various technical and crop based programs were delivered. The total training mandays achieved during the year 2018-19 was 7669.
- WINTUDE (Winning Attitude):** Organised Workshops for Retail Store Managers to harness the power of belief through constructive action and a winning attitude. A total of 508 Retail Store Managers were covered under this program across Zones.

All permanent employees (including women employees) and the casual/contractual employees have undergone training in the areas of safety, health, behavioral and skill upgradation. Also, Coromandel encourages and provides training and counseling to employee family members in various areas viz., home safety, home 5S, child education and family health.

## Annexure J (Contd.)

### **Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

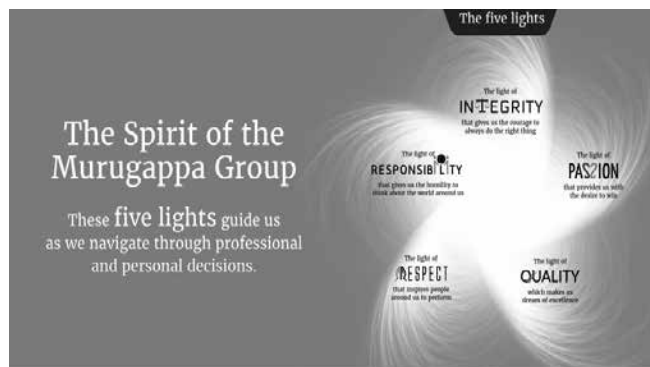
"The fundamental principle of economic activity is that no man you transact with will lose; then you shall not" (an excerpt from Arthashastra). This was the basic principle adopted out by the founder of our Murugappa Group, over a century ago and the tradition has endured. Today, this belief continues to guide our decisions and define our work ethics.

Our Mission is "To enhance prosperity of farmers through quality farm solutions with sustainable value for all stakeholders". Coromandel strongly believes in inclusive growth. In line with the philosophy and mission, Coromandel has mapped all its stakeholders that include farmers/customers, employees, shareholders, Government, society, suppliers and business alliances, society. The Company understands the short term and long term needs & expectations of its stakeholders through established communication mechanisms and delivers to achieve sustainable relationships.

Company's primary stakeholder is the farmer, who is most economically disadvantaged, followed by economically backward communities in the vicinity of its manufacturing plants.

As a responsible corporate, Coromandel believes that it can help make a difference to the environment and change lives for the better. Coromandel makes conscious efforts for community development and to enable the prosperity of farmers. Few of the initiatives with inclusive growth approach of Coromandel that enables farmers' prosperity and community development in the vicinity of manufacturing units are mentioned below.

- Coromandel continued its flagship program called the Coromandel Girl Child Scholarship Scheme that has been initiated and executed since 2005. The strength of this initiative is its core targeted societal group i.e girl children in government schools, who are supported in continuing their education. The scheme reaches out to girl children in government schools in standards IX and X in ensuring girls continue their education and do not drop out of school. In 2018-19: 1038 number of girl children, from 350 schools, were benefited through the Coromandel Girl Child Scholarship Scheme.
- Coromandel continuously facilitates the farming community through various services for improving the crop yield like free soil testing for balanced nutrient inputs, farm advisory support through Agronomist team, unique grade & fortified fertilizer and providing complete farming solution. In 2018-19, 56222 farmer education sessions/meetings were carried out.
- Coromandel strives for the betterment of community in and around its factory locations. Various initiatives in this direction include skill development for employability, livelihood through establishment of glove making units, providing health care through Coromandel Medical Centers and mobile medical



vans. In 2018-19, around 73,268 patients availed the services of Coromandel Medical Centers, while 13,363 people benefited from the mobile medical van service.

### **Principle 5: Businesses should respect and promote human rights**

Coromandel ensures compliance with all applicable laws of the land pertaining to human rights, in order to preserve the rights of all its internal and external stakeholders. Coromandel has a procedure for taking an undertaking from all its suppliers/contractors that they will abide by all the local laws as applicable to the workmen engaged by them for the Company. A special focus was given on prohibition of engagement of child labour.

Based on The Five Lights (Value System) of the Murugappa Group, Coromandel Guide to Business Conduct (CGBC) provides guidelines to set forth the principles which will guide business transaction with all stakeholders. The CGBC enables to embed the value system and respect for human rights in every aspect of business transactions including respect for employee fundamental rights, prevention of sexual harassment, any kind of discrimination and adherence to SHE (Safety, Health & Environment) policies.

Coromandel measures the progress on Human rights protection through metrics like

- Training Mandays and employee coverage for awareness on Policies and CGBC
- Employee Engagement survey outcomes on respective parameters
- Number of grievances received and addressed
- Internal HR and Management audit points and closures
- 5S audit score for work environment

Coromandel has deployed various management systems towards ensuring the Human Rights and environment protection which is guided by various policies like HR policy, EQOHS (Environment, Quality, Occupational Health & Safety) Policy, 5S policy, Training and Communication policy.

There were no complaints on violation of human rights in 2018-19.

## Annexure J (Contd.)

### Principle 6: Business should respect, protect, and make efforts to restore the environment

Coromandel continually strives to minimise the environmental impact of its operations through sustainable practices and responsible use of natural resources through effective implementation of integrated Environment, Quality, Occupational Health & Safety (EQOHS) Policy and ISO 14001:2015 - Environment Management System (EMS). The policy covers the entire operations of Coromandel (employees & contractors, vendors & visitors).

A fundamental part of the Company's annual business planning process is environmental management, wherein each business has to frame the strategy and improvement/Capex projects for environmental management. The Company is also actively involved in sustainable development through various environmental activities at a large scale, like the development of green belt, continual improvement in consumption of raw materials along with energy & water. These activities form an indispensable part of all the operations and fully comply with all the requirements.

Company has adopted "Enterprise Risk Management (ERM)" model to address the environmental risks and operational risks which create business risks. As part of this, the environmental risks are thoroughly evaluated and addressed across the organisation. Individual responsibilities are given to monitor and mitigate the potential environmental risks, if any. Manufacturing sites undergo Environmental Impact Assessment studies, as required, to understand and mitigate the long term impacts.

Fertiliser manufacturing operations at Vizag and Ennore units use 50% of its energy generated from the waste heat recovered from its captive Sulphuric acid plant, further reducing the Carbon foot print of the organisation.

At Coromandel, all major manufacturing processes have installed Continuous Emission Monitoring Systems (CEMS) in all process stacks and Online Ambient Air Quality (AAQ) monitoring system, through which real time data is uploaded to Pollution Control Board websites, which are open to public viewing. Additional investments were made in 2018-19 at Ennore plant to install flow meter quantification of reject water from boiler and cooling towers, which is being recycled for plant purposes. CCTV cameras were installed in Visakhapatnam unit for Online Closed-Circuit television monitoring. As part of ISO 14001:2015, the Company has deployed various Environmental Management Programs (EMPs) like impervious secondary containment in PA tank area, installation of boom barrier in the sea water canal, gypsum neutralisation process, installation of LED electrical lamps instead of high energy consuming lamps, replacement of old wound motors by new motors to conserve energy, installation of energy savers in all air conditioner units implemented across units to prevent and reduce environmental impact due to the manufacturing process and related activities.

Crop Protection Product manufacturing operations at Ankleshwar and Dahej units use recycled water after purification through RO system to conserve water. Green belt development has been initiated across all Crop Protection technical product manufacturing sites to reduce ambient pollution levels from nearby industries. Following are some of the other initiatives at the crop protection business's manufacturing units:

- RO plant at Ankleshwar and Dahej sites
- Zero effluent discharge from formulation sites
- On line process stack emission monitoring system activation at technical manufacturing sites to get early warning in case any abnormal emission from process stacks
- Initiation of Mechanical Integrity and Quality Assurance program under Process Safety management to strengthen equipment integrity to prevent leak/spill
- Certification of all the units under EMS to manage environmental aspect.

Coromandel has continued its support to improve the green cover through various initiatives

- Ennore Plant has adopted vertical gardening method to improve greenery inside the plant
- Visakhapatnam Unit has developed green cover in 22 acres (20,000 plants) of land with the help of District Forest Officer & VUDA through 'Green Visakha' initiative
- Green grass development in fertilizer berth at Visakhapatnam Unit
- World Environment Day celebrations with theme 'Beat Plastic Pollution'
- Ennore Unit restricted the usage of single use and throw away plastic

To become energy efficient various projects were executed across units on a continuous basis. Following are some the key initiatives in this direction:

- All units are moving towards LED lighting instead of Mercury Vapour and Tube lights to conserve electrical energy
- Focus on use of renewable solar energy by installing solar street light fittings
- In Ennore Unit, captive power plant (CPP) vacuum pump motor has been changed to high efficiency motor to reduce the motor power from 37.5 KW to 22 KW
- Ennore Unit installed steam condenser to condensate the waste steam from Sulphuric acid plant

**Annexure J (Contd.)**

- Visakhapatnam Unit has carried out Plant Layout optimisation by installation of Sulfuric acid storage & handling facility in wharf area to avoid spillage of acid during multiple levels of material handling
- Energy efficient transformer installed in Ennore Unit
- Kakinada Unit has installed energy savers in Air Conditioners
- Company's proactive approach in preserving the biodiversity at Kakinada site has caught the attention of nationwide stakeholders
- As part of ground water conservation, Ennore unit has received MoEF & CC clearance for utilising sea water for process requirement

Coromandel has also received recognition for its various environmental initiatives:

- Company's Ennore & Kakinada Units won EHS Practices Award from CII-SR in the year 2018
- Kakinada unit won 4 star award CII-Southern Region for its EHS Excellence in 2018

Various environmental studies were conducted based on requirement for continuous improvement. In 2018-19, following key initiatives were taken:

Processed Safety Management System: 5 New elements of PSMS were rolled out successfully, at Vizag which are the key enablers to sustain the 14 elements of PSMS. They address management's commitment, process safety competency, knowledge management, risk-based approach and leading and lagging indicators.

Safety culture study: All across the Fertiliser manufacturing units, the safety culture perception survey was carried out to identify gaps and improve the overall safety culture. The survey was carried out with the help of Health and Safety Laboratory from UK. The outcome of the survey was mapped into action plan and being implemented across all the locations.

DuPont safety initiative was launched in which 837 employees participated in safety perception survey and 52 employees participated in Nukkad natak on safety at Sarigam unit

QRA study: The QRA study was completed for Vizag and Kakinada units and it is being initiated for Ennore. The QRA study was carried out as part of risk based approach where the worst credible scenarios were assessed and risks were evaluated. The outcome of the QRA has directed to creation of an action plan with short term and long term aspects to mitigate the significant risk associated with the operational activities.

Coromandel has received all the needful environmental approvals and consents for the year from the PCB and MoEF. Company continuously ensures all the emissions, discharge and wastes

disposal are well within the permissible limits. Coromandel files the environment reports to respective government bodies and these reports are also available to public [https://coromandel.biz/she\\_compliance\\_report.html](https://coromandel.biz/she_compliance_report.html)

No show cause/legal notices are pending against the Company from CPCB/SPCB for the year 2018-19.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

Coromandel engages in policy advocacy in a responsible manner through its membership in various industry forums & associations. Coromandel continues to share its rich experience to provide incisive insights and detailed inputs to key decision makers in planning better policies in the setting of new industry standards and regulatory development pertaining to areas such as fertilizer policies, subsidy policies, industry economic reforms, improving industry standards, development of new and unique grades of products for enhanced crop yields, inclusive development policies.

The Company works with apex industry institutions that are engaged in policy advocacy, like the Fertiliser Association of India, International Fertiliser Industry Association, Crop Care Federation of India, Pesticide Manufacturers and Formulators Association of India, Southern Indian Chamber of Commerce and Industry, Confederation of Indian Industry, Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, National Safety Council, Environmental/Pollution Control Boards, Bureau of Indian Standards, Central Insecticides Board, State Fertiliser Marketing Federation, Petroleum and Natural Gas Regulatory Board and Gas Authority of India Limited.

Coromandel Leadership team plays an active role in industry federations. For example, Mr. Sameer Goel, Managing Director, is a Director in FAI, Dr. Kuppusamy, Sr. GM & Head-Regulatory Affairs (Crop Protection) is a Technical Committee member in CCFI, Mr. B. Prasannatha Rao, Executive VP and Head of HR, is a member of National Human Resource Development (NHRD), Mr. Arun Leslie George, Executive VP and Head of Retail, is a member of Board of Apprenticeship training. Coromandel's engagement with the relevant authorities for responsible advocacy is guided by the values of integrity, respect and responsibility and with sustainable value for all stakeholders. Few of the key areas that Coromandel has advocated in last few years through industry associations for the advancement and benefits of farmers, as well as production augmentation and employment generation are mentioned below.

1. Direct Benefit transfer
2. Environmental Clearance for new manufacturing projects
3. GST rate on Fertiliser
4. Quality testing of SSP
5. Priority of 'Make in India' concept for Fertiliser industry
6. Balanced use of Fertiliser Nutrients

**Annexure J (Contd.)**

7. Neem oil coating of Urea
8. Micro Nutrient Fortification
9. Use of Sulphur enhanced Fertiliser
10. Promoting organic manure
11. Usage of Gypsum; and
12. Indigenous sourcing of Potash

Coromandel, for the social development initiatives and plant capacity enhancement projects, organises meetings with the local administration and state governments to seek their participation and expertise support.

**Principle 8: Businesses should support inclusive growth and equitable development**

Coromandel, in line with its CSR Policy, has been focusing on upliftment of the society by implementing the programs related to health, education and community development, research and development projects on environment improvement to make a meaningful impact on their lives. The aim is to improve the wellbeing and quality of life of the community people, focusing on communities living close to Coromandel's areas of operation.

Coromandel has been executing Corporate Social Responsibility (CSR) activities for a long time through AMM Foundation of Murugappa Group. Coromandel is also working closely with Government as well as NGOs based on the need and expertise for implementing the program smoothly. Also, Coromandel has

an in-house CSR team at every site to implement programs in coordination with various stakeholders which are coordinated from Corporate Office to ensure effective implementation and constant monitoring to create an impact in the society and ensure improved socio-economic conditions.

Coromandel conducted Social Impact Assessment (SIA) during 2017-18 for its CSR programs like Girl Child Scholarship Scheme, and Public Private Partnership in upgrading pediatric ward at Kakinada Government General Hospital. Based on the impact study, further strengthened the initiatives in 2018-19 like:

1. Provided diesel generator for uninterrupted power supply for the pediatric ward at Kakinada Government General Hospital and medical equipment for the upkeep of the ward.
2. 1038 girls were awarded scholarships through the 'Coromandel Girl Child Scholarship Scheme'
3. Public Private Partnership for RO water supply at Kakinada and Vizag in Andhra Pradesh

Coromandel complements the government initiatives at the local level and has taken up to the national level in partnership with local government and also engaged with respective departments for smooth implementation of the programs like:

- Support for flood relief:
  - o Coromandel has conducted relief and recovery support activities immediately after Kerala Flood in 2018. Coromandel Vizag supported to help Kerala State

**Coromandel Girl Child Scholarship Program**  
Supporting girl child education

About **3 million** girls are out of school in India.

Estimates show that for every **100 girls** in rural India, only **1** reaches Class - XII

**How Coromandel is making a difference?**  
Coromandel Girl Child Education Scheme is helping girl students from rural areas studying in classes IX and X to continue their education.

**Educated girls are more likely to:**

- | Earn 10% more income
- | Marry 4 years later
- | Survive childbirth
- | Have fewer and healthier children
- | Send their children to school

**REACH**

<b>1038</b> girls	<b>350</b> schools
<b>102</b> districts	<b>639</b> villages

**Coromandel**

**murugappa**

**Annexure J (Contd.)**



19,469 Children Impacted



1,038 girls benefited through scholarships



7,826 got benefited through Medical camp



86,631 Medical Services through 4 centers



13,774 women and 2,553 youth beneficiaries



2,688 benefited through sports



487 Toilets Constructed



Saved lives of 425 critically ill children through support of medical equipment



31,100 plants planted



496 beneficiaries from activities by ladies club



202 beneficiaries from trade union's social responsibility activities



1,474 hours volunteered by employees

which has been badly affected by heavy floods and thus caused irreparable damage and huge loss in all manners. 572 employees contributed voluntarily and have taken a generous decision to collect one day of their gross salary to support the flood victims

- o The Company has extended support to the relief activity of the Government to restore normalcy during 'Gaja' cyclone and extended assistance to the people affected by the cyclone. Further, employees of the Company also voluntarily provided relief materials to the people affected by the Gaja Cyclone in the districts of Thanjavur and Pudukkottai.

- Public safety and security: Company has sponsored CCTVs to the Department of Police, Tamil Nadu, for enhanced public security and prevention of crime through technology (CCTV) enabled surveillance and 40 CCTVs were installed in Ennore, Chennai.

- Bio-mining in Vizag: Coromandel has provided the technical support to process municipal waste into organic manure
- Green Visakha: District level social responsibility program for developing green cover (60% by 2029) in Vizag was initiated by Parliamentary standing sub-committee for environment, sponsored by District Collector Visakhapatnam. Visakhapatnam Unit has developed green cover in 22 acres (20,000 plants) of land with the help of District Forest Officer & VUDA through 'Green Visakha' initiative. The Vizag district is now covered with 43% green cover.

Coromandel largely drives its initiatives towards the society through its in-house team. As required, the Company also partners with external NGOs like AMM Foundation, Murugappa Chettiar Research Centre, Federation of Farmers Association, and Hrudaya – Cure A Little Heart Foundation.

## Annexure J (Contd.)

Coromandel has spent around 2% of its average net profit for the previous 3 years on CSR activities across locations in the areas of Education, Health and Community development. Year wise CSR expenditures are given below

Year	2015-16	2016-17	2017-18	2018-19
₹ in lakhs	1075	1097	1271	1328

In 2018-19, Coromandel has won the following accolades for its work in the communities:

- Received 2 awards from National CSR Summit & Awards for its contribution towards girl child education under the 'Coromandel Girl Child Scholarship' program, and the 'Kakinada Birds Paradise', under the Green & Environment Stewardship category
- The Public Relations Society of India (PRSI) National Awards awarded Coromandel for the Best Private Organisation Implementing CSR
- Coromandel was awarded The Economic Times award for the 'Best CSR Practices'



**Coromandel's 'Girl child scholarship' program awarded under National CSR Summit & Awards**

#### **Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

Coromandel believes that customer-centricity is the key to long-term business sustainability. The Company has made successful engagement and provides value to the customers and consumers in a responsible manner. "To enhance prosperity of farmers through quality farm solutions with sustainable value for all stakeholders", the Company continuously strives to enhance the value addition to the farmers through its various products and services which enable farmers to take informed decisions towards enhancing productivity. During the year 2018-19, around 13 lakh farmers were covered by Retail Business while more than 3.50 lakh farmers were covered by Fertilizer Business through various outreach programmes organised across India.

Coromandel enables overall well-being of customers and the society through its various best practices and value added services at no additional cost to customers/farmers with various aspects:

- Nutri-clinics:** Integrated Nutrient Clinics were setup which acts as one stop solution for every agri-input related need (soil tests, crop advisory, etc.) of the farmers. 4 clinics were established in 2018-19, 2 in Andhra Pradesh and Telangana and 2 in Karnataka. 844 farmers utilised the services of these clinics and 168 organic carbon tests, 143 SEZ tests and 97 NPK tests were conducted.
- Agronomists:** Coromandel's team of Agronomists works closely with the farmers to educate them about the usage of various farm inputs and overall solutions to the customer needs. 60 agronomists are working across the country and promoting Integrated Nutrient Management for various crops and region
- Soil testing services:** Application of right nutrients to soil ensures higher crop yields and also reduces the cost of nutrient application.
- Quick Test Kit for Quality:** To measure nutrient content in the product to develop quality consciousness amongst the users of Single Super Phosphate (SSP)
- Farm Advisory Services:** Coromandel provides farm advisory services through various modes viz., 'Hello Gromor' Centre (Toll free helpline for farmers), voice SMSes, extensive farmers' group meetings, seminars, webinars and village sessions, Interactive touch screen kiosks etc.

The products of Coromandel are in adherence with and governed by respective Government rules and regulations like Fertiliser Control Order (FCO) and Central Insecticides Board & Registration Committee (CIB&RC). Hence, there is no restriction or barrier of entry for other market players and customers are having the full freedom to select the products of their choice.

Coromandel discloses all the relevant information on safe and judicious usage of its product through various channels like packaging, labeling, leaflets and website. Crop protection chemicals/speciality nutrients products are provided with the info on safe handling, dosage to crop, time and method of application, thus encouraging consumers to use products in a responsible manner. Product details and state wise, crop wise fertigation schedules also provided to customer in SND knowledge portal of Coromandel. The Toll-free (Hello Gromor center) phone number are provided in all packs for enabling customers to register their queries and complaints.

Coromandel ensures that all the claims made in advertising are backed by the results established through pilot experiments, field studies and demonstrations carried out in fields and with proper registration of products as per all legal requirements.

Coromandel continuously educates and creates awareness to farmers on optimal usage of fertilisers and effects of usage of

**Annexure J (Contd.)**

higher dosage of fertilisers and crop protection chemicals through its extensive soil testing, farm advisory, Store Advisory Board Meeting, Farmer panel Feedback and farmer education sessions.

- o A total of 21743 soil tests were organised by Fertiliser Business (OC test – 18077, SBZ test – 2801, SSP Quick test – 290, NPK test – 575) in 2018-19
- o The Retail division carried out 11,920 number of SBZ (Sulphur, Boron & Zinc) soil analysis and given recommendations in 2018-19
- o Fertiliser division has organised 163 Crop Seminars with experts, 5463 farmer meetings, 14360 Group discussions, 319 demonstrations, for educating the farmer in 2018-19
- o 1,614 number of dealer trainings and organised crop seminars with scientists by the Retail division
- o A total of 35,917 farmer meetings/training sessions were conducted by Retail division in 2018-19

The key customer friendly initiatives during 2018-19 include:

- Gromor Pragati - A loyalty program launched for dealers and retailers to earn points while purchasing Coromandel products (DAP & Complex). These points can be redeemed for exciting rewards from the rewards catalogue specially created for them. Around 3291 dealers were covered under this program in 2018-19.
- Gromor Anubhandam Scheme – In order to encourage customers to visit the Gromor centers regularly, to avail the technical services apart from buying agri-inputs, the Gromor Anubhandam loyalty program was operated. Loyalty points have been provided to 4,04,959 farmers
- Cotton Booklet scheme – To ensure that the cotton farmers use entire set of Agri-inputs as per the technical recommendations cotton booklets were provided to farmers during cotton seed purchase at MGCs & NGCs. A series of discounts were offered on the products mentioned in the booklet. This scheme was operated in the state of Karnataka, Andhra Pradesh and Telangana. 85024 Cotton booklets have been provided to farmers.
- Bengal Gram seed scheme – As ensured in Cotton booklet scheme to use entire set of Agri-input products as per the technical recommendations the same was followed for Bengal gram seed scheme. Bengal gram seed booklets were provided to farmers who purchased Bengal gram seed in MGCs. A series of discounts were offered on the products mentioned in the booklet. This scheme was operated in the state of Andhra Pradesh. 13,700 Bengal gram booklets have been provided to farmers.
- Referral Scheme – To encourage farmers to visit MGC & NGC and avail right set of products & farm advice Referral scheme was introduced. Both the farmer who referred and also the Referred farmer benefitted through discount from the scheme.

Coromandel promotes increased usage of Organic compost to rejuvenate the soil condition and enhance crop yield, thereby reduce

the excessive application/consumption of Chemical fertilisers. Coromandel continually develops unique grades of products that enable slow release of nutrient to soil for enhanced retention/availability of nutrient to crops and thereby reducing seepage of nutrients

Coromandel tracks grievances from the farmer, related to products and services and creates necessary improvement for farm productivity. The number of calls by Hello Gromor for the year on farm advisory to farmers is as below:

- o In-bound calls – **14120**
- o Outbound calls - **15112**

Customer feedback is taken with utmost seriousness and attempts are made to satisfactorily close all customer feedback or complaints expeditiously. Around 26 complaints were received and resolved through CRM calls (Hello Gromor) for the year 2018-19.

There were no customer/consumer legal cases/appeals filed in 2018-19 and 19 cases were pending against the Company as on 31 March 2019, involving an amount of Rs.106.30 lakhs. These complaints are contested claims and pending before consumer forum. Also, there are no cases filed and pending against the Company with respect to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

Coromandel conducted various market research studies through external agencies and internal teams during the FY18-19, to understand the farmer's perception and satisfaction level across SBUs. Retail division has conducted Brand Equity study for Karnataka, Churn study, cotton seed brand preference study. Fertiliser and CPC divisions have conducted most effective communication channel survey by ACNielsen. Net promoter score study was undertaken by SSP and Fertiliser divisions, while SND division has done 'Customer feedback study for Gromor Ultrasol range' and 'Study on Poly house and urban landscaping'. These surveys depict the increased farmer's awareness level on choice and selection of products and services, opportunities through unmet needs of farmers and NPS score depicting the customer satisfaction level, promote or detract or remain passive, with the products and services. Coromandel persistently works towards maximising the sustainable value for all stakeholders by delivering the promise, reliability assurance, value for money and exceeding expectations of customers in line with its brand essence 'Maximise'.

**On behalf of the Board of Directors**

Place: Secunderabad  
Date: 23 April, 2019

**M M Murugappan**  
Chairman

# **Standalone Financial Statements**

# INDEPENDENT AUDITOR'S REPORT

## To The Members of Coromandel International Limited Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Coromandel International Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition – Sale of goods</b></p> <p>Refer to note 3.3 'Revenue recognition', note 3.25.1 'Critical judgements in applying accounting policies' and note 3.25.2 'Key sources of estimation uncertainty' to the standalone financial statements.</p> <p>Revenue from sale of goods is recognised when the control of goods is transferred to the customers. In terms of the application of the new revenue accounting standard Ind AS 115 (Revenue from Contracts with Customers), for some contracts, control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the applicable terms. The Management has exercised judgement in applying the revenue accounting policy while recognising revenue.</p>	<p>We have performed the following principal audit procedures in relation to revenue recognised.</p> <ul style="list-style-type: none"> <li>Understood the revenue recognition process, evaluated the design and implementation, and operating effectiveness of internal controls relating to revenue recognised.</li> <li>Selected samples and tested the operating effectiveness of internal controls, relating to transfer of control. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.</li> <li>Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.</li> <li>In respect of the selected sample of transactions: <ul style="list-style-type: none"> <li>Tested whether the revenue is recognised upon transfer of control to customer.</li> <li>We have evaluated the delivery and shipping terms of the contracts for revenue recognised during the period.</li> <li>We have also tested the location stock reports from Company warehouses, where applicable, for confirmation on sales quantity made during the year.</li> <li>Tested that the revenue recorded is after considering the applicable rebates and discounts.</li> <li>For samples near to period end, tested the acknowledgments of customers.</li> </ul> </li> </ul>

<p>2 <b>Subsidy income / Government subsidies and related receivables</b></p> <p><i>Refer to note 3.3 'Revenue recognition' and note 3.25.2 'Key sources of estimation uncertainty' to the standalone financial statements.</i></p> <p>Subsidy income pertaining to the Nutrient and other allied business is recognised on the basis of the rates notified from time to time by the Department of Fertilisers, Government of India ('GOI') in accordance with the Nutrient Based Subsidy ('NBS') policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including Direct Benefit Transfer ('DBT') System which was introduced by Government of India.</p> <p>For the year ended March 31, 2019, subsidy income of ₹ 310,641 lakhs is recognised.</p> <p>Recognition and realisability of subsidy income is dependent on GOI Policy and its various initiatives/schemes.</p>	<p>The following principal audit procedures have been performed by us in relation to subsidy income recognition.</p> <ul style="list-style-type: none"> <li>• We have read the relevant circulars and notifications issued by GOI from time to time with regard to the subsidy policies.</li> <li>• We have had robust interactions with the relevant personnel in the Company with regard to updates of GOI Policy, their interpretations of the relevant circulars and notifications.</li> <li>• Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing subsidy income.</li> <li>• We have tested the NBS rates considered by the Company for the product subsidy with the applicable circulars and notifications.</li> <li>• We have correlated the sales quantity considered for subsidy income with the actual sales made by the Company.</li> <li>• We have also agreed the quantities sold as per the Company books with the customer acknowledgements as per the iFMS portal of the Department of Fertilisers and tested the DBT claims made by the Company.</li> <li>• We have enquired from the Management and discussed with the Board of Directors, the appropriateness of the subsidy rates applied to recognise subsidy income.</li> </ul> <p><b>Valuation of subsidy receivables:</b></p> <p>Following are the principal audit procedures performed on testing of valuation of subsidy receivables:</p> <ul style="list-style-type: none"> <li>• We have analysed and discussed the status of outstanding subsidy receivables and its realisability with the Management.</li> <li>• We have tested the sanction notes received from the GOI for receipts.</li> <li>• We have tested the credits in the bank statements for the receipts.</li> <li>• We have tested whether the deductions made by the GOI have been adjusted in the books of accounts.</li> </ul>
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## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(F.R.N. 008072S)
- Sumit Trivedi  
Partner  
(Membership No.209354)
- Secunderabad, April 23, 2019

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Coromandel International Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on

Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS  
*Chartered Accountants*  
(F.R.N. 008072S)

Sumit Trivedi  
Partner  
(Membership No.209354)

Secunderabad, April 23, 2019

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land	Carrying Amount (₹ in Lakhs)	Remarks
Freehold land	75	446.92 acres of land located at Pattamadai is pending registration in the name of the Company.

In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement as at the balance sheet date, except the following:

Particulars of the land	Carrying Amount (₹ in Lakhs)	Remarks
Leasehold Land	18	Lease deed in respect of land admeasuring 3.52 acres at Madri, Udaipur is pending to be transferred in the name of the Company.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interests.
- (b) The loans granted by the Company are repayable on demand.
- (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit falling within the purview of the provisions of Section 73 to 76 of the Companies Act, 2013. There are no unclaimed deposits.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Fertilisers and Insecticides. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable, except as stated below:

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the Amount Relates	Due Dates	Date of subsequent payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Pension Fund	0.84	April 2018 to August 2018	Various	Amount is outstanding

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31 March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount involved (₹ in Lakhs)	Amount unpaid (₹ in Lakhs)
The Income-tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2008 -2009 to 2012 -2013	806	472
West Bengal Sales Tax Act, 1994	Sales tax	Assistant Commissioner (Appeals)	2002-2003	4	4
		Sales Tax Appellate Tribunal	2008-2009, 2012-2013	1,058	958
Andhra Pradesh General Sales Tax Act, 1957	Sales tax	Additional Commissioner Legal	1995-1996 to 1997-1998	27	27
		Sales Tax Appellate Tribunal	2002-2003 to 2003-2004	100	69
		Deputy Commissioner Appeal	2013-14	19	19
		Deputy Commissioner	2008-2009	125	111
Uttar Pradesh Value Added Tax Act, 2008	Sales tax	Deputy Commissioner Appeal	2012-2013	1	1
		Appellate Deputy Commissioner	2012-2013	40	40
		Assistant Commissioner	2013-2014	2	1
		Joint Commissioner	2010-2011 to 2011-2012	7	7
Gujarat Value Added Tax Act, 2003	Sales tax	Joint Commissioner (Appeals)	2011-2012	104	104
		Sales Tax Appellate Tribunal	2008-09 to 2010-11	91	91
Rajasthan Value Added Tax Act, 2003	Sales tax	Deputy Commissioner Appeal	2012-2013	15	15
		Appellate Deputy Commissioner	2010-2011 to 2012-2013	27	27

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount involved (₹ in Lakhs)	Amount unpaid (₹ in Lakhs)
Electricity Supply Act, 1948	Electricity Cess	High Court for the State of Telangana	2003-2004 to 2013-2014	293	293
		High Court for the State of Telangana	2003 to 2007	254	254
		High Court of Madras	2001-2003	7	7
Central Excise Act, 1944	Excise duty	CESTAT	2004-2005 to 2014-2015	326	186
		Commissioner (Appeals)	2003-2004 to 2004-2005, 2006-2007 & 2010-2011 to 2015-2016	37	36
		Commissioner	2004-2005 & 2009-2010	18	17
		CESTAT	2005-2006 to 2010-2011 & 2016-2017	81	76
The Customs Act, 1962	Customs duty	Commissioner of Customs (Appeals)	2005-2006 to 2010-2011	346	323
		High Court for the State of Telangana	2018-19	461	461
The Finance Act, 1994	Service tax	Commissioner (Appeals)	2009-2010 to 2010-2011 & 2015-2016	72	66
		CESTAT	2011-2012 to 2015-2016	202	187
		High Court of Madras	2003-2004	2	2

- (viii) In our opinion and according to the information and explanations given to us, having regard to the rollover of buyer's credit by banks, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary, or associate Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS  
*Chartered Accountants*  
(F.R.N. 008072S)

Sumit Trivedi  
Partner  
(Membership No. 209354)

Secunderabad, April 23, 2019

# Balance Sheet

as at 31 March 2019

(₹ in lakhs, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018 *
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	4	1,30,058	1,31,550
(b) Capital work-in-progress	4	17,569	3,763
(c) Other intangible assets	5	600	838
(d) Intangible assets under development	5	1,453	1,062
(e) Financial assets			
i) Investments	6	32,045	28,793
(f) Other non-current assets	8	11,211	8,167
		<b>1,92,936</b>	<b>1,74,173</b>
<b>2 Current assets</b>			
(a) Inventories	9	3,23,423	2,25,250
(b) Financial assets			
i) Investments	10	14	14
ii) Trade receivables	11	1,82,870	1,57,462
iii) Government subsidies receivable		2,39,348	2,62,686
iv) Cash and cash equivalents	12	11,093	43,898
v) Bank balances other than cash and cash equivalents	13	2,719	10,890
vi) Loans	14	42,011	40,010
vii) Other financial assets	7	4,278	2,138
(c) Other current assets	15	66,046	70,783
		<b>8,71,802</b>	<b>8,13,131</b>
<b>Total assets</b>		<b>10,64,738</b>	<b>9,87,304</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	16	2,925	2,924
(b) Other equity	17	3,40,468	2,89,760
<b>Total equity</b>		<b>3,43,393</b>	<b>2,92,684</b>
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
i) Other financial liabilities	19	168	128
(b) Provisions	20	1,397	1,439
(c) Deferred tax liabilities (net)	21.1	11,059	12,203
(d) Other non-current liabilities	22	908	975
		<b>13,532</b>	<b>14,745</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	18	2,95,694	2,73,081
ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		1,261	651
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,75,006	3,37,102
iii) Other financial liabilities	19	23,676	57,457
(b) Provisions	20	1,810	1,004
(c) Current tax liabilities (net)	21.4	3,832	2,195
(d) Other current liabilities	22	6,534	8,385
		<b>7,07,813</b>	<b>6,79,875</b>
<b>Total liabilities</b>		<b>7,21,345</b>	<b>6,94,620</b>
<b>Total equity and liabilities</b>		<b>10,64,738</b>	<b>9,87,304</b>
*Refer Note 42			
See accompanying notes forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants  
Firm Registration Number: 008072S

**Sameer Goel**  
Managing Director

**M. M. Murugappan**  
Chairman

**Sumit Trivedi**

Partner  
Membership Number: 209354

**Jayashree Satagopan**  
Chief Financial Officer

**P. Varadarajan**  
Company Secretary

Place: Secunderabad  
Date: 23 April 2019

# Statement of Profit and Loss

for the year ended 31 March 2019

(₹ in lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018 *
<b>I Income</b>			
Revenue from operations	24	13,20,385	11,10,889
Other income	25	3,637	5,895
<b>Total income</b>		<b>13,24,022</b>	<b>11,16,784</b>
<b>II Expenses</b>			
Cost of materials consumed		7,95,965	6,51,184
Purchases of stock-in-trade		2,15,852	1,24,072
Changes in inventories of finished goods, work-in-process and stock-in-trade	26	(78,798)	(15,231)
Excise duty		-	4,416
Employee benefits expense	27	40,723	35,926
Finance costs	28	25,082	17,844
Depreciation and amortisation expense	29	11,325	9,856
Other expenses	30	2,02,901	1,85,925
<b>Total expenses</b>		<b>12,13,050</b>	<b>10,13,992</b>
<b>III Profit before exceptional items and tax (I - II)</b>		<b>1,10,972</b>	<b>1,02,792</b>
<b>IV Exceptional item (net)</b>	47	(2,385)	-
<b>V Profit before tax (III + IV)</b>		<b>1,08,587</b>	<b>1,02,792</b>
<b>VI Tax expense:</b>			
(1) Current tax		38,655	35,217
(2) Deferred tax		(1,459)	(906)
		<b>37,196</b>	<b>34,311</b>
<b>VII Profit for the year (V - VI)</b>		<b>71,391</b>	<b>68,481</b>
<b>VIII Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan	34(a)	(53)	(382)
(b) Net fair value (loss)/gain on own investments in equity shares at FVTOCI		1,477	(5,361)
(ii) Income tax relating to items that will not be reclassified to profit or loss	21.3	(325)	1,382
B (i) Items that will be reclassified to profit or loss			
(a) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		(28)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		10	-
<b>Total other comprehensive income (A+B)</b>		<b>1,081</b>	<b>(4,361)</b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>72,472</b>	<b>64,120</b>
<b>X Earnings per equity share (Face value of ₹ 1 each) :</b>	35		
Basic ₹		24.41	23.44
Diluted ₹		24.37	23.37
* Refer Note 42			
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration Number: 008072S

**Sumit Trivedi**

Partner

Membership Number: 209354

Place: Secunderabad

Date: 23 April 2019

For and on behalf of the Board of Directors

**Sameer Goel**

Managing Director

**Jayashree Satagopan**

Chief Financial Officer

**M. M. Murugappan**

Chairman

**P. Varadarajan**

Company Secretary

# Cash flow statement

for the year ended 31 March 2019

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018 *
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>1,08,587</b>	<b>1,02,792</b>
Adjustments for:		
Depreciation and amortisation expense	11,325	9,856
(Profit)/ loss on sale/ scrap of property, plant and equipments (net)	615	460
(Profit)/loss on sale of investment	8	(79)
Exchange differences (net)	(7,881)	8,623
Adjustment to the carrying value of investment	-	832
Loss/ (gain) on measuring investments at FVTPL (net)	24	8
Provision for doubtful trade receivables and other liabilities no longer required, written back	(880)	(105)
Provision for doubtful trade and other receivables, loans and advances (net)	622	1,848
Trade and other receivables written off	28	-
Provision for employee benefits	532	(870)
Share-based payments	700	863
Finance costs	25,082	17,844
Interest income	(3,630)	(5,347)
Dividend income	(7)	(245)
Others	(8)	(103)
<b>Operating profit before working capital changes</b>	<b>1,35,117</b>	<b>1,36,377</b>
<i>Changes in working capital:</i>		
Trade payables	51,355	33,305
Other liabilities	67	(10,723)
Trade receivables	(26,058)	7,535
Government subsidies receivable	23,338	(6,983)
Inventories	(98,173)	(49,663)
Other assets	2,636	(49,135)
<b>Cash generated from operations</b>	<b>88,282</b>	<b>60,713</b>
Direct taxes paid (net of refunds)	(37,018)	(34,661)
<b>Net cash flow from operating activities (A)</b>	<b>51,264</b>	<b>26,052</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments, including capital work-in-progress and capital advances	(27,198)	(12,285)
Purchase of leasehold land	-	(600)
Proceeds from sale of property, plant and equipments	202	312
Payment towards acquisition of Business (Refer Note 42)	(33,000)	-
Investment in subsidiary	(23)	-
Purchase of non-current investments	(1,790)	(1,625)
Proceeds from sale of non-current investments	14	140

# Cash flow statement

for the year ended 31 March 2019

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018 *
Inter-corporate deposits/ loans given	(42,001)	(40,000)
Inter-corporate deposits matured/ loans received	40,000	51,500
Purchase of current investments	(7,515)	(41,000)
Proceeds from sale of current investments	7,515	41,000
Interest received	4,133	5,893
Dividend received from current and non-current investments	7	245
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(59,656)</b>	<b>3,580</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares on exercise of employee stock options	452	1,673
Increase/ (decrease) in short-term borrowings	23,167	44,390
Dividend paid including tax thereon	(22,915)	(28,133)
Interest and other borrowing costs paid	(25,117)	(18,024)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(24,413)</b>	<b>(94)</b>
<b>Net (decrease) /increase in cash and cash equivalents (A + B + C)</b>	<b>(32,805)</b>	<b>29,538</b>
Cash and cash equivalents at the beginning of the year	43,898	14,240
Cash and cash equivalents acquired on acquisition (Refer Note 42)	-	120
Cash and cash equivalents at the end of the year (as for Note 12)	<b>11,093</b>	<b>43,898</b>
<b>Note:</b>		
1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.		
2. Reconciliation of liabilities from financing activities (short-term borrowings):		
Opening balance	2,73,081	2,23,056
Proceeds/(Repayments) of short term borrowings (net)	23,167	44,390
Foreign Exchange adjustment	(554)	5,635
Closing balance	<b>2,95,694</b>	<b>2,73,081</b>
* Refer Note 42		
<b>See accompanying notes forming part of the financial statements</b>		

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants  
Firm Registration Number: 008072S

**Sumit Trivedi**

Partner  
Membership Number: 209354

Place: Secunderabad  
Date: 23 April 2019

For and on behalf of the Board of Directors

**Sameer Goel**

Managing Director

**M. M. Murugappan**

Chairman

**Jayashree Satagopan**

Chief Financial Officer

**P. Varadarajan**

Company Secretary

## Statement of Changes in Equity

for the year ended 31 March 2019

**a. Equity share capital**

(₹ in lakhs, unless otherwise stated)

	Number of shares	Amount
<b>Balance as at 1 April 2017</b>	<b>29,16,69,127</b>	<b>2,917</b>
Add: Equity shares allotted pursuant to exercise of stock options	7,14,282	7
<b>Balance as at 31 March 2018</b>	<b>29,23,83,409</b>	<b>2,924</b>
Add: Equity shares allotted pursuant to exercise of stock options	1,43,920	1
<b>Balance as at 31 March 2019</b>	<b>29,25,27,329</b>	<b>2,925</b>

b.

Other equity (₹ in lakhs, unless otherwise stated)

	Reserves and Surplus (refer Note 17)						Items of other comprehensive income (refer Note 17)			
	Capital reserve	Capital redemption reserve	Securities premium	Central subsidy	General reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Total
<b>Balance at 1 April 2017*</b>	20	986	10,771	11	2,00,340	236	70,358	(4,446)	-	2,78,276
Effect of common control business combination (Refer Note 42)	-	-	-	-	(27,032)	-	-	-	-	(27,032)
Profit for the year	-	-	-	-	-	-	68,481	-	-	68,481
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(249)	(4,112)	-	(4,361)
<b>Total comprehensive income for the year</b>							<b>68,232</b>	<b>(4,112)</b>	-	<b>64,120</b>
Recognition of share-based payments	-	-	-	-	-	863	-	-	-	863
Amount received on exercise of employee stock options	-	-	1,666	-	-	-	-	-	-	1,666
Dividend on equity shares including dividend distribution tax	-	-	-	-	-	-	(28,133)	-	-	(28,133)
Amounts transferred within the reserves	-	-	171	-	30,020	(191)	(30,000)	-	-	-
<b>Balance at 31 March 2018</b>	<b>20</b>	<b>986</b>	<b>12,608</b>	<b>11</b>	<b>2,03,328</b>	<b>908</b>	<b>80,457</b>	<b>(8,558)</b>	-	<b>2,89,760</b>
<b>Balance at 1 April 2018</b>	<b>20</b>	<b>986</b>	<b>12,608</b>	<b>11</b>	<b>2,03,328</b>	<b>908</b>	<b>80,457</b>	<b>(8,558)</b>	-	<b>2,89,760</b>
Profit for the year	-	-	-	-	-	-	71,391	-	-	71,391
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(34)	1,133	(18)	1,081
<b>Total comprehensive income for the year</b>							<b>71,357</b>	<b>1,133</b>	<b>(18)</b>	<b>72,472</b>
Recognition of share based payments	-	-	-	-	-	700	-	-	-	700
Dividend on equity shares including dividend distribution tax	-	-	-	-	-	-	(22,915)	-	-	(22,915)
Amount received on exercise of employee stock options	-	-	451	-	-	-	-	-	-	451
Amounts transferred within the reserves	-	-	142	-	30,000	(142)	(30,000)	-	-	-
<b>Balance at 31 March 2019</b>	<b>20</b>	<b>986</b>	<b>13,201</b>	<b>11</b>	<b>2,33,328</b>	<b>1,466</b>	<b>98,899</b>	<b>(7,425)</b>	<b>(18)</b>	<b>3,40,468</b>
* Refer Note 42										
See accompanying notes forming part of the financial statements										

\* Refer Note 42

See accompanying notes forming part of the financial statements

## In terms of our report attached

For and on behalf of the Board of Directors

## For Deloitte Haskins &amp; Sells

Chartered Accountants  
Firm Registration Number: 008072S

## Sumit Trivedi

Partner  
Membership Number: 209354

Place: Secunderabad

Date: 23 April 2019

Sameer Goel

Managing Director

M. M. Murugappan

Chairman

Jayashree Satagopan

Chief Financial Officer

P. Varadarajan

Company Secretary

# Notes

## forming part of the Standalone financial statements

### 1 General information

Coromandel International Limited ("the Company") is a limited company incorporated in India, equity shares of which are listed on the Bombay Stock Exchange and the National Stock Exchange in India. Its parent company is E.I.D.-Parry (India) Limited.

The address of its registered office and principal place of business are disclosed in the annual report. The Company is engaged in the business of farm inputs comprising of fertiliser, crop protection, specialty nutrients and organic compost.

Our Executive Leadership Team comprises the following officers at the date of release of these financial statements:

- Sameer Goel – Managing Director
- S Sankarasubramanian – President & Head (Fertilisers)
- Amir Alvi – Executive Vice President & Head Manufacturing (Fertilisers)
- Arun Leslie George – Executive Vice President & Head (Retail)
- B Prasannatha Rao – Executive Vice President & Head – HR
- Jayashree Satagopan – Executive Vice President & Chief Financial Officer
- Kalidas Pramanik – Executive Vice President - Marketing (Fertilisers & Organic)
- Narayanan Vellayan – Senior Associate Vice President – Speciality Nutrients
- P Varadarajan – Senior Vice President – Legal and Company Secretary
- Ripu Daman Singh – Executive Vice President – New Business Development
- S Govindarajan – Executive Vice President & Head – Commercial
- Srikanthan S – Executive Vice President & Head – Crop Protection
- Amit Rastogi – Executive Vice President – Technology

The executive leadership team reviews the results of our operations and our financial position on consolidated, operating segment and business unit levels. Our operating segments are defined by the organisation and reporting structure through which we operate our business. We

categorise our operating segments into Nutrient and other allied business and Crop Protection.

The Company has 16 manufacturing facilities located across India. The Company also operates a network of retail outlets across Andhra Pradesh, Telangana, Karnataka and Maharashtra. The Company's products are marketed all over the Country through an extensive network of dealers and its own retail centers. The crop protection products are exported to various countries.

### 2 Application of new and revised Ind AS

**Ind AS 116 Leases:** On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:** On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which

## Standalone Notes

(Contd.)

has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019.

**Amendment to Ind AS 12 – Income taxes:** On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

**Amendment to Ind AS 19 – plan amendment, curtailment or settlement:** On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

The Company is evaluating the effects of above on its financial statements.

### 3 Significant accounting policies

#### 3.1 Statement of compliance

The financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable. Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 01, 2018. Ind AS 115 established a comprehensive framework on revenue recognition and replaces Ind AS 18 – Revenue and Ind AS 11 – Construction Contracts. There are no material adjustments arising on transition.

On March 28, 2018, Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarified the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid consideration in a foreign currency. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

#### 3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, and on accrual basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date,

## Standalone Notes

(Contd.)

regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of activities of the Company and the average time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The principal accounting policies are set out below.

### 3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

- a) Sale of goods is recognised net of returns and trade discounts, when the control over the goods is transferred to the customers. The performance obligation in case of sale of goods

is satisfied at a point in time i.e. when the goods are shipped to the customers or on delivery to the customer, as per applicable terms

- b) The Company recognizes subsidy income as per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' on the basis of the rates notified from time to time by the Government of India in accordance with the Nutrient Based Subsidy (NBS) policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy.
- c) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered by measuring progress towards satisfaction of performance obligation for such services.
- d) Export benefits and other excise benefits are accounted for on accrual basis.

### 3.4 Other income

- a) Dividend income from investments is recognised in the year in which the right to receive the payment is established.
- b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

# Standalone Notes

(Contd.)

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

## 3.6 Insurance claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## 3.7 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company.

## 3.8 Foreign currencies

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

## 3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 3.10 Employee benefits

### 3.10.1 Defined contribution plans

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the profit or loss each year when employees have rendered service entitling them to the contributions.

The Company makes contributions to two Provident Fund Trusts for certain employees, at a specified percentage of the employees' salary. The Company has an obligation to make good the shortfall, if any, between the return from the investments of trust and the notified interest rates. Liability on account of such shortfall, if any, is provided for based on the actuarial valuation carried out as at the end of the year.

### 3.10.2 Defined benefit plans

The Company's Gratuity scheme for its employees is a defined benefit retirement plan. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the profit or loss. The liability as at the Balance Sheet date is provided for using the projected unit credit method, with actuarial valuations being carried out as at the end of the year.

## Standalone Notes

(Contd.)

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

### 3.10.3 Short-term employee benefits

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

### 3.10.4 Other long-term employee benefits

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 3.11 **Share-based payment arrangements**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### 3.12 **Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

### 3.13 **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### • Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

#### • Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities

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are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.14 Property, plant and equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act except in respect of following categories of

assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

Asset	Useful lives (in years)
Plant and equipment	5 – 25
Vehicles	5 – 7
Office equipment, furniture and fixtures	3 – 5

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets Individually costing ₹ 5,000 and below are depreciated over a period of one year. Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.15 Biological assets

The Company recognises neem plantation as Biological assets and are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on biological assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost incurred for new plantations are capitalised and depreciated over their estimated useful life which has been ascribed to be 20 years.

### 3.16 Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase

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price and attributable expenditure on making the asset ready for its intended use.

Intangible assets are amortised on the straight-line method. Technical know-how is amortised over their estimated useful lives ranging from 5-10 years and product registration is amortised over the period of the registration subject to a maximum of 10 years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

### 3.17 Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognised. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognised impairment loss no longer exists or may have decreased such reversal of impairment loss is recognised in the profit or loss.

### 3.18 Inventories

Stores and spares, packing materials are valued at or below cost. Raw materials and other inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated selling price (including subsidy income, where applicable) of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

1. Stores and spares and packing materials – Weighted average cost.
2. Raw material – First-in-First-out basis. Cost includes purchase cost and other attributable expenses.

3. Finished goods and Work-in-process – Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads. Excise duty is included in the value of finished goods up to 30 June 2017.
4. Stock-in-trade – Weighted average cost

### 3.19 Exceptional item

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional item'.

### 3.20 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

### 3.21 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities,

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as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### 3.22.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt

instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

#### 3.22.2 Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

#### 3.22.3 Investments in subsidiaries, joint ventures and associates

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

#### 3.22.4 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income

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and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

### 3.22.5 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 3.22.6 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that

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will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### 3.22.7 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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### 3.22.8 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

### 3.23 Financial liabilities and equity instruments

#### 3.23.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### 3.23.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### 3.23.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is

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evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

## Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The

carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

## Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

## Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that

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foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

### Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

### **3.24 Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, option contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in other comprehensive income net of applicable deferred income taxes. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income.

The cumulative gain or loss previously recognized in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in the other comprehensive income is transferred to statement of income.

### **3.25 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **3.25.1 Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

#### Revenue recognition

In making their judgment, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and, in particular, whether the Company had transferred control over the goods to the buyer.

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### 325.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Items requiring significant estimate	Assumption and estimation uncertainty
Useful lives of property, plant and equipment	The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.
Fair value measurements and valuation processes	Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.
	In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Company annually to explain the cause of fluctuations in the fair value of the assets and liabilities.
Revenue recognition	The Company provides customer incentives, such as rebates, based on quantity purchased, timing of collections etc. Various estimates are made to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical and forecasted data, contractual terms and current conditions.
Subsidy income and related receivables	Subsidy income has been recognized when there is reasonable assurance that the Company will comply with all necessary conditions attached to subsidy including those under the Direct Benefit Transfer system which was introduced by the Government of India.
Provision for doubtful receivables	The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices, Subsidy and costs necessary to make the sale.
Provision for employee benefits	The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

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	(₹ in lakhs, unless otherwise stated)	
	As at 31 March 2019	As at 31 March 2018
<b>4. Property, plant and equipment and capital work-in-progress</b>		
<b>Carrying amounts of:</b>		
Land		27,093
Buildings	27,261	19,888
Road	19,892	648
Railway sidings	729	1,831
Plant and equipment	1,714	79,480
Biological assets	77,087	45
Office equipment	44	1,148
Furniture and fixtures	1,764	679
Vehicles	691	738
	876	
	<b>1,30,058</b>	<b>1,31,550</b>
Capital work-in-progress	<b>17,569</b>	<b>3,763</b>

### Details of Property, plant and equipment

	Land	Buildings	Road	Railway sidings	Plant and equipment	Biological assets	Office equipment	Furniture and fixtures	Vehicles	Total
<b>Cost or deemed cost</b>										
<b>Balance as at 1 April 2017</b>	26,945	25,828	1,890	3,059	1,69,072	-	5,011	3,466	2,244	2,37,515
Effect of common control business combination (Refer Note 42)	29	670	11	-	2,999	-	121	8	96	3,934
Additions	137	1,234	360	-	5,956	45	695	141	288	8,856
Disposals/ adjustments	18	61	15	-	3,951	-	329	29	136	4,539
<b>Balance at 31 March 2018</b>	<b>27,093</b>	<b>27,671</b>	<b>2,246</b>	<b>3,059</b>	<b>1,74,076</b>	<b>45</b>	<b>5,498</b>	<b>3,586</b>	<b>2,492</b>	<b>2,45,766</b>
Additions	168	976	209	71	7,196	-	1,293	98	400	10,411
Disposals/ adjustments	-	236	6	4	3,011	-	633	213	320	4,423
<b>Balance at 31 March 2019</b>	<b>27,261</b>	<b>28,411</b>	<b>2,449</b>	<b>3,126</b>	<b>1,78,261</b>	<b>45</b>	<b>6,158</b>	<b>3,471</b>	<b>2,572</b>	<b>2,51,754</b>

### Notes:

- Above includes opening gross block of ₹ 1,823 lakhs (2018: ₹ 1,619 lakhs) and additions amounting to ₹ 262 lakhs (2018: ₹ 39 lakhs) in respect of in-house Research and Development.
- Refer Note 18.1 for details of assets pledged.
- Interest capitalized during the year amounting to ₹ 283 lakhs (2018: Nil) included under Capital work-in-progress.
- Land admeasuring 446.92 acres (₹ 75 lakhs) is pending registration in the name of the Company.

	Land	Buildings	Road	Railway sidings	Plant and equipment	Biological assets	Office equipment	Furniture and fixtures	Vehicles	Total
<b>Accumulated depreciation and impairment</b>										
<b>Balance as at 1 April 2017</b>	-	6,730	1,385	1,040	88,283	-	4,153	2,761	1,593	1,05,945
Effect of common control business combination (Refer Note 42)	-	317	10	-	1,908	-	82	5	49	2,371
Disposals/ adjustments	-	1	14	-	3,288	-	328	28	107	3,766
Depreciation expense	-	737	217	188	7,693	-	443	169	219	9,666
<b>Balance at 31 March 2018</b>	<b>-</b>	<b>7,783</b>	<b>1,598</b>	<b>1,228</b>	<b>94,596</b>	<b>-</b>	<b>4,350</b>	<b>2,907</b>	<b>1,754</b>	<b>1,14,216</b>
Disposals/ adjustments	-	65	6	4	2,405	-	606	240	281	3,607
Depreciation expense	-	801	128	188	8,983	1	650	113	223	11,087
<b>Balance at 31 March 2019</b>	<b>-</b>	<b>8,519</b>	<b>1,720</b>	<b>1,412</b>	<b>1,01,174</b>	<b>1</b>	<b>4,394</b>	<b>2,780</b>	<b>1,696</b>	<b>1,21,696</b>

# Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>5. Other intangible assets and intangible assets under development</b>		
Carrying amounts of:		
Product registrations	509	702
Technical know-how	91	136
	<b>600</b>	<b>838</b>
Intangible assets under development	<b>1,453</b>	<b>1,062</b>

	Product registrations	Technical know-how	Total
<b>Details of Intangible assets</b>			
<b>Cost or deemed cost</b>			
Balance as at 1 April 2017	1,172	725	1,897
Effect of common control business combination (Refer Note 42)	-	272	272
Additions	234	-	234
Disposals/ adjustments	-	-	-
<b>Balance as at 31 March 2018</b>	<b>1,406</b>	<b>997</b>	<b>2,403</b>
Additions	-	-	-
Disposals/ adjustments	12	-	12
<b>Balance as at 31 March 2019</b>	<b>1,394</b>	<b>997</b>	<b>2,391</b>

## Accumulated amortisation and impairment

Balance as at 1 April 2017	603	502	1,105
Effect of common control business combination (Refer Note 42)	-	270	270
Amortisation expense	101	89	190
Disposals/ adjustments	-	-	-
<b>Balance as at 31 March 2018</b>	<b>704</b>	<b>861</b>	<b>1,565</b>
Amortisation expense	193	45	238
Disposals/ adjustments	12	-	12
<b>Balance as at 31 March 2019</b>	<b>885</b>	<b>906</b>	<b>1,791</b>

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>6. Non-current investments</b>		
<b>Quoted equity instruments</b>		
<b>(a) Investments in quoted equity instruments at FVTPL</b>		
<b>Rama Phosphate Limited</b>	12	13
13,719 (2018: 13,719) Equity shares of ₹ 10 each, fully paid-up		
<b>Total aggregate quoted investments (A)</b>	<b>12</b>	<b>13</b>
<b>Unquoted equity instruments</b>		
<b>(b) Investment in subsidiaries at cost</b>		
<b>Liberty Pesticides and Fertilisers Limited</b>	113	113
7,50,000 (2018: 7,50,000) Equity shares of ₹ 10 each, fully paid-up		
<b>Parry America, Inc</b>	24	24
776 (2018: 776) shares of USD 100 each, fully paid-up		
<b>Parry Chemicals Limited</b>	1,000	1,000
1,00,00,000 (2018: 1,00,00,000) Equity shares of ₹ 10 each, fully paid-up		
<b>CFL Mauritius Limited</b>	10,281	10,281
2,20,25,000 (2018: 2,20,25,000) Ordinary shares of USD 1 each, fully paid-up		
<b>Sabero Australia Pty Ltd.</b>	41	41
5,578 (2018: 5,578) Equity shares of Australian Dollar 14 each fully paid-up		
<b>Sabero Europe B.V.</b>	8	8
61 (2018: 61) Equity shares of Dutch Guilder 453.78 each fully paid-up		
<b>Sabero Argentina S.A.</b>	17	17
1,61,500 (2018: 1,61,500) Equity Shares of Argentina Peso 1 each fully paid-up		
<b>Sabero Organics America S.A.</b>	793	793
33,88,057 (2018: 33,88,057) Equity Shares of Brazilian Real 1 each fully paid-up		
<b>Coromandel Agronegocios de Mexico, S.A de C.V (formerly Sabero Organics Mexico S.A de C.V)</b>	29	29
4,99,477 (2018: 4,99,477) Equity shares of Mexican Peso 1 each fully paid-up		
<b>Coromandel International (Nigeria) Limited</b>	21	-
99,99,000 (2018: Nil) Ordinary shares of Nigerian Naira 1 each fully paid-up		
<b>Dare Investments Limited</b>	500	500
50,00,000 (2018: 50,00,000) Equity shares of ₹ 10 each, fully paid-up		
<b>Coromandel Brasil Limitada, Limited Liability Partnership **</b>	466	466
18,315 (2018: 18,315) Quotas of Brazilian Real 100 each, fully paid-up		
<b>Total aggregate investments in subsidiaries (B)</b>	<b>13,293</b>	<b>13,272</b>

# Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>(c) Investment in joint ventures at cost</b>		
<b>Yanmar Coromandel Agrisolutions Private Limited</b>	1,300	1,300
1,30,04,000 (2018: 1,30,04,000) Equity shares of ₹ 10 each, fully paid-up		
Less: Impairment allowance	(832)	(832)
	468	468
<b>Coromandel SQM (India) Private Limited</b>	500	500
50,00,000 (2018: 50,00,000) Ordinary shares of ₹ 10 each, fully paid-up		
<b>Total aggregate investments in joint ventures (C)</b>	<b>968</b>	<b>968</b>
<b>(d) Investment in associate at cost</b>		
<b>Sabero Organics Philippines Asia Inc. - Associate</b>	*	*
320 (2018: 320) Equity shares of PHP\$100 each fully paid-up		
<b>Total aggregate investments in associate (D)</b>	<b>*</b>	<b>*</b>
<b>(e) Other equity instruments at FVTOCI</b>		
<b>Tunisian Indian Fertilisers S.A. #</b>	-	-
41,79,848 (2018: 41,79,848) Ordinary shares of Tunisian Dinars (TND) 10 each, fully paid up		
<b>Nandesari Environment Control Limited</b>	15	9
2,000 (2018: 2,000) Equity shares of ₹ 10 each, fully paid-up		
<b>Ranar Agrochem Limited (formerly Prathyusha Chemicals and Fertilisers Limited)</b>	2	2
10,01,000 (2018: 10,01,000) Equity shares of ₹ 10 each, fully paid-up		
<b>Indian Potash Limited</b>	2,350	2,026
90,000 (2018: 90,000) Equity shares of ₹ 10 each, fully paid-up		
<b>Foskor (Pty) Limited</b>		
i 1,99,590 (2018: 1,99,590) Ordinary shares of South African Rand 1 each, fully paid-up	-	884
ii 46 (2018: Nil) Class D shares of South African Rand 2,00,000 each, fully paid-up	1,901	-
<b>Murugappa Management Services Limited</b>		
16,139 (2018: 16,139) Equity shares of ₹ 100 each, fully paid-up	73	73
<b>Bharuch Enviro Infrastructure Limited</b>	107	140
16,100 (2018: 16,100) Equity shares of ₹ 10 each, fully paid-up		
<b>Narmada Clean Tech</b>	15	16
2,75,000 (2018: 2,75,000) Equity shares of ₹ 10 each, fully paid-up		
<b>A.P. Gas Power Corporation Limited</b>	11,235	9,281
53,92,160 (2018: 53,92,160) Equity shares of ₹ 10 each, fully paid-up		
<b>Total aggregate Equity investments at FVTOCI (E)</b>	<b>15,698</b>	<b>12,431</b>

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>(f) Other investments at FVTPL</b>		
<b>Faering Capital India Evolving Fund</b>	324	361
30,471 (2018: 31,864) units of ₹1,000 each, fully paid-up		
<b>Total aggregate other investments (F)</b>	<b>324</b>	<b>361</b>
<b>(g) Others</b>		
Share application money pending allotment - at cost (Refer Note 41(E))	141	139
Loans at FVTOCI ***	1,609	1,609
<b>Total aggregate others (G)</b>	<b>1,750</b>	<b>1,748</b>
<b>Total investments (A) + (B) + (C) + (D) + (E) + (F)+ (G)</b>	<b>32,045</b>	<b>28,793</b>
* less than a lakh		
Aggregate amount of quoted investments and market value thereof	12	13
Aggregate amount of unquoted investments	32,033	28,780
Aggregate amount of impairment in value of investments	832	832

### Notes:

# The Ordinary shares of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT) held by the Company have been pledged to secure the obligations of TIFERT to their lenders, except 8,04,848 shares.

\*\* the Company holds 100% of the quotas and is the only partner in the Limited Liability Partnership.

\*\*\* represents loan amounting ₹ 1,609 Lakhs (2018: ₹ 1,609 Lakhs) to TIFERT which is compulsorily convertible to equity shares at the end of three years from June 2017.

## 7. Other financial assets

### Financial assets carried at fair value through profit or loss (FVTPL)

Derivatives that are not designated in hedge accounting relationships

Foreign currency forward contracts	1,285	669
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Option contracts	-	378
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Derivatives that are designated in hedge accounting relationships	25	-
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	<b>1,310</b>	<b>1,047</b>
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### Financial assets carried at amortised cost

Advances with related parties (Refer Note 41(E))	105	125
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Interest accrued but not due on deposits, loans, others*	124	627
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Insurance claims receivable	2,739	339
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	<b>2,968</b>	<b>1,091</b>
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	<b>4,278</b>	<b>2,138</b>
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Current	4,278	2,138
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Non-current	-	-
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	<b>4,278</b>	<b>2,138</b>
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\*Includes ₹ 2 lakhs (2018: ₹ 1 lakh) interest receivable from related party. Refer Note 41(E)

# Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>8. Other non-current assets</b>		
Capital advances	5,253	1,790
Pre-payment for leasehold land*	3,070	3,126
Deposits	2,743	3,063
Others	145	188
	<b>11,211</b>	<b>8,167</b>

\* Land admeasuring 3.52 acres (₹18 lakhs) is pending execution of lease in the name of the Company.

<b>9. Inventories</b>		
Raw materials	98,676	63,234
Raw materials in-transit	14,672	30,068
Work-in-process	2,369	1,576
Finished goods	1,65,549	1,03,177
Stock-in-trade	34,149	20,598
Stores and spares	5,531	4,358
Packing materials	2,477	2,239
	<b>3,23,423</b>	<b>2,25,250</b>

Note: Refer Note 3.17 for basis of valuation and for details of inventories pledged refer Note 18.1

<b>10. Current investments</b>		
<b>Quoted instruments at FVTPL</b>		
<b>Canara Robecco Gold Saving Fund</b>	14	14
1,49,284.652 (2018: 1,49,284.652) units of ₹10 each		
<b>Total quoted investments (A)</b>	<b>14</b>	<b>14</b>
<b>Unquoted other investments at FVTPL</b>		
<b>UTI Master Shares</b>	*	*
1,000 (2018: 1,000) shares of ₹10 each, fully paid-up		
<b>Total unquoted investments (B)</b>	<b>*</b>	<b>*</b>
<b>Total current investments (A) + (B)</b>	<b>14</b>	<b>14</b>
*less than a lakh		
Aggregate amount of quoted investments and market value thereof	14	14
Aggregate amount of unquoted investments	*	*
Aggregate amount of impairment in value of investments	-	-

<b>11. Trade receivables</b>		
(a) Secured, considered good	9,263	8,012
(b) Unsecured, considered good*	1,73,607	1,49,450
(c) Credit impaired	12,775	12,183
	1,95,645	1,69,645
Allowance for doubtful receivables	12,775	12,183
	<b>1,82,870</b>	<b>1,57,462</b>

\* Includes ₹ 2,173 lakhs (2018: ₹ 2,310 lakhs) receivable from related party. Also Refer Note 41(E).

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

The credit period on sales of goods varies with seasons and business segments/ markets and generally ranges between 30 to 180 days. No interest is recovered on trade receivables for payments received after the due date.

Before accepting any new customer, the Company has a credit evaluation system to assess the potential customer's credit quality and to define credit limits for the customer. Credit limits attributed to customers are reviewed on an annual basis.

The Company maintains an allowance for impairment of doubtful accounts based on financial condition of the customer, ageing of the customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Company creates provision for past due receivables beyond 180 days ranging between 25%-100% after reckoning the underlying collaterals. Besides, based on the expected credit loss model the Company also provides upto 0.50% for receivables less than 180 days.

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Movement in the allowance for doubtful receivables</b>		
Balance at beginning of the year	12,183	10,346
Impairment losses recognised on receivables	592	1,837
<b>Balance at end of the year</b>	<b>12,775</b>	<b>12,183</b>

The concentration of risk with respect to trade receivables is reasonably low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets. No single customer constitutes more than 5% balance of the total trade receivables as of the Balance Sheet date.

	As at 31 March 2019	As at 31 March 2018
<b>12. Cash and cash equivalents</b>		
Cash on hand	72	56
Balances with Banks:		
in Current accounts	11,021	9,341
in Deposit accounts	-	34,501
	<b>11,093</b>	<b>43,898</b>
<b>13. Bank balances other than cash and cash equivalents</b>		
Restricted		
Dividend accounts	1,864	10,176
Bonus debenture redemption and interest	846	705
Margin money/ deposit	9	9
	<b>2,719</b>	<b>10,890</b>

### Unclaimed dividend accounts

If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

### Bonus debenture redemption and interest

If the proceeds on maturity of debentures and interest thereon has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid debenture account". The unclaimed amounts lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

### Margin money / deposit

Amounts in margin money/deposit accounts represents amounts deposited with certain government agencies.

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>14. Loans</b>		
<b>At amortised cost</b>		
Unsecured, considered good		
Loans and advances to related parties (Refer Note 41 (E))	11	10
Inter-corporate deposits	42,000	40,000
	<b>42,011</b>	<b>40,010</b>
Current	42,011	40,010
Non-current	-	-
	<b>42,011</b>	<b>40,010</b>
<b>15. Other current assets</b>		
Advances recoverable in kind or for value to be received		
Considered good	28,896	20,172
Considered doubtful	403	373
	29,299	20,545
Less: Impairment allowance	403	373
	28,896	20,172
Gratuity fund (net) [Refer Note 34(a)]	217	38
Others (including Goods and Services Tax balances)	36,933	50,573
6.20% Fertilizer companies Government of India Special bonds 2022 10,000 (2018: 10,000) bonds of ₹ 100/- each	*	*
6.65% Fertilizer companies Government of India Special bonds 2023 5,000 (2018: 5,000) bonds of ₹ 100/- each	*	*
	<b>66,046</b>	<b>70,783</b>

\* Less than a Lakh

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>16. Equity</b>		
<b>16.1 Equity share capital</b>		
<b>Authorised Share capital :</b>		
35,00,00,000 (2018: 35,00,00,000) fully paid equity shares of ₹ 1 each	3,500	3,500
<b>Issued, subscribed and fully paid-up:</b>		
29,25,27,329 (2018: 29,23,83,409) fully paid equity shares of ₹ 1 each	2,925	2,924
	<b>2,925</b>	<b>2,924</b>

**16.2 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year :**

	Numbers of Shares	Amount
<b>Balance as at 1 April 2017</b>	<b>29,16,69,127</b>	<b>2,917</b>
Add: Equity shares allotted pursuant to exercise of stock options	7,14,282	7
<b>Balance as at 31 March 2018</b>	<b>29,23,83,409</b>	<b>2,924</b>
Add: Equity shares allotted pursuant to exercise of stock options	1,43,920	1
<b>Balance as at 31 March 2019</b>	<b>29,25,27,329</b>	<b>2,925</b>

**16.3 Rights, preferences and restriction relating to each class of share capital:**

**Equity shares:** The Company has one class of equity shares having a face value of ₹ 1 each . Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

- 16.4** As at 31 March 2019, E.I.D.-Parry (India) Limited (Parent Company) held 17,71,55,580 (2018: 17,71,55,580) equity shares of ₹ 1 each fully paid-up representing 60.56% (2018: 60.59%) of the paid up capital. There are no other shareholders holding more than 5 % of the issued capital.

**16.5 Share options granted under the Company's employee share option plan**

As at 31 March 2019, shares reserved for issue under the 'ESOP 2007' scheme is 81,61,366 (2018: 81,85,066) equity shares of ₹ 1 each and under the 'ESOP 2016' scheme is 1,43,55,580 (2018: 1,44,75,800) equity shares of ₹ 1 each.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 33.

**16.6 Details of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

During the year ended 31 March 2015:

- 25,74,193 equity shares of ₹ 1 each fully paid-up were allotted to shareholders of erstwhile Liberty Phosphate Limited (LPL) in the proportion of 7 equity shares of ₹ 1 each of the Company for every 8 equity shares of ₹ 10 each held in the LPL pursuant to the Scheme of Amalgamation between LPL and the Company.
- 53,09,210 equity shares of ₹ 1 each fully paid-up were allotted to shareholders of erstwhile Sabero Organics Gujarat Limited (Sabero) in the proportion of 5 equity shares of ₹ 1 each of the Company for every 8 equity shares of ₹ 10 each held in Sabero pursuant to the Scheme of Amalgamation between Sabero and the Company.

# Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>16.7 Cumulative redeemable preference shares</b>		
<b>Authorised capital</b>		
50,00,000 (2018: 50,00,000) cumulative redeemable preference shares of ₹ 10 each	500	500
<p><b>Cumulative redeemable preference shares:</b> The Company has a class of cumulative redeemable preference shares having face value of ₹ 10 each with such rights, privileges and conditions respectively attached thereto as may be from time to time confirmed by the regulations of the company. Pursuant to the Scheme of Amalgamation, the cumulative redeemable preference shares carry cumulative dividend of 8% per annum in relation to capital paid upon them and are on original terms and conditions in which they were issued by erstwhile Liberty Phosphate Limited, the amalgamating company.</p> <p>No such cumulative redeemable preference shares are issued and outstanding as of 31 March 2019 (2018: Nil).</p>		
<b>17. Other equity</b>		
General reserve	2,33,328	2,03,328
Retained earnings	98,899	80,457
Capital reserve	20	20
Capital redemption reserve	986	986
Securities Premium	13,201	12,608
Central subsidy	11	11
ESOP reserve	1,466	908
Equity Instruments through OCI	(7,425)	(8,558)
Cash flow hedge reserve	(18)	-
	<b>3,40,468</b>	<b>2,89,760</b>
<b>(i) General reserve</b>		
Balance at beginning of year	2,03,328	2,00,340
Effect of common control business combination (Refer Note 42)	-	(27,032)
Amount transferred on cancellation of stock options	-	20
Amount transferred from retained earnings	30,000	30,000
	<b>2,33,328</b>	<b>2,03,328</b>
<p>The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.</p>		
<b>(ii) Retained earnings</b>		
Balance at beginning of year	80,457	70,358
Profit for the year	71,391	68,481
Remeasurement of the net defined benefit plans	(34)	(249)
Dividend on equity shares including dividend distribution tax	(22,915)	(28,133)
Amount transferred to general reserve	(30,000)	(30,000)
	<b>98,899</b>	<b>80,457</b>

Retained earnings represents the Company's undistributed earnings after taxes.

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

In respect of the year ended 31 March 2019, the directors approved payment of interim dividend of ₹ 3 per share and proposed that a final dividend of ₹ 3.50 per share be paid on fully paid equity shares. The proposed final equity dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total amount paid with respect to interim dividend is ₹ 10,577 Lakhs including dividend distribution tax of ₹ 1,803 Lakhs and estimated amount to be paid with respect to final dividend is ₹ 12,343 Lakhs including dividend distribution tax of ₹ 2,105 Lakhs.

In respect of the year ended 31 March 2018, the directors approved payment of interim dividend of ₹ 3 per share and proposed that a final dividend of ₹ 3.50 per share be paid on fully paid equity shares which was approved by the shareholders at the Annual General Meeting. The total amount paid with respect to interim dividend is ₹ 10,557 Lakhs including dividend distribution tax of ₹ 1,785 Lakhs and with respect to final dividend is ₹ 12,338 Lakhs including dividend distribution tax of ₹ 2,104 Lakhs.

In July 2017, a dividend of ₹ 5 per share amounting to total dividend of ₹ 17,576 lakhs including dividend distribution tax of ₹ 2,973 lakhs was paid to holders of fully paid equity shares with respect to the final dividend for the year ended 31 March 2017.

	As at 31 March 2019	As at 31 March 2018
<b>(iii) Capital Reserve</b>	20	20
<b>(iv) Capital Redemption reserve</b>	986	986
Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on buyback of Company's own shares and on redemption of the preference shares. The Company has bought back its own shares and also redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.		
<b>(v) Securities premium</b>		
Balance at beginning of year	12,608	10,771
Amount transferred on exercise of employee stock option	142	171
Amount received on exercise of employee stock option	451	1,666
	<b>13,201</b>	<b>12,608</b>
Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.		
<b>(vi) Central subsidy</b>	<b>11</b>	<b>11</b>
<b>(vii) Share options outstanding account</b>		
Balance at beginning of year	908	236
Amount transferred on exercise/ cancellation of employee stock option	(142)	(191)
Recognition of share based payment expense	700	863
	<b>1,466</b>	<b>908</b>
Share options outstanding account relates to share options granted by the Company to its employees under its employee share option plan. These will be transferred to retained earnings after the exercise of the underlying options.		
<b>(viii) Reserve for equity instruments through other comprehensive income</b>		
Balance at beginning of year	(8,558)	(4,446)
Net fair value gain/ (loss) on investments in equity instruments at FVTOCI (net of tax)	1,133	(4,112)
	<b>(7,425)</b>	<b>(8,558)</b>
This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.		
<b>(ix) Cash flow hedge reserve</b>		
Balance at beginning of year	-	-
Effective portion of cash flow hedges (net of tax)	(18)	-
	<b>(18)</b>	<b>-</b>
Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income		

# Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>18. Borrowings</b>		
<b>Secured- at amortised cost</b>		
Loan repayable on demand from banks	26,807	39,796
Short term loans from banks	70,409	61,707
<b>Unsecured- at amortised cost</b>		
Loan repayable on demand from banks	50,230	49,941
Short term loans from		
- Banks	88,000	31,400
- Others	60,000	90,000
Loans from related parties (Refer Note 41 (E))	248	237
	<b>2,95,694</b>	<b>2,73,081</b>
Long term borrowings	-	-
Short term borrowings	2,95,694	2,73,081
	<b>2,95,694</b>	<b>2,73,081</b>

## 18.1 Summary of borrowing arrangements

- Secured loan repayable on demand comprises cash credit balances and buyers credit secured by a pari-passu charge on current assets of the Company. Further, certain loans are secured by second charge on moveable fixed assets of the Company.
- Secured short-term loans from banks comprises of working capital demand loan secured by a pari-passu charge on current assets of the Company. Further, certain borrowings are secured by specific subsidy receivables and letter of comfort from Government of India under Special Banking Arrangement.
- Unsecured loans repayable on demand comprises of buyers credit denominated in foreign currency and unsecured short-term loans comprise of commercial paper, short-term loans and foreign currency loans from banks.
- Unsecured loans from related parties comprise of loan from a subsidiary, Liberty Pesticides and Fertilizers Limited.

## 18.2 Breach of loan agreement

There is no breach of loan agreement.

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>19. Other financial liabilities</b>		
<b>Financial liabilities mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Derivatives not designated in hedge accounting relationships		
Foreign currency forward contracts	5,253	382
Derivatives designated in hedge accounting relationships	53	-
	<b>5,306</b>	<b>382</b>
<b>Financial liabilities carried at amortised cost</b>		
Security and trade deposits received (includes non-current portion of ₹ 168 lakhs (2018: ₹ 128 lakhs))	13,385	11,618
Interest accrued but not due on borrowings	415	260
Interest accrued but not due on others	1,043	950
Interim dividend payable (includes ₹ Nil (2018: ₹ 5,315 lakhs) payable to related party. Refer Note 41 (E))	-	8,772
Unclaimed dividends	1,864	1,404
Unclaimed debentures	846	705
Payables on purchase of fixed assets	985	395
Others*	-	33,099
	<b>18,538</b>	<b>57,203</b>
	<b>23,844</b>	<b>57,585</b>
Current	23,676	57,457
Non-current	168	128
	<b>23,844</b>	<b>57,585</b>

\* Includes amount payable on acquisition ₹ Nil (2018: ₹ 33,000 lakhs). Refer Note 41(E) and Note 42.

## 20. Provisions

Employee benefits*	3,207	2,443
	<b>3,207</b>	<b>2,443</b>
Current	1,810	1,004
Non-current	1,397	1,439
	<b>3,207</b>	<b>2,443</b>

\*The provision for employee benefits represents leave entitlements and gratuity. Refer Note 34(a) for details of gratuity obligation.

# Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
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## 21. Income tax

### 21.1 Deferred tax liabilities (net)

Deferred tax liabilities	19,523	20,689
Deferred tax assets	(8,464)	(8,486)
	<b>11,059</b>	<b>12,203</b>

2018-2019	Opening balance 1 April 2018	Recognised in Profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities/(assets) in relation to:</b>				
Property, plant and equipment	20,689	(1,166)	-	19,523
Investments at FVTOCI	(2,547)	-	344	(2,203)
Provision for doubtful debts and advances	(4,295)	(224)	-	(4,519)
Statutory dues allowable on payment basis	(410)	-	-	(410)
Employees separation and retirement costs	(942)	(54)	(19)	(1,015)
Others	(292)	(15)	(10)	(317)
<b>Total</b>	<b>12,203</b>	<b>(1,459)</b>	<b>315</b>	<b>11,059</b>

2017-2018	Opening balance 1 April 2017	Effect of common control business combination (Refer Note 42)	Recognised in Profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax liabilities/(assets) in relation to:</b>					
Property, plant and equipment	21,145	(359)	(97)	-	20,689
Investments at FVTOCI	(1,298)	-	-	(1,249)	(2,547)
Provision for doubtful debts and advances	(3,614)	-	(681)	-	(4,295)
Statutory dues allowable on payment basis	(410)	-	-	-	(410)
Employees separation and retirement costs	(685)	-	(124)	(133)	(942)
Others	(287)	-	(5)	-	(292)
<b>Total</b>	<b>14,851</b>	<b>(359)</b>	<b>(906)</b>	<b>(1,382)</b>	<b>12,203</b>

### 21.2 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

	As at 31 March 2019	As at 31 March 2018
- long-term capital loss	56	56
- short-term capital loss	11	11
- unused tax losses	-	-
	<b>67</b>	<b>67</b>

Long-term capital loss of ₹ 47 lakhs is available for set-off till 31 March 2025 and ₹ 9 lakhs till 31 March 2027 (2018: ₹ 56 lakhs till 31 March 2025), short-term capital loss till 31 March 2020.

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>21.3 Income tax credit/ (expense) recognised directly in equity</b>		
Tax effect on changes in fair value of other investments	(344)	1,249
Tax effect on actuarial gains/losses on defined benefit obligations	19	133
Tax effect on Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	10	-
	<b>(315)</b>	<b>1,382</b>

	As at 31 March 2019	As at 31 March 2018
<b>21.4 Current tax liabilities (net)</b>		
Income tax payable (net of advance tax)	3,832	2,195
	<b>3,832</b>	<b>2,195</b>

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>21.5 Reconciliation of tax expense to the accounting profit is as follows:</b>		
<b>Accounting profit before tax</b>	<b>1,08,587</b>	<b>1,02,792</b>
Tax expense at statutory tax rate of 34.94% (2018: 34.61%)	37,945	35,574
<i>Adjustments:</i>		
Effect of income that is exempt from tax	(2)	(107)
Effect of expenses that are not deductible in determining taxable profit	35	35
Effect of concessions (research and development and other allowances)	(718)	(706)
Effect of change in tax rate	51	148
Others	(115)	(633)
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>37,196</b>	<b>34,311</b>

	As at 31 March 2019	As at 31 March 2018
<b>22. Other liabilities</b>		
Advances from customers	5,336	6,776
Income received in advance	908	975
Other liabilities (including statutory remittances)	1,198	1,609
	<b>7,442</b>	<b>9,360</b>
Current	6,534	8,385
Non-current	908	975
	<b>7,442</b>	<b>9,360</b>

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>23. Trade payables</b>		
Acceptances	2,66,256	2,09,054
Other than Acceptances:	1,10,011	1,28,699
	<b>3,76,267</b>	<b>3,37,753</b>
of the above		
i) Total outstanding dues of micro enterprises and small enterprises*	1,261	651
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises**	3,75,006	3,37,102
	<b>3,76,267</b>	<b>3,37,753</b>

\*Dues to MSME have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Refer Note 46

\*\*Includes amount payable to related party ₹ 987 Lakhs (2018: ₹ 756). Also refer Note 41(E)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>24. Revenue from operations</b>		
The following is an analysis of the Company's revenue:		
Sales	10,03,197	8,37,945
Government subsidies	3,10,641	2,67,314
Other operating revenue	6,547	5,630
<b>Total Revenue from operations</b>	<b>13,20,385</b>	<b>11,10,889</b>
The Government of India introduced the Goods and Services tax (GST) with effect from 1 July 2017. Accordingly, in compliance with Indian Accounting Standard (Ind AS), Revenue from operations for the period beginning 1 July 2017 is presented net of GST.		
<b>Other operating revenues comprise:</b>		
Service income	443	168
DEPB income/ excise benefits	2,591	3,178
Provision for liabilities no longer required, written back	880	105
Insurance claim	281	329
Others	2,352	1,850
	<b>6,547</b>	<b>5,630</b>
<b>25. Other income</b>		
Interest income	3,630	5,347
Dividend income from investments carried at FVTPL	4	239
Dividend income from investments carried at FVTOCI	3	6
Guarantee income	-	109
Profit on sale of investment	-	79
Others	-	115
	<b>3,637</b>	<b>5,895</b>

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>26. Changes in inventories of finished goods, work-in-process and stock-in-trade</b>		
<b>As at 1 April</b>		
Work-in-process	1,576	2,499
Finished goods	1,03,177	79,693
Stock-in-trade	20,598	28,584
	1,25,351	1,10,776
Add: Effect of common control business combination (Refer Note 42)	-	2,763
Less: Credit taken on transition to Goods and Services Tax	-	3,419
<b>Less: As at 31 March</b>		
Work-in-process	2,369	1,576
Finished goods	1,65,549	1,03,177
Stock-in-trade	34,149	20,598
	2,02,067	1,25,351
Less: Inventory write-off (Refer Note 47 (b))	2,082	-
	<b>(78,798)</b>	<b>(15,231)</b>
<b>27. Employee benefits expense</b>		
Salaries, wages and bonus	33,484	29,393
Share based payments (Refer Note 33.3)	700	863
Contribution to provident and other funds	2,714	2,491
Staff welfare expenses	3,825	3,179
	<b>40,723</b>	<b>35,926</b>
<b>28. Finance cost</b>		
Interest expense (Refer Note below)	24,318	16,884
Other borrowing costs and charges	764	960
	<b>25,082</b>	<b>17,844</b>
Notes :		
i) Net of ₹ 283 lakhs capitalised at the average interest rate of 5.14% (2018: ₹ Nil).		
ii) Includes ₹ 17 lakhs (2018: ₹ 17 lakhs) towards loan taken from a related party (Refer Note 41(E)).		
<b>29. Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (refer Note 4)	11,087	9,666
Amortisation of intangible assets (refer Note 5)	238	190
	<b>11,325</b>	<b>9,856</b>

# Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>30. Other expenses</b>		
Stores and spares consumed	10,497	8,636
Power, fuel and water	25,060	23,035
Rent	6,234	8,589
Repairs to:		
Buildings	641	758
Machinery	3,305	2,772
Others	2,217	1,762
Insurance charges	1,203	1,341
Rates and taxes	1,263	1,222
Freight and distribution	1,03,272	97,915
Exchange differences (net)	14,831	4,945
Loss on sale/scrap of property, plant and equipments (net)	615	460
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	622	1,848
Trade and other receivables written off	28	-
Loss on measuring investments at FVTPL (net)	24	8
Loss on sale of investments	8	-
Adjustment in carrying amount of investment carried at cost	-	832
Miscellaneous expenses	33,081	31,802
	<b>2,02,901</b>	<b>1,85,925</b>

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

### 31. Segment information

#### 31.1 Products and services from which reportable segments derive their revenues

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Company's reportable segments under Ind AS 108 are as follows:

1. Nutrient and other allied business
2. Crop protection

The following is an analysis of the Company's revenue and results from operations by reportable segment:

	Segment revenue		Segment profit	
	For the year ended 31 March 2019	For the year ended 31 March 2018*	For the year ended 31 March 2019	For the year ended 31 March 2018*
Nutrient and other allied business	11,50,529	9,60,235	1,18,061	1,00,640
Crop protection	1,78,120	1,64,406	27,782	26,679
	<b>13,28,649</b>	<b>11,24,641</b>	<b>1,45,843</b>	<b>1,27,319</b>
Less: Inter - segment	(8,264)	(13,752)	(334)	(289)
<b>Total</b>	<b>13,20,385</b>	<b>11,10,889</b>	<b>1,45,509</b>	<b>1,27,030</b>
Other income			3,637	5,895
Exceptional item			(2,385)	-
Unallocable expense			(13,092)	(12,289)
Finance costs			(25,082)	(17,844)
<b>Profit before tax</b>			<b>1,08,587</b>	<b>1,02,792</b>

The accounting policies of the reportable segments are same as the Company's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

\*Refer Note 42

	As at 31 March 2019	As at 31 March 2018*
<b>31.2 Segment assets and liabilities</b>		
<b>Segment assets</b>		
Nutrient and other allied business	8,41,516	7,35,292
Crop protection	1,33,926	1,26,836
Unallocable assets	89,296	1,25,176
<b>Total assets</b>	<b>10,64,738</b>	<b>9,87,304</b>
<b>Segment liabilities</b>		
Nutrient and other allied business	3,70,031	3,22,478
Crop protection	28,048	36,928
Unallocable liabilities	3,23,266	3,35,214
<b>Total liabilities</b>	<b>7,21,345</b>	<b>6,94,620</b>

\*Refer Note 42

**For the purposes of monitoring segment performance and allocating resources between segments:**

1. All assets are allocated to reportable segments other than inter-corporate deposits, investments, cash and cash equivalents and derivative contracts.
2. All liabilities are allocated to reportable segments other than borrowings, defined benefit obligation and long-term employee benefits, derivative contracts, current and deferred tax liabilities.

# Standalone Notes

(Contd.)

## 31.3 Other segment information

(₹ in lakhs, unless otherwise stated)

	Depreciation and amortisation		Additions to non- current assets	
	For the year ended 31 March 2019	For the year ended 31 March 2018*	For the year ended 31 March 2019	For the year ended 31 March 2018*
Nutrient and other allied business	8,521	7,386	20,624	8,522
Crop protection	2,804	2,470	7,084	4,635

\*Refer Note 42

## 31.4 Revenue from major products

The following is an analysis of the Company's revenue from operations from its major products:

	For the year ended 31 March 2019	For the year ended 31 March 2018*
Phosphatic Fertilisers	6,40,771	5,01,043
Urea	52,614	50,584
Muriate of Potash	18,924	18,699
Single Super Phosphate	35,099	28,983
Others	92,480	93,612
	<b>8,39,888</b>	<b>6,92,921</b>
Government subsidies	3,10,641	2,67,314
<b>Nutrient and other allied business</b>	<b>11,50,529</b>	<b>9,60,235</b>
Crop protection	1,78,120	1,64,406
<b>Total</b>	<b>13,28,649</b>	<b>11,24,641</b>
Less: Inter - segment	(8,264)	(13,752)
<b>Revenue from operations</b>	<b>13,20,385</b>	<b>11,10,889</b>

\*Refer Note 42

## 32. Financial instruments

### 32.1 Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and inter-corporate deposits with financial institutions.

The following table summarises the capital of the Company:

	As at 31 March 2019	As at 31 March 2018
<b>Equity</b>	<b>3,43,393</b>	<b>2,92,684</b>
Short-term borrowings	2,95,694	2,73,081
Inter-corporate deposits with financial institutions	(42,000)	(40,000)
Cash and cash equivalents	(11,093)	(43,898)
<b>Net debt</b>	<b>2,42,601</b>	<b>1,89,183</b>
<b>Total capital (equity + net debt)</b>	<b>5,85,994</b>	<b>4,81,867</b>
Net debt to capital ratio	0.41	0.39
Interest coverage ratio	5.33	6.76

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>32.2 Categories of financial instruments</b>		
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)*</b>		
(a) Mandatorily measured:		
(i) Derivative instruments not designated in hedge accounting relationship	1,285	1,047
(ii) Derivative instruments designated in hedge accounting relationship	25	-
(iii) Equity investments	26	27
(iv) Other investments	324	361
<b>Measured at amortised cost</b>		
(a) Cash and cash equivalents	11,093	43,898
(b) Bank balance other than cash and cash equivalents	2,719	10,890
(c) Other financial assets at amortised cost	4,67,197	4,61,249
<b>Measured at FVTOCI*</b>		
(a) Investments in equity instruments designated upon initial recognition	15,698	12,431
(b) Investments in other instruments designated upon initial recognition	1,609	1,609
<b>Measured at cost</b>		
(a) Investments in equity instruments in subsidiaries, joint ventures and associate	14,402	14,379
<b>Financial liabilities</b>		
<b>Measured at fair value through profit or loss (FVTPL)*</b>		
(a) Derivative instruments not designated in hedge accounting relationship	5,253	382
(b) Derivative instruments designated in hedge accounting relationship	53	-
<b>Measured at amortised cost</b>	6,90,499	6,68,037
<b>Financial guarantee contract</b>	-	-

\*Refer Note 32.9 for fair valuation methods and assumptions

### 32.3 Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

## Standalone Notes

(Contd.)

Item	Primarily affected by	Risk management policies	Refer
Market risk - currency risk	USD balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	Mitigating foreign currency risk using foreign currency forward contracts, option contracts and currency swaps	Note 32.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies	Note 32.4.2
Market risk - other price risk	Decline in value of equity instruments	Monitoring forecasts of cash flows; diversification of portfolio	Note 32.4.3
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 32.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 32.6

### 32.4 Market risk

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

#### 32.4.1 Foreign currency risk management

The Company is exposed to foreign exchange risk on account of following:

1. Nutrient and other allied business has foreign exchange exposure for its imports of raw materials, intermediates and traded goods.
2. Crop Protection segment has foreign exchange exposure on both exports of finished goods and imports of raw materials, intermediates and traded goods.
3. Foreign currency borrowings in the form of buyers credit, packing credit etc. availed for meeting its funding requirements.

The Company has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Company follows netting principle for managing the foreign exchange exposure for each operating segment.

There are no long-term borrowings outstanding as on 31 March 2019 and 31 March 2018.

## Standalone Notes

(Contd.)

- a. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities		Assets	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
USD (millions)	514.71	448.27	37.48	44.72
INR (₹ in lakhs)	3,55,973	2,92,182	25,921	29,147
EURO (millions)	0.33	0.05	2.13	1.00
INR (₹ in lakhs)	253	43	1,655	800

- b. Foreign currency forward and option contracts outstanding as at the Balance Sheet date:

	As at 31 March 2019		As at 31 March 2018	
	Buy	Sell	Buy	Sell
Forward contracts				
USD (millions)*	378.88	67.73	276.82	77.75
INR (₹ in lakhs)	2,62,035	46,837	1,80,428	50,668
Number of contracts	93	31	68	33
Option contracts				
USD (millions)	-	-	66.30	-
INR (₹ in lakhs)	-	-	43,214	-
Number of contracts	-	-	10	-

The forward and option contracts have been entered into to hedge the foreign currency risk on purchase of raw materials, stock-in-trade and the related buyer's credit and in certain cases the foreign currency term loan and trade receivables.

\* Includes 64.58 USD (millions) (31 March 2018 : 48.50 USD (millions)) Sell Contracts outstanding under past performance facility as per Reserve Bank of India (RBI) Master Direction on Risk Management and Inter Bank Dealings.

- c. Net open exposures outstanding as at the Balance Sheet date:

	Liabilities		Assets	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
USD (millions)	135.83	105.15	-	-
INR (₹ in lakhs)	93,938	68,540	-	-
EURO (millions)	0.33	0.05	2.13	1.00
INR (₹ in lakhs)	253	43	1,655	800

- d. Summary of hedging instruments outstanding at the end of the year designated as cash flow hedges:

	As at	No. of contracts	USD (millions)	Amount in ₹ lakhs	Average exchange rate
Sell Currency - USD with tenor less than a year	31 March 2019	6	17.70	12,240	69.15
	31 March 2018	-	-	-	-

## Standalone Notes

(Contd.)

Foreign currency forward contracts designated as hedging instruments in cash flow hedges of forecast sales in USD are measured at fair value through OCI. While the Company enters into other foreign exchange forward contracts to reduce the foreign exchange risk, these other contracts are not designated in hedge relationships and are measured at FVTPL.

The terms of the hedging instruments match the terms of the forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

### e. Foreign currency sensitivity analysis

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a ₹1 increase and decrease against the US Dollar. ₹1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ₹1 change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by ₹1 against the US Dollar. For a ₹1 weakening against the US Dollar, there would be a comparable impact on the profit or equity.

(Amount in ₹ lakhs)

Currency USD impact on:	2018-19	2017-18
Impact of ₹1 strengthening against US Dollar on profit or loss for the year	884	879
Impact of ₹1 weakening against US Dollar on profit or loss for the year	(884)	(999)
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	884	879
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	(884)	(999)

### 32.4.2 Interest rate risk management

The Company issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

#### Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended 31 March 2019 would decrease/ increase by ₹ 809 lakhs (31 March 2018: ₹ 762 lakhs).

### 32.4.3 Other price risks

The Company is exposed to equity price risks arising from equity investments. Certain of the Company's equity investments are held for strategic rather than trading purposes. The Company also holds certain other equity investments for trading purposes.

#### a. Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower other comprehensive income/ equity for the year ended 31 March 2019 would increase/ decrease by ₹ 602 Lakhs (₹ 405 Lakhs for the year ended 31 March 2018) as a result of the changes in fair value of equity investments measured at FVTOCI. The impact of change in equity price on profit or loss is not significant.

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

### 32.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken up on case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

### 32.6 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 32.8 sets out details of additional undrawn facilities that the Company has at its disposal to reduce liquidity risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019:

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	3,76,267	3,80,300	-	-	3,80,300
Borrowings and interest thereon*	2,96,109	2,96,679	-	-	2,96,679
Other financial liabilities**	18,123	17,953	-	1,500	19,453
Foreign currency forward contracts	5,306	5,306	-	-	5,306
<b>Total</b>	<b>6,95,805</b>	<b>7,00,238</b>	<b>-</b>	<b>1,500</b>	<b>7,01,738</b>

The table below provides details of financial assets as at 31 March 2019:

	Carrying amount
Investments	14
Trade receivables	1,82,870
Government subsidies receivable	2,39,348
Cash and cash equivalents including bank balances	13,812
Loans	42,011
Other financial assets	2,968
Foreign currency forward contracts	1,310
<b>Total</b>	<b>4,82,333</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018:

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	3,37,753	3,39,275	-	-	3,39,275
Borrowings and interest thereon*	2,73,341	2,73,650	-	-	2,73,650
Other financial liabilities**	56,943	56,810	-	1,500	58,310
Foreign currency forward contracts	382	382	-	-	382
<b>Total</b>	<b>6,68,419</b>	<b>6,70,117</b>	<b>-</b>	<b>1,500</b>	<b>6,71,617</b>

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

The table below provides details of financial assets as at 31 March 2018:

	Carrying amount
Investments	14
Trade receivables	1,57,462
Government subsidies receivable	2,62,686
Cash and cash equivalents including bank balances	54,788
Loans	40,010
Other financial assets	1,091
Foreign currency forward contracts	1,047
<b>Total</b>	<b>5,17,098</b>

\* Included in Borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end benchmark interest rates, the actual interest rates may differ based on the changes in the benchmark interest rates.

\*\*Other financial liabilities include deposits received from customers amounting to ₹ 13,217 Lakhs (31 March 2018: ₹ 11,490 Lakhs). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment, these deposits have been classified as current balances. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

### 32.7 Financial guarantee contract

The Company has provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of installment due to the lenders and delayed the payment. The same was not agreed to by the Lenders and the acceleration notice was served on TIFERT by lenders on 28 March 2017. The loan instalment was immediately paid on 30 March 2017 by TIFERT however, on 4 April 2017 the lenders followed up with call notice on shareholders towards guaranteed amount (Coromandel's share USD 35.25 million outstanding as on 31 March 2017). The Company alongwith other shareholders of TIFERT are in discussion with the Lenders to resolve the matter with regard to liquidity situation and operational improvements of TIFERT and also to find a solution for meeting the future debt obligations of TIFERT.

Considering the discussion with Lenders and operational improvement achieved by TIFERT during the year, the Company reasonably considers that TIFERT would be in a position to meet the debt obligations and it is unlikely that such an event of payment under guarantee amount will arise. TIFERT has paid the subsequent half-yearly instalments that were due as per the payment schedule. The sponsor guarantee was valid upto 31 March 2018. The Company's obligation under this Corporate guarantee if that amount is claimed by the counterparty to the guarantee is subject to a maximum of ₹ 15,538 Lakhs (31 March 2018: ₹ 17,777 Lakhs). Carrying amount of the Corporate guarantee contract in the books is as under:

	As at 31 March 2019	As at 31 March 2018
Financial guarantee contract	-	-

## Standalone Notes

(Contd.)

### 32.8 Financing facilities

(₹ in lakhs, unless otherwise stated)

The Company has access to financing facilities of which ₹1,41,463 Lakhs (as at 31 March 2018: ₹ 1,23,626 Lakhs) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

### 32.9 Fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

Financial assets/financial liabilities	Fair Value as at*		Fair value hierarchy	Valuation techniques & key inputs used
	As at 31 March 2019	As at 31 March 2018		
1) Foreign currency forward contracts	(3,996)	287	Level 2	Refer Note 3(a) below
2) Option contracts	-	378	Level 2	Refer Note 3(b) below
3) Investments in quoted equity instruments at FVTPL	26	27	Level 1	Refer Note 2 below
4) Investments in unquoted venture capital fund at FVTPL	324	361	Level 3	Refer Note 4(a) below
5) Investments in unquoted equity instruments at FVTOCI	13,136	10,165	Level 3	Refer Note 4(b) below
	2,562	2,266	Level 3	Refer Note 4(c) below

\* positive value denotes financial asset (net) and negative value denotes financial liability (net)

#### Notes:

- There were no transfers between Level 1 and 2 in the period.
- The Level 1 financial instruments are measured using quotes in active market.
- The following table shows the valuation technique and key input used for Level 2:

Financial Instrument	Valuation Technique	Key Inputs used
(a) Foreign currency forward contracts	Discounted Cash Flow	Forward exchange rates, contract forward and interest rates, observable yield curves.
(b) Option contract not designated in hedge accounting relationships	Black Scholes model	The significant valuation inputs considered are the option exercise price, currency spot rates, tenure, risk-free interest rates and the anticipated volatility in the underlying currency.

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

4. The following table shows the valuation technique and key input used for Level 3:

Financial Instrument	Valuation Technique	Key Inputs used	Sensitivity
(a) Investments in unquoted venture capital fund at FVTPL	Net Asset Value (NAV) method	The Company uses net asset value (NAV) as reported by the venture capital fund for its valuation purpose.	A 10% increase/ decrease in the value of unquoted investments of the fund would increase/ decrease the carrying amount of investment by ₹ 17 lakhs (2018: ₹ 21 lakhs).
(b) Investments in unquoted equity instruments at FVTOCI	Discounted Cash Flow Method	Long-term growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 0 to 2% (2018: 0 to 2%)	If the long-term growth rates used were 100 basis points higher/lower while all the other variables were held constant, the carrying amount would increase/decrease by ₹ 1,888 lakhs (2018: ₹ 1,939 lakhs)
		Weighted average cost of capital (WACC) as determined ranging from 12% to 16% (2018: 12% to 15%)	A 100 basis points increase/ decrease in the WACC or discount rate used while holding all other variables constant would decrease/ increase the carrying amount by ₹ 3,049 lakhs (2018: ₹ 2,193 lakhs)
(c) Investments in unquoted equity instruments at FVTOCI	Market Multiple Approach	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from 30% to 50% (2018: 30% to 50%)	A 10% increase/ decrease in the discount for lack of marketability used in isolation would decrease/increase the carrying amount by ₹ 196 lakhs (2018: ₹ 36 lakhs)

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

	Fair value hierarchy	As at 31 March 2019		As at 31 March 2018	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Financial assets at amortised cost:					
- Trade receivables	Level 2	1,82,870	1,82,870	1,57,462	1,57,462
- Government subsidies receivable	Level 2	2,39,348	2,39,348	2,62,686	2,62,686
- Cash and cash equivalents	Level 2	11,093	11,093	43,898	43,898
- Bank balances other than cash and cash equivalents	Level 2	2,719	2,719	10,890	10,890
- Loans	Level 2	42,011	42,011	40,010	40,010
- Other financial assets	Level 2	2,968	2,968	1,091	1,091

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	Fair value hierarchy	As at 31 March 2019		As at 31 March 2018	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Financial liabilities at amortised cost:					
- Borrowings	Level 2	2,95,694	2,95,694	2,73,081	2,73,081
- Trade payables	Level 2	3,76,267	3,76,267	3,37,753	3,37,753
- Other financial liabilities	Level 2	18,538	18,545	57,203	57,222

1. In case of trade receivables, government subsidies receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

### Reconciliation of Level 3 fair value measurements for the year ended 31 March 2019:

	Investments in unquoted venture capital fund at FVTPL	Investments in unquoted equity instruments at FVTOCI	Total
Opening balance	361	12,431	12,792
Total gains or losses:			
- in profit or loss	(23)	-	(23)
- in other comprehensive income (net)	-	1,477	1,477
Purchases	-	1,790	1,790
Sold	(14)	-	(14)
<b>Closing balance</b>	<b>324</b>	<b>15,698</b>	<b>16,022</b>

### Reconciliation of Level 3 fair value measurements for the year ended 31 March 2018:

	Investments in unquoted venture capital fund at FVTPL	Investments in unquoted equity instruments at FVTOCI	Total
Opening balance	414	17,793	18,207
Total gains or losses:			
- in profit or loss	71	-	71
- in other comprehensive income (net)	-	(5,362)	(5,362)
Purchases	16	-	16
Sold	(140)	-	(140)
<b>Closing balance</b>	<b>361</b>	<b>12,431</b>	<b>12,792</b>

## Standalone Notes

(Contd.)

### 33 Share based payments

Particulars	Employee Stock Option Scheme 2007 (‘ESOP 2007 Scheme’)	Employee Stock Option Scheme 2016 (‘ESOP 2016 Scheme’):
Approval of shareholders	24 <sup>th</sup> July 2007	11 <sup>th</sup> January 2017
Administration	Remuneration and Nomination Committee of the Board of Directors	
Eligibility	The committee determines which eligible employees will receive options	
Number of equity shares reserved under the scheme	1,27,85,976	1,45,81,000
Number of equity shares per option	1	1
Vesting period	1-5 years	1-4 years
Exercise period	Within 6* years from date of vesting	Within 5 years from date of vesting
Exercise Price Determination	Latest available closing market price of the shares on the stock exchange where there is highest trading volume prior to the date of the Remuneration and Nomination Committee approving the grant.	

\* In partial modification of the special resolution passed for establishing ESOP 2007, the shareholders in their meeting held on 23 July 2012 decided to approve the extension of the exercise period of options granted under the ESOP 2007 from three years to six years.

#### 33.1 Employee Stock Option Scheme 2007 (‘ESOP 2007 Scheme’):

- a) Pursuant to the ESOP 2007 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	52,100	287.50	6,61,182	224.81
Granted	-	-	-	-
Exercised	23,700	287.50	6,09,082	219.45
Cancelled	-	-	-	-
Lapsed	-	-	-	-
At the end of the year	28,400	287.50	52,100	287.50

- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 0.01 years (2018: 0.02 years). The exercise price of the outstanding options is ₹ 287.50 (2018: ₹ 44.58 to ₹ 334.35). The weighted average share price during the year is ₹ 436 (2018: ₹ 460).
- c) Number of options exercisable at the end of the year 28,400 (2018: 52,100).
- d) The fair values of the option with modified terms were determined using a Black Scholes’ model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 3-4 years.

## Standalone Notes

(Contd.)

Following assumptions were used for calculation of fair value of grants:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Dividend yield (%)	700	700
Expected volatility (%)	0.39-0.47	0.39-0.47
Risk free interest rate (%)	8	8
Expected term (in years)	4-6	4-6

### 33.2 Employee Stock Option Scheme 2016 ('ESOP 2016 Scheme'):

- a) Pursuant to the ESOP 2016 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	21,28,400	334.32	21,74,500	319.65
Granted*	2,43,620	439.25	1,48,900	529.40
Exercised	1,20,220	319.65	1,05,200	319.65
Cancelled	97,680	319.65	89,800	319.65
Lapsed	-	-	-	-
At the end of the year	21,54,120	347.68	21,28,400	334.32

\*the weighted average fair value of options granted during the year is ₹ 173.25 (2018: ₹ 207.85)

- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 3.25 years (2018: 4.09 years). The exercise price of the outstanding options range from ₹ 319.65 to ₹ 529.40 (2018: ₹ 319.65 to ₹ 529.40). The weighted average share price during the year is ₹ 436 (2018: ₹ 460).
- c) Number of options exercisable at the end of the year 6,13,820 (2018: 3,11,740).
- d) The fair values of the option were determined using a Black Scholes' model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5-6 years.

Following assumptions were used for calculation of fair value of grants:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Dividend yield (%)	350-650	400-500
Expected volatility (%)	0.32-0.34	0.32-0.34
Risk free interest rate (%)	7.00 – 8.00	7.00 – 7.60
Expected term (in years)	3.50-6.50	5.00-6.00

### 33.3 Share based payments

The Company recorded employee share based payments of ₹ 700 Lakhs (2018: ₹ 863 Lakhs) under 'Employee benefits expense'.

# Standalone Notes

(Contd.)

## 34 Employee benefits plan

### a) Defined benefit plans

(₹ in Lakhs)

	Gratuity plan	
	2018-2019	2017-2018
<b>Change in Defined Benefit Obligation (DBO) during the year</b>		
Present value of DBO at the beginning of the year	5,077	4,613
Effect of common control business combination (Refer Note 42)	-	53
Current service cost	501	464
Interest cost	377	314
Actuarial loss/(gain) arising from changes in financial assumptions	78	(145)
Actuarial loss/(gain) arising from changes in experience adjustments	(124)	462
Benefits paid	(504)	(684)
<b>Present value of DBO at the end of the year</b>	<b>5,405</b>	<b>5,077</b>
<b>Change in fair value of plant assets during the year</b>		
Fair value of plan assets at the beginning of the year	5,115	4,309
Interest income	420	342
Employer contributions	690	1,213
Benefits paid	(504)	(684)
Remeasurements – return on plan assets (excluding interest income)	(99)	(65)
<b>Fair value of assets at the end of the year</b>	<b>5,622</b>	<b>5,115</b>
<b>Amounts recognised in the Balance Sheet</b>		
Present value of DBO at the end of the year	5,405	5,077
Fair value of plan assets at the end of the year	5,622	5,115
<b>Funded status of the plans – (asset)/ liability</b>	<b>(217)</b>	<b>(38)</b>
<b>(Asset)/ liability recognised in the Balance Sheet</b>	<b>(217)</b>	<b>(38)</b>
<b>Components of employer expense</b>		
Current service cost	501	464
Interest income on net defined benefit obligation	(43)	(28)
<b>Expense recognised in Statement of Profit and Loss</b>	<b>458</b>	<b>436</b>
<b>Remeasurement on the net defined benefit obligation</b>		
Return on plan assets (excluding interest income)	99	65
Actuarial loss/(gain) arising from changes in financial assumptions	78	(145)
Actuarial loss/(gain) arising from changes in experience adjustments	(124)	462
<b>Remeasurements recognised in other comprehensive income</b>	<b>53</b>	<b>382</b>
<b>Total defined benefit cost recognised</b>	<b>511</b>	<b>818</b>
<b>Nature and extent of investment details of the plan assets#</b>		
State and Central Securities	-	-
Bonds	-	-
Special deposits	-	-
Insurer managed funds	100%	100%

# Includes details of trusts other than those covered under a Scheme of Life Insurance Corporation of India

## Standalone Notes

(Contd.)

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Employee who has completed five years of service is entitled to specific benefit depending on the employee's length of service and salary at retirement or relieving age. The fund has the form of trust and it is governed by the Board of Trustees which consists of employer and employee representatives. The Board of Trustees is responsible for the administration of plan assets.

The Board of Trustees reviews the level of funding and asset-liability matching strategy in the gratuity plan to keep the scheme adequately funded for settlement of obligations under the plan.

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India (LIC) which is basically a year-on-year cash accumulation plan. As part of the scheme the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity settlements during the year subject to sufficiency of funds under the policy.

	31 March 2019	31 March 2018
<b>Assumptions</b>		
Discount rate	7.54%	7.82%
Estimated rate of return on plan assets	7.82%	7.25%
Expected rate of salary increase	5-7%	5-7%
Attrition rate	5%	5%

### Sensitivity analysis – DBO at the end of the year (₹ in Lakhs)

Discount rate + 100 basis points	5,128	4,815
Discount rate - 100 basis points	5,716	5,369
Salary increase rate +1%	5,679	5,337
Salary increase rate -1%	5,155	4,838
Attrition rate +1%	5,425	5,101
Attrition rate -1%	5,381	5,046

### Weighted average duration of DBO

	11 years	11 years
<b>Expected cash flows (₹ in Lakhs)</b>		
1. Expected employer contribution in the next year	1,078	780
2. Expected benefit payments		
Year 1	1,001	747
Year 2	739	672
Year 3	627	606
Year 4	583	520
Year 5	427	464
Beyond 5 years	1,520	1,478

#### b) Defined contribution plans

In respect of the defined contribution plans, an amount of ₹ 2,247 Lakhs (2018: ₹ 2,003 Lakhs) has been recognised as an expense in the Statement of Profit and Loss during the year.

## Standalone Notes

(Contd.)

### 35 Earnings per share

		For the year ended 31 March 2019	For the year ended 31 March 2018
i) Profit after tax (₹ in Lakhs)	[a]	71,391	68,481
<b>Basic</b>			
ii) Weighted average number of equity shares of ₹ 1/- each outstanding during the year	[b]	29,24,23,474	29,21,00,265
<b>Dilution</b>			
iii) Effect of potential equity shares on employees stock options outstanding		5,13,576	9,60,261
iv) Weighted average number of equity shares of ₹ 1/- each outstanding during the year	[c]	29,29,37,050	29,30,60,526
<b>Earnings Per Share (face value of ₹ 1/- each)</b>			
v) Basic – [a]/[b] – (₹)		24.41	23.44
vi) Diluted – [a]/[c] – (₹)		24.37	23.37

### 36 Contingent liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debt:

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
In respect of matters under dispute:		
Excise duty	449	602
Customs duty	851	386
Sales tax	1,448	1,522
Income tax	2,122	1,791
Service tax	251	245
Goods and Services Tax	5	32
Others	5,983	1,916

The amounts disclosed above represent our best estimate and the uncertainties are dependent on the outcome of the legal processes initiated by the Company or the claimant as the case may be.

### 37 Commitments

#### a) Capital commitments

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
Capital expenditure commitments	13,073	5,851
Commitment towards investments	316	338

#### b) Other commitments

- (i) Maximum obligation on long term lease of land - ₹ 2,737 Lakhs (2018: ₹ 2,742 Lakhs).

## Standalone Notes

(Contd.)

### 38 Leases

The Company has entered into certain operating lease agreements and an amount of ₹ 5,788 Lakhs (2018: ₹ 8,287 Lakhs) paid under such agreements has been charged to the Statement of Profit and Loss. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by such agreements.

### 39 Corporate social responsibility

Expenses incurred on Corporate Social Responsibility (CSR) programs under Section 135 of the 2013 Act are charged to the Statement of Profit and Loss under 'Other expenses' (Note 30) ₹ 1,380 Lakhs (2018: ₹ 1,396 Lakhs) and under 'Employee benefits expense' (Note 27) ₹ 58 Lakhs (2018: ₹ 43 Lakhs).

### 40 Research and development expenses incurred on the following heads have been accounted under the natural heads:

(₹ in Lakhs)

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Salaries, wages and bonus	787	548
Contribution to provident and other funds	72	55
Consumption of stores and spare parts	166	39
Power and fuel	53	30
Repairs to machinery	89	102
Miscellaneous expenses	138	155
	<b>1,305</b>	<b>929</b>

### 41 Related party disclosures

#### (A) Names of the related parties and their relationship:

##### (i) Details of subsidiaries, joint ventures and associates:

Names	Nature of relationship	Country of incorporation	Percentage of holding as at	
			31 March 2019	31 March 2018
Liberty Pesticides and Fertilisers Limited (LPFL)	Subsidiary	India	100	100
Sabero Organics America S.A. (SOAL)	Subsidiary	Brazil	99.98	99.98
Sabero Australia Pty Ltd, Australia (Sabero Australia)	Subsidiary	Australia	100	100
Sabero Europe B.V. (Sabero Europe)	Subsidiary	Netherlands	100	100
Sabero Argentina S.A. (Sabero Argentina)	Subsidiary	Argentina	95	95
Coromandel Agronegocios de Mexico, S.A de C.V. (Coromandel Mexico)	Subsidiary	Mexico	100	100
Parry Chemicals Limited (PCL)	Subsidiary	India	100	100
Dare Investments Limited (DIL)	Subsidiary	India	100	100
CFL Mauritius Limited (CML)	Subsidiary	Mauritius	100	100
Coromandel Brasil Limitada (CBL)	Subsidiary	Brazil	100	100
Parry America, Inc. (PAI)	Subsidiary	USA	100	100
Coromandel International (Nigeria) Limited (CINL)	Subsidiary	Nigeria	99.99	-
Sabero Organics Philippines Asia Inc.	Associate	Philippines	40	40
Coromandel SQM (India) Pvt Limited (CSQM)	Joint venture	India	50	50
Yanmar Coromandel Agrisolutions Private Limited (YCAS)	Joint venture	India	40	40

## Standalone Notes

(Contd.)

(ii) Details of other related parties:

Names	Nature of relationship
E.I.D.-Parry (India) Limited	Parent company
Parry Infrastructure Company Private Limited (PICPL)	Fellow subsidiary
Parry Sugar Industries Limited (PSIL)	Fellow subsidiary (Upto 25 April 2017)
Parry Enterprises (India) Limited (PEIL)	Associate of parent company
Coromandel Provident Fund	Employee benefit plan
Coromandel Provident Fund No. 1	Employee benefit plan
CFL Gratuity Fund	Employee benefit plan
Coromandel Gratuity Fund – I	Employee benefit plan
Coromandel Gratuity Fund – II	Employee benefit plan
Coromandel Management Staff Pension Fund	Employee benefit plan
Coromandel Superannuation Fund	Employee benefit plan
Coromandel Benevolent Fund	Employee benefit plan
Mr. Sameer Goel	Key management personnel
Mr. S Suresh	Key management personnel of Parent company

(B) Transactions during the year:

(₹ in Lakhs)

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>i) Sale of finished goods/raw materials/services</b>		
a) Joint venture – CSQM	270	191
b) Subsidiary – PAI	4,692	5,014
<b>ii) Rent received</b>		
a) Fellow subsidiary – PICPL	95	95
b) Joint venture – CSQM	16	16
c) Associate – PEIL	7	7
<b>iii) Expenses reimbursed by</b>		
a) Joint venture – CSQM	5	4
b) Subsidiary – PCL	49	55
c) Joint venture – YCAS	1	-
d) Associate – PEIL	1	1
<b>iv) Purchase of finished goods and services</b>		
a) Parent company	604	1,868
b) Joint venture – CSQM	3,718	3,078
c) Associate – PEIL	1,600	1,467
d) Joint venture – YCAS	-	*

## Standalone Notes

(Contd.)

(₹ in Lakhs)

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>v) Commission on sales</b>		
a) Subsidiary – PCL	29	40
b) Subsidiary – CBL	169	166
c) Subsidiary – Coromandel Mexico	179	96
d) Subsidiary – SOAL	162	121
e) Subsidiary – Sabero Argentina	20	-
f) Subsidiary – Sabero Australia	17	12
g) Associate – Sabero Philippines	10	10
<b>vi) Expenses reimbursed to</b>		
a) Parent company	659	407
b) Subsidiary – LPFL	-	4
c) Subsidiary - PAI	15	-
<b>vii) Interest received on Inter corporate deposit/Loan</b>		
a) Subsidiary - DIL	1	1
<b>viii) Loan received</b>		
a) Subsidiary – LPFL	18	19
<b>ix) Acquisition of business</b>		
a) Parent company (Refer Note 42)	-	33,000
<b>x) Purchase of assets and spares</b>		
a) Joint venture – YCAS	28	257
<b>xi) Dividend paid (including interim dividend payable)</b>		
a) Parent company	11,515	14,172
<b>xii) Rent paid</b>		
a) Parent company	58	6
b) Subsidiary – PCL	3	3
c) Joint venture – YCAS	2	2
<b>xiii) Interest paid on loans</b>		
a) Subsidiary – LPFL	17	17
<b>xiv) Loan given</b>		
a) Subsidiary – DIL	1	-
<b>xv) Deposit paid and received back</b>		
a) Parent Company	-	1

\*less than a lakh

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

# Standalone Notes

(Contd.)

(₹ in Lakhs)

## (C) Transactions with key management personnel

- a) Dividends paid to directors during the year ended 31 March 2019 ₹ 35 Lakhs (2018: ₹ 23 Lakhs).
- b) Compensation of key management personnel of the Company:  
The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Short-term employee benefits	484	406
Others*	270	265
<b>Total compensation</b>	<b>754</b>	<b>671</b>

\* excludes Goods and Services Tax/ service tax

- c) During the year, the Company has not granted any employee stock options to its key managerial personnel.

## (D) Refer Note 34 for transactions with Employee benefit funds.

## (E) Outstanding balances as at the year end

	As at 31 March 2019	As at 31 March 2018
a) Trade receivables/Loans and advances		
- Parent company	325	91
- Subsidiary – PCL	5	10
- Subsidiary – DIL	13	11
- Subsidiary – PAI	1,714	2,187
- Subsidiary – CINL	2	-
- Joint venture – CSQM	132	32
- Associate – PEIL	2	-
- Associate – Sabero Philippines	6	6
- Subsidiary – SOAL	135	135
- Fellow subsidiary – PICPL	98	22
b) Trade payables/ Other liabilities		
- Parent company	358	38,315
- Joint venture – CSQM	481	668
- Fellow subsidiary – PICPL	1,076	1,106
- Subsidiary – LPFL	248	237
- Joint venture – YCAS	13	53
- Associate – PEIL	135	35

## Standalone Notes

(Contd.)

42 During the current year, the Company acquired on a slump sale basis with effect from 1 April 2018, the assets and liabilities of Bio Business of E.I.D. Parry (India) Limited and its subsidiary Parry America, Inc with effect from 19 April 2018. The Company accounted for the business combination in accordance with the requirements of Appendix C of Ind AS 103 'Business Combinations' which lays down the principles in respect of accounting for business combinations of entities or businesses under common control. As required by the Standard, pooling of interests method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts. Considering the requirement of Ind AS 103- 'Business Combination', the accounting for the transaction has been given effect retrospectively by the company. Accordingly, the financial statements for the corresponding period 2017-18 have been restated to give effect of the above scheme.

The Bio-Pesticides business is engaged in the manufacture and marketing of Neem based Azadirachtin Technical and Formulations, Plant extract based Bio-stimulants, Micronutrients, Microbials, Fungicides etc. and has brands that are well established in India and Globally.

Parry America, Inc, a 100% subsidiary headquartered in US sources Azadirachtin technical from Bio-Pesticides business in India, formulates and markets the products in North and South America, Australia and Japan.

Details of the summarized values of assets and liabilities of Bio-Pesticides business as acquired and the treatment of the difference between the net assets acquired and the consideration paid is as under:

	(Amount in ₹ lakhs)
	As of 1 April, 2017
Property, plant and equipment	1,563
Capital work-in-progress	15
Other Intangible assets	2
Investments*	24
Other non-current assets	5
Deferred tax asset (net)	359
Cash and bank balances	120
Inventories	3,126
Trade receivables	4,996
Other current assets	580
<b>Total assets (A)</b>	<b>10,790</b>
Other non-current liabilities	101
Trade payables	2125
Other current liabilities	32
<b>Total liabilities (B)</b>	<b>2,258</b>
<b>Net assets acquired (C) = (A) - (B)</b>	<b>8,532</b>
Less: Distributions made during the period 1 April 2017 till 31 March 2018 (D)	2,564
Less: Consideration paid (E)	33,000
<b>Balance adjusted against General reserve (F) = (C) - (D) - (E)</b>	<b>(27,032)</b>

\* Shares of Parry America, Inc. acquired.

## Standalone Notes

(Contd.)

### 43 Disclosure as per Regulation 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015:

Loans and advances in the nature of loans to subsidiaries:

(₹ in Lakhs)

	Relationship	As at 31 March 2019	Maximum balance outstanding during the year
Dare Investments Limited (DIL) (Refer note b)	Subsidiary	11	11
		(10)	(10)

Notes:

- Figures in bracket relate to previous year
- The loan is repayable on demand and carries interest. Section 186 of the 2013 Act is not applicable as DIL is wholly owned subsidiary of the Company

### 44 Payments to Auditors

(₹ in Lakhs)

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Audit fees	65	65
Tax audit fees	15	15
Limited reviews	33	33
Certifications	70	70
Other services	-	-
Reimbursement of expenses	3	1
<b>Total</b>	<b>186</b>	<b>184</b>

Note: Amounts given above excludes Goods and Services Tax/ service tax

45 During the year, the Company has made political donation of ₹ 300 Lakhs (2018: Nil) to Triumph Electoral Trust.

46 Based on and to the extent of information available with the Company under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

(₹ in Lakhs)

Sl.No.	Particulars	As at 31 March 2019	As at 31 March 2018
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	1261	651
(ii)	Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv)	Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi)	Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## Standalone Notes

(Contd.)

### 47 Exceptional item

- a) During the year ended 31 March 2019, the Company has settled a customer claim for damages arising under an international supply agreement in respect of one of its Crop Protection products, and costs related thereto, including incidental legal costs estimated at ₹ 1,990 Lakhs has been disclosed as an Exceptional item. The Company is pursuing with its insurers for reimbursement of this claim.
- b) On 28 January 2019 a fire accident occurred at the product godown in one of the Company's manufacturing unit at Sarigam, Gujarat. The damage caused to the inventories and other assets on account of this fire accident together with costs related thereto, net of insurance claim receivable, estimated at ₹ 395 Lakhs has been disclosed as an Exceptional item. The Company is pursuing with its insurers for reimbursement of this claim.

### 48 Approval of financial statements

The financial statements were approved by the Board of Directors on 23 April 2019.

#### For and on behalf of the Board of Directors

**Sameer Goel**  
Managing Director

**M. M. Murugappan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**P. Varadarajan**  
Company Secretary

Place: Secunderabad  
Date: 23 April 2019

# **Consolidated Financial Statements**

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# INDEPENDENT AUDITOR'S REPORT

## To The Members of Coromandel International Limited Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Coromandel International Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its associate and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries, associate and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition – Sale of goods</b></p> <p><i>Refer to note 3.6 'Revenue recognition', note 3.28.1 'Critical judgements in applying accounting policies' and note 3.28.2 'Key sources of estimation uncertainty' to the consolidated financial statements.</i></p> <p><i>Revenue from sale of goods is recognised when the control of goods is transferred to the customers. In terms of the application of the new revenue accounting standard Ind AS 115 (Revenue from Contracts with Customers), for some contracts, control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the applicable terms. The Management</i></p>	<p>We have performed the following principal audit procedures in relation to revenue recognised by the Parent:</p> <ul style="list-style-type: none"> <li>Understood the revenue recognition process, evaluated the design and implementation, and operating effectiveness of internal controls relating to revenue recognised.</li> <li>Selected samples and tested the operating effectiveness of internal controls, relating to transfer of control. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.</li> <li>Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.</li> </ul> <p>In respect of the selected sample of transactions:</p> <ul style="list-style-type: none"> <li>Tested whether the revenue is recognised upon transfer of control to customer.</li> <li>We have evaluated the delivery and shipping terms of the contracts for revenue recognised during the period.</li> </ul>

*has exercised judgement in applying the revenue accounting policy while recognising revenue.*

- o We have also tested the location stock reports from Company warehouses, where applicable, for confirmation on sales quantity made during the year.
- o Tested that the revenue recorded is after considering the applicable rebates and discounts.
- o For samples near to period end, tested the acknowledgments of customers.

## **2 Subsidy income / Government subsidies and related receivables**

*Refer to note 3.6 'Revenue recognition', and note 3.28.2 'Key sources of estimation uncertainty' to the consolidated financial statements.*

Product and freight subsidy income pertaining to the Nutrient and other allied business is recognised on the basis of the rates notified from time to time by the Department of Fertilisers, Government of India ('GOI') in accordance with the Nutrient Based Subsidy ('NBS') policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including Direct Benefit Transfer ('DBT') system which was introduced by Government of India.

For the year ended March 31, 2019, subsidy income of ₹ 310,641 lakhs is recognised.

Recognition and realisability of subsidy income is dependent on GOI Policy and its various initiatives/schemes.

The following principal audit procedures have been performed by us in relation to subsidy income recognition by the Parent:

- We have read the relevant circulars and notifications issued by GOI from time to time with regard to the subsidy policies.
- We have had robust interactions with the relevant personnel in the Company with regard to updates of GOI Policy, their interpretations of the relevant circulars and notifications.
- Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing subsidy income.
- We have tested the NBS rates considered by the Company for the product subsidy with the applicable circulars and notifications.
- We have correlated the sales quantity considered for subsidy income with the actual sales made by the Company.
- We have also agreed the quantities sold as per the Company books with the customer acknowledgements as per the iFMS portal of the Department of Fertilisers and tested the DBT claims made by the Company.
- We have enquired from the Management and discussed with the Board of Directors, the appropriateness of the subsidy rates applied to recognise subsidy income.

### **Valuation of subsidy receivables:**

Following are the principal audit procedures performed on testing of valuation of subsidy receivables:

- We have analysed and discussed the status of outstanding subsidy receivables and its realisability with the Management.
- We have tested the sanction notes received from the GOI for receipts.
- We have tested the credits in the bank statements for the receipts.
- We have verified whether the deductions made by the GOI have been adjusted in the books of accounts.

## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associate audited by the other auditors, to the

extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associate, is traced from their financial statements audited by other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation

of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

#### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of

the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) We did not audit the financial statements / financial information of nine subsidiaries, whose financial statements / financial information reflect total assets of ₹ 7,485 lakhs as at March 31, 2019, total revenues of ₹ 7,308 lakhs and net cash inflows amounting to ₹ 1,364 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 72 lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of an associate and one joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and an associate, and our report in terms of subsection (3) of Section 143 of the

Act, in so far as it relates to the aforesaid subsidiaries, joint venture and an associate is based solely on the reports of the other auditors.

Six of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

- (b) We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of ₹ 15 lakhs as at March 31, 2019, total revenues of ₹ 35 lakhs and net cash inflows amounting to ₹ 1 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of subsidiaries, associate and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint ventures;
  - ii) The Group, its associate and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(F.R.N. 008072S)

Sumit Trivedi  
Partner  
(Membership No.209354)

Secunderabad, April 23, 2019

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Coromandel International Limited** (hereinafter referred to as “the Parent”) and its subsidiary companies and joint venture, which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters

paragraph below, the Parent, its subsidiary companies and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls over financial reporting insofar as it relates to three subsidiary companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS  
*Chartered Accountants*  
(F.R.N. 008072S)

Sumit Trivedi  
Partner  
(Membership No.209354)

Secunderabad, April 23, 2019

# Consolidated Balance Sheet

as at 31 March 2019

(₹ in lakhs, unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018*
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	4	1,30,119	1,31,592
(b) Capital work-in-progress	4	17,560	3,748
(c) Goodwill		32	32
(d) Other intangible assets	5	797	1,110
(e) Intangible assets under development	5	1,524	1,062
(f) Financial assets			
i) Investments			
a) Investments in joint ventures and associate	6	1,706	1,622
b) Other investments	6	18,362	20,505
(g) Income tax assets (net)		45	51
(h) Other non-current assets	8	11,957	8,929
		<b>1,82,102</b>	<b>1,68,651</b>
<b>2 Current assets</b>			
(a) Inventories	9	3,24,139	2,26,249
(b) Financial assets			
i) Investments	10	14	14
ii) Trade receivables	11	1,82,442	1,57,770
iii) Government subsidies receivable		2,39,348	2,62,686
iv) Cash and cash equivalents	12	13,213	44,652
v) Bank balances other than cash and cash equivalents	13	2,719	10,890
vi) Loans	14	42,805	40,777
vii) Other financial assets	7	4,309	2,159
(c) Other current assets	15	66,301	70,989
		<b>8,75,290</b>	<b>8,16,186</b>
<b>Total assets</b>		<b>10,57,392</b>	<b>9,84,837</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	16	2,925	2,924
(b) Other equity	17	3,32,914	2,86,703
<b>Equity attributable to owners of the Company</b>		<b>3,35,839</b>	<b>2,89,627</b>
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
i) Other financial liabilities	19	168	128
(b) Provisions	20	1,397	1,439
(c) Deferred tax liabilities (net)	21	11,229	12,538
(d) Other non-current liabilities	22	908	975
		<b>13,702</b>	<b>15,080</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	18	2,95,447	2,72,844
ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		1,261	651
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,74,986	3,37,210
iii) Other financial liabilities	19	23,671	57,697
(b) Provisions	20	1,810	1,004
(c) Current tax liabilities (net)	21.4	3,834	2,195
(d) Other current liabilities	22	6,842	8,529
		<b>7,07,851</b>	<b>6,80,130</b>
<b>Total liabilities</b>		<b>7,21,553</b>	<b>6,95,210</b>
<b>Total equity and liabilities</b>		<b>10,57,392</b>	<b>9,84,837</b>

\*Refer note 42

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration Number: 008072S

Sumit Trivedi

Partner

Membership Number: 209354

Place: Secunderabad

Date: 23 April 2019

For and on behalf of the Board of Directors

Sameer Goel

Managing Director

M. M. Murugappan

Chairman

Jayashree Satagopan

Chief Financial Officer

P. Varadarajan

Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2019

(₹ in lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018*
<b>I Income</b>			
Revenue from operations	24	13,22,456	11,12,708
Other income	25	3,708	5,969
<b>Total income</b>		<b>13,26,164</b>	<b>11,18,677</b>
<b>II Expenses</b>			
Cost of materials consumed		7,96,530	6,51,729
Purchases of stock-in-trade		2,15,943	1,24,422
Changes in inventories of finished goods, work-in-process and stock-in-trade	26	(78,515)	(15,212)
Excise duty		-	4,416
Employee benefits expense	27	41,107	36,187
Finance costs	28	25,070	17,831
Depreciation and amortisation expense	29	11,384	9,913
Other expenses	30	2,03,086	1,85,522
<b>Total expenses</b>		<b>12,14,605</b>	<b>10,14,808</b>
<b>III Profit before Exceptional items and tax (I-II)</b>		<b>1,11,559</b>	<b>1,03,869</b>
<b>IV Exceptional item (net)</b>	48	(2,385)	-
<b>V Share of profit/ (loss) of joint ventures and associate</b>	43	84	(60)
<b>VI Profit before tax (III+IV+V)</b>		<b>1,09,258</b>	<b>1,03,809</b>
<b>VII Tax expense:</b>			
(1) Current tax		38,737	35,390
(2) Deferred tax		(1,527)	(712)
		<b>37,210</b>	<b>34,678</b>
<b>VIII Profit for the year (VI-VII)</b>		<b>72,048</b>	<b>69,131</b>
<b>IX Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement of defined benefit plan	34(a)	(53)	(382)
(b) Share of other comprehensive income as reported by Joint ventures and associate		2	#
(c) Net fair value (loss)/gain on investment in equity shares at FVTOCI		(4,240)	(18,151)
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	21.3	(228)	(1,337)
<b>B (i) Items that will be reclassified to profit or loss</b>			
(a) Effective portion of gains/(loss) on designated portion of hedging instruments in a cash flow hedge		(28)	-
(b) Exchange differences on translating foreign operations		463	(57)
<b>(ii) Income tax relating to items that will be reclassified to profit or loss</b>		10	-
<b>Total other comprehensive income (A+B)</b>		<b>(4,074)</b>	<b>(17,253)</b>
<b>X Total Comprehensive Income for the year (VIII+IX)</b>		<b>67,974</b>	<b>51,878</b>
<b>XI Earnings per equity share (Face value of ₹ 1 each):</b>	35		
Basic ₹		24.64	23.67
Diluted ₹		24.60	23.59

See accompanying notes forming part of the consolidated financial statements

## In terms of our report attached

## For Deloitte Haskins &amp; Sells

Chartered Accountants

Firm Registration Number: 008072S

## Sumit Trivedi

Partner

Membership Number: 209354

Place: Secunderabad

Date: 23 April 2019

## For and on behalf of the Board of Directors

## Sameer Goel

Managing Director

## M. M. Murugappan

Chairman

## Jayashree Satagopan

Chief Financial Officer

## P. Varadarajan

Company Secretary

## Consolidated Cash flow statement

for the year ended 31 March 2019

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018*
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>1,09,258</b>	<b>1,03,809</b>
Adjustments for:		
Depreciation and amortisation expense	11,384	9,913
(Profit)/ loss on sale/ scrap of property, plant and equipments (net)	615	460
(Profit)/loss on sale of investment	8	(79)
Exchange differences (net)	(7,881)	8,623
Share of (profit)/loss of joint ventures accounted using equity method	(84)	60
Loss/ (gain) on measuring investments at FVTPL (net)	24	8
Provision for doubtful trade receivables and other liabilities no longer required, written back	(880)	(105)
Provision for doubtful trade and other receivables, loans and advances (net)	622	1,848
Trade and other receivables written off	28	-
Provision for employee benefits	536	(869)
Share-based payments	700	863
Finance costs	25,070	17,831
Interest income	(3,696)	(5,420)
Dividend income	(7)	(245)
Others	40	10
<b>Operating profit before working capital changes</b>	<b>1,35,737</b>	<b>1,36,707</b>
<i>Changes in working capital:</i>		
Trade payables	51,328	31,132
Other liabilities	(42)	(10,489)
Trade receivables	(25,322)	9,065
Government subsidies receivable	23,338	(6,983)
Inventories	(97,890)	(49,644)
Other assets	2,583	(48,480)
<b>Cash generated from operations</b>	<b>89,732</b>	<b>61,308</b>
Direct taxes paid (net of refunds)	(37,092)	(34,982)
<b>Net cash flow from operating activities (A)</b>	<b>52,640</b>	<b>26,326</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments, including capital work-in-progress and capital advances	(27,305)	(12,302)
Purchase of leasehold land	-	(981)
Proceeds from sale of property, plant and equipments	202	312
Payment towards acquisition of Business (Refer Note 42)	(33,000)	-
Purchase of non-current investments	(1,790)	(1,625)
Proceeds from sale of non-current investments	14	140
Inter-corporate deposits/ loans given	(42,028)	(40,052)
Inter-corporate deposits matured/ loans received	40,000	51,500
Purchase of current investments	(7,515)	(41,000)
Proceeds from sale of current investments	7,515	41,000
Interest received	4,194	5,967
Dividend received from current and non-current investments	7	245
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(59,706)</b>	<b>3,204</b>

# Consolidated Cash flow statement

for the year ended 31 March 2019

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018*
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares on exercise of employee stock options	452	1,673
Increase/ (decrease) in short-term borrowings	23,157	44,371
Dividend paid including tax thereon	(22,915)	(28,133)
Interest and other borrowing costs paid	(25,105)	(18,011)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(24,411)</b>	<b>(100)</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(31,477)</b>	<b>29,430</b>
Cash and cash equivalents at the beginning of the year	44,652	14,671
Cash and cash equivalents acquired on acquisition (Refer Note 42)	—	552
Exchange (loss)/ gain on cash and cash equivalents	38	(1)
Cash and cash equivalents at the end of the year (as per Note 12)	<b>13,213</b>	<b>44,652</b>
<b>Note:</b>		
1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.		
2. Reconciliation of liabilities from financing activities (short-term borrowings):		
Opening balance	2,72,844	2,22,838
Proceeds/(Repayments) of short term borrowings (net)	23,157	44,371
Foreign Exchange adjustment	(554)	5,635
Closing balance	<b>2,95,447</b>	<b>2,72,844</b>
*Refer Note 42		
<b>See accompanying notes forming part of the consolidated financial statements</b>		

## In terms of our report attached

### For Deloitte Haskins & Sells

Chartered Accountants  
Firm Registration Number: 008072S

### Sumit Trivedi

Partner  
Membership Number: 209354  
Place: Secunderabad  
Date: 23 April 2019

## For and on behalf of the Board of Directors

**Sameer Goel**  
Managing Director

**M. M. Murugappan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**P. Varadarajan**  
Company Secretary

## Consolidated Statement of Changes in Equity

for the year ended 31 March 2019

### a. Equity share capital

(₹ in lakhs, unless otherwise stated)

	Number of shares	Amount
Balance as at 1 April 2017	29,16,69,127	2,917
Add: Equity shares allotted pursuant to exercise of stock options	7,14,282	7
Balance as at 31 March 2018	29,23,83,409	2,924
Add: Equity shares allotted pursuant to exercise of stock options	143,920	1
Balance as at 31 March 2019	29,25,27,329	2,925

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2019

b. Other equity

	Reserves and Surplus (Refer Note 17)						Items of other comprehensive income (Refer Note 17)				Total
	Capital reserve	Capital redemption reserve	Securities premium	Central subsidy	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	
<b>Balance at 1 April 2017</b>	352	986	10,771	11	2,00,340	236	69,748	5,123	(1,407)	-	2,86,160
Effect of common control business combination (Refer Note 42)	-	-	-	-	(27,032)	-	1,313	(12)	-	-	(25,731)
Profit for the year	-	-	-	-	-	-	69,131	-	-	-	69,131
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(249)	(57)	(16,947)	-	(17,253)
<b>Total comprehensive income for the year</b>							<b>68,882</b>	<b>(57)</b>	<b>(16,947)</b>	<b>-</b>	<b>51,878</b>
Distributions made to/ (from) Bio business	-	-	-	-	-	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	-	-	863	-	-	-	-	863
Amount received on exercise of employee stock options	-	-	1,666	-	-	-	-	-	-	-	1,666
Dividend on equity shares including dividend distribution tax	-	-	-	-	-	-	(28,133)	-	-	-	(28,133)
Amounts transferred within the reserves	-	-	171	-	30,020	(191)	(30,000)	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>352</b>	<b>986</b>	<b>12,608</b>	<b>11</b>	<b>2,03,328</b>	<b>908</b>	<b>81,810</b>	<b>5,054</b>	<b>(18,354)</b>	<b>-</b>	<b>2,86,703</b>
<b>Balance at 1 April 2018</b>	<b>352</b>	<b>986</b>	<b>12,608</b>	<b>11</b>	<b>2,03,328</b>	<b>908</b>	<b>81,810</b>	<b>5,054</b>	<b>(18,354)</b>	<b>-</b>	<b>2,86,703</b>
Profit for the year	-	-	-	-	-	-	72,048	-	-	-	72,048
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(31)	463	(4,487)	(18)	(4,073)
<b>Total comprehensive income for the year</b>							<b>72,017</b>	<b>463</b>	<b>(4,487)</b>	<b>(18)</b>	<b>67,975</b>
Recognition of share-based payments	-	-	-	-	-	700	-	-	-	-	700
Dividend on equity shares including dividend distribution tax	-	-	-	-	-	-	(22,915)	-	-	-	(22,915)
Amount received on exercise of employee stock options	-	-	451	-	-	-	-	-	-	-	451
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Amounts transferred within the reserves	-	-	142	-	30,000	(142)	(30,000)	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>352</b>	<b>986</b>	<b>13,201</b>	<b>11</b>	<b>2,33,328</b>	<b>1,466</b>	<b>1,00,912</b>	<b>5,517</b>	<b>(22,841)</b>	<b>(18)</b>	<b>3,32,914</b>
See accompanying notes forming part of the consolidated financial statements											

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration Number: 008072S

Sumit Trivedi

Partner

Membership Number: 209354

Place: Secunderabad

Date: 23 April 2019

For and on behalf of the Board of Directors

Sameer Goel

Managing Director

M. M. Murugappan

Chairman

P. Varadarajan

Company Secretary

Jayashree Satagopan

Chief Financial Officer

# Notes

forming part of the Consolidated financial statements

## 1. General information

Coromandel International Limited ("the Company") is a limited company incorporated in India, equity shares of which are listed on the Bombay Stock Exchange and the National Stock Exchange in India. Its parent company is E.I.D.-Parry (India) Limited.

The address of its registered office and principal place of business are disclosed in the annual report. The Company is engaged in the business of farm inputs comprising of fertiliser, crop protection, specialty nutrients and organic compost.

Our Executive Leadership Team comprises the following officers at the date of release of these financial statements:

- Sameer Goel – Managing Director
- S Sankarasubramanian- President & Head (Fertilisers)
- Amir Alvi – Executive Vice President & Head Manufacturing (Fertilisers)
- Arun Leslie George – Executive Vice President & Head (Retail)
- B Prasannatha Rao – Executive Vice President & Head – HR
- Jayashree Satagopan – Executive Vice President & Chief Financial Officer
- Kalidas Pramanik – Executive Vice President - Marketing (Fertilisers & Organic)
- Narayanan Vellayan – Senior Associate Vice President – Specialty Nutrients
- P Varadarajan – Senior Vice President – Legal and Company Secretary
- Ripu Daman Singh – Executive Vice President – New Business Development
- S Govindarajan – Executive Vice President & Head – Commercial
- Srikanthan S – Executive Vice President & Head – Crop Protection
- Amit Rastogi – Executive Vice President – Technology

The executive leadership team reviews the results of our operations and our financial position on consolidated, operating segment and business unit levels. Our operating segments are defined by the organisation and reporting structure through which we operate our business. We categorise our operating segments into Nutrient and other allied business and Crop Protection.

## 2. Application of new and revised Ind AS

**Ind AS 116 Leases:** On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1 April 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:** On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

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The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019.

**Amendment to Ind AS 12 – Income taxes:** On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

**Amendment to Ind AS 19 – plan amendment, curtailment or settlement:** On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019.

The Group is evaluating the effects of above on its financial statements.

## 3. Significant accounting policies

### 3.1 Statement of compliance

The Consolidated financial statements which comprise the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, and the Consolidated Statement of Changes in Equity ("consolidated financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued there after and other relevant provisions of the Act, as applicable. Except for the changes below, the Group has consistently applied accounting policies to all periods.

The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 01, 2018. Ind AS 115 established a comprehensive framework on revenue recognition and replaces Ind AS 18 – Revenue and Ind AS 11 – Construction Contracts. There are no material adjustments arising on transition.

On March 28, 2018, Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarified the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid consideration in a foreign currency. The Group has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

### 3.2 Basis of preparation and presentation

The consolidated financial statements include accounts of Coromandel International Limited ("the Company") and its subsidiaries Liberty Pesticides and Fertilisers Limited, Sabero Organics America S.A., Sabero Australia Pty Ltd, Sabero Europe B.V., Sabero Argentina S.A., Coromandel Agronegocios de Mexico S.A de C.V (formerly Sabero Organics Mexico S.A de C.V), Parry Chemicals Limited, Dare Investments Limited, CFL Mauritius Limited, Coromandel Brasil Limitada, (a Limited Liability Partnership), Parry America Inc, Coromandel International (Nigeria) Limited; all together referred to as 'the Group', its joint venture companies Yanmar Coromandel Agrisolutions Private Limited and Coromandel SQM (India) Private Limited, and Associate Company Sabero Organics Philippines Asia Inc.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, and on accrual basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics

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of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of activities of the Group and the average time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The principal accounting policies are set out below.

### 3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### 3.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for

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as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 3.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 3.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of

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disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

### 3.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

- a) Sale of goods is recognised net of returns and trade discounts, when the control over the goods is transferred to the customers. The performance obligation in case of sale of goods is satisfied at a point in time i.e. when the goods are shipped to the customers or on delivery to the customer, as per applicable terms.
- b) The Company recognizes subsidy income as per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' on the basis of the rates notified from time to time by the Government of India in accordance with the Nutrient Based Subsidy (NBS) policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy.
- c) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered by measuring progress towards satisfaction of performance obligation for such services.
- d) Export benefits and other excise benefits are accounted for on accrual basis.

### 3.7 Other income

- a) Dividend income from investments is recognised in the year in which the right to receive the payment is established.
- b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group's significant leasing arrangements are in respect of operating leases for premises that are cancel able in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

### 3.9 Insurance claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 3.10 Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Group.

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### 3.11 Foreign currencies

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

For the purposes of presenting the consolidated financial statements, assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

### 3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3.13 Employee benefits

#### 3.13.1 Defined contribution plans

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the profit or loss each year when employees have rendered service entitling them to the contributions.

The Company makes contributions to two Provident Fund Trusts for certain employees, at a specified percentage of the employees' salary. The Company has an obligation to make good the shortfall, if any, between the return from the investments of trust and the notified interest rates. Liability on account of such shortfall, if any, is provided for based on the actuarial valuation carried out as at the end of the year.

#### 3.13.2 Defined benefit plans

The Company's Gratuity scheme for its employees is a defined benefit retirement plan. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the profit or loss. The liability as at the Balance Sheet date is provided for using the projected unit credit method, with actuarial valuations being carried out as at the end of the year.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately

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in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

### 3.13.3 Short-term employee benefits

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

### 3.13.4 Other long-term employee benefits

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 3.14 **Share-based payment arrangements**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### 3.15 **Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss

attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

### 3.16 **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

- Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

- Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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### 3.17 Property, plant and equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

Asset	Useful lives (in years)
Plant and equipment	5 – 25
Vehicles	5 – 7
Office equipment, furniture and fixtures	3 – 5

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets individually costing ₹5,000 and below are depreciated over a period of one year. Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.18 Biological assets

The Company recognises neem plantation as Biological assets and are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on biological assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost incurred for new plantations are capitalised and depreciated over their estimated useful life which has been ascribed to be 20 years.

### 3.19 Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible assets are amortised on the straight-line method. Technical know-how is amortised over their estimated useful lives ranging from 5-10 years and product registration is amortised over the period of the registration subject to a maximum of 10 years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

### 3.20 Impairment of tangible and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Group estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognised. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognised impairment loss no longer exists or may have decreased such reversal of impairment loss is recognised in the profit or loss.

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### 3.21 Inventories

Stores and spares, packing materials are valued at or below cost. Raw materials and other inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated selling price (including subsidy income, where applicable) of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

1. Stores and spares and packing materials – Weighted average cost.
2. Raw material – First-in-First-out basis. Cost includes purchase cost and other attributable expenses.
3. Finished goods and Work-in-process – Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads. Excise duty is included in the value of finished goods up to 30 June 2017.
4. Stock-in-trade – Weighted average cost

### 3.22 Exceptional item

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional item'.

### 3.23 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Group or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

### 3.24 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3.25 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### 3.25.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

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- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

## 3.25.2 Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

## 3.25.3 Investments in subsidiaries, joint ventures and associates

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

## 3.25.4 Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

## 3.25.5 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 3.25.6 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of

the financial instrument through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade

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receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### 3.25.7 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss

allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 3.25.8 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

## 3.26 Financial liabilities and equity instruments

### 3.26.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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### 3.26.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### 3.26.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained

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earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

## Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

## Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

## Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

## Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

### 3.27 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, option contracts and interest rate swaps.

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Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in other comprehensive income net of applicable deferred income taxes. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. The cumulative gain or loss previously recognized in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in the other comprehensive income is transferred to statement of income.

### 3.28 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 3.28.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

##### Revenue recognition

In making their judgment, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and, in particular, whether the Group had transferred control over the goods to the buyer.

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## 3.28.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Items requiring significant estimate	Assumption and estimation uncertainty
Useful lives of property, plant and equipment	The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.
Fair value measurements and valuation processes	<p>Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.</p> <p>In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Company annually to explain the cause of fluctuations in the fair value of the assets and liabilities.</p>
Revenue recognition	The Group provides customer incentives, such as rebates, based on quantity purchased, timing of collections etc. Various estimates are made to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical and forecasted data, contractual terms and current conditions.
Subsidy income and related receivables	Subsidy income has been recognized when there is reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including those under the Direct Benefit Transfer system which was introduced by the Government of India.
Provision for doubtful receivables	The Group makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Group makes an estimate of future selling prices, subsidy and costs necessary to make the sale.
Provision for employee benefits	The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

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(₹ in lakhs, unless otherwise stated)										

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(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>5. Other intangible assets and intangible assets under development</b>		
<b>Carrying amounts of:</b>		
Product registrations	706	974
Technical know-how	91	136
	<b>797</b>	<b>1,110</b>
Intangible assets under development	<b>1,524</b>	<b>1,062</b>

	Product registrations	Technical know-how	Total
<b>Details of Intangible assets</b>			
<b>Cost or deemed cost</b>			
Balance as at 1 April 2017	1,768	725	2,493
Effect of common control business combination (Refer Note 42)	-	272	272
Additions	234	-	234
Disposals/ adjustments	-	-	-
Effect of translation	(34)	-	(34)
<b>Balance as at 31 March 2018</b>	<b>1,968</b>	<b>997</b>	<b>2,965</b>
Additions	-	-	-
Disposals/ adjustments	12	-	12
Effect of translation	(44)	-	(44)
<b>Balance as at 31 March 2019</b>	<b>1,912</b>	<b>997</b>	<b>2,909</b>

<b>Accumulated amortisation and impairment</b>			
Balance as at 1 April 2017	857	502	1,359
Effect of common control business combination (Refer Note 42)	-	270	270
Amortisation expense	154	89	243
Disposals/ adjustments	-	-	-
Effect of translation	(17)	-	(17)
<b>Balance as at 31 March 2018</b>	<b>994</b>	<b>861</b>	<b>1,855</b>
Amortisation expense	243	45	288
Disposals/ adjustments	12	-	12
Effect of translation	(19)	-	(19)
<b>Balance as at 31 March 2019</b>	<b>1,206</b>	<b>906</b>	<b>2,112</b>

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(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>6. Non-current investments</b>		
<b>Quoted equity instruments</b>		
<b>(a) Investments in quoted equity instruments at FVTPL</b>		
<b>Rama Phosphate Limited</b>	12	13
13,719 (2018: 13,719) Equity shares of ₹ 10 each, fully paid-up		
<b>Total aggregate quoted equity investments at FVTPL (A)</b>	<b>12</b>	<b>13</b>
<b>(b) Investments in quoted equity instruments at FVTOCI</b>		
<b>Coromandel Engineering Company Limited</b>	715	1,190
25,00,100 (2018: 25,00,100) Equity shares of ₹10 each, fully paid-up		
<b>Total aggregate quoted equity investments at FVTOCI (B)</b>	<b>715</b>	<b>1,190</b>
<b>Unquoted equity instruments</b>		
<b>(c) Investments in unquoted equity investments at FVTOCI</b>		
<b>Tunisian Indian Fertilisers S.A.#</b>	-	-
41,79,848 (2018: 41,79,848) Ordinary shares of Tunisian Dinars (TND) 10 each, fully paid up		
<b>Nandesari Environment Control Limited</b>	15	9
2,000 (2018: 2,000) Equity shares of ₹ 10 each, fully paid-up		
<b>Ranar Agrochem Limited (formerly Prathyusha Chemicals and Fertilisers Limited)</b>	2	2
10,01,000 (2018: 10,01,000) Equity shares of ₹10 each, fully paid-up		
<b>Indian Potash Limited</b>	2,350	2,026
90,000 (2018: 90,000) Equity shares of ₹10 each, fully paid-up		
<b>Foskor (Pty) Limited</b>		
i) 12,82,070 (2018: 12,82,070) Ordinary shares of South African Rand 1 each, fully paid-up	-	5,781
ii) 46 (2018: Nil) Class D shares of South African Rand 2,00,000 each, fully paid-up	1,901	-
<b>Murugappa Management Services Limited</b>	73	73
16,139 (2018: 16,139) Equity shares of ₹ 100 each, fully paid-up		
<b>Bharuch Enviro Infrastructure Limited</b>	107	140
16,100 (2018: 16,100) Equity shares of ₹ 10 each, fully paid-up		
<b>Narmada Clean Tech</b>	15	16
2,75,000 (2018: 2,75,000) Equity shares of ₹ 10 each, fully paid-up		
<b>A.P. Gas Power Corporation Limited</b>	11,235	9,281
53,92,160 (2018: 53,92,160) Equity shares of ₹ 10 each, fully paid-up		
<b>Total aggregate Equity investments at FVTOCI (C)</b>	<b>15,698</b>	<b>17,328</b>

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(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>(d) Investment in joint ventures</b>		
<b>Yanmar Coromandel Agrisolutions Private Limited</b>	468	453
1,30,04,000 (2018: 1,30,04,000) Equity shares of ₹10 each, fully paid-up		
<b>Coromandel SQM (India) Private Limited</b>	1,238	1,169
50,00,000 (2018: 50,00,000) Ordinary shares of ₹10 each, fully paid-up		
<b>Total aggregate investments in joint ventures (D)</b>	<b>1,706</b>	<b>1,622</b>
<b>(e) Investment in associate</b>		
<b>Sabero Organics Philippines Asia Inc. - Associate</b>	*	*
320 (2018: 320) Equity shares of PHP\$100 each fully paid-up		
<b>Total aggregate investment in associate (E)</b>	<b>*</b>	<b>*</b>
<b>(f) Other investments at FVTPL</b>		
<b>Faering Capital India Evolving Fund</b>	324	361
30,471 (2018: 31,864) units of ₹ 1,000 each, fully paid-up		
<b>Total aggregate other investments (F)</b>	<b>324</b>	<b>361</b>
<b>(g) Others</b>		
Share application money pending allotment - at cost (Refer Note 41(E))	4	4
Loans at FVTOCI**	1,609	1,609
<b>Total aggregate others (G)</b>	<b>1,613</b>	<b>1,613</b>
<b>Total investments (A) + (B) + (C) + (D) + (E) + (F) + (G)</b>	<b>20,068</b>	<b>22,127</b>
Of the above		
Investments in Joint Ventures and Associate <b>(D) + (E)</b>	<b>1706</b>	1,622
Other Investments <b>(A) + (B) + (C) + (F) + (G)</b>	<b>18,362</b>	20,505
*less than a lakh		
Aggregate amount of quoted investments and market value thereof	727	1,203
Aggregate amount of unquoted investments	19,341	20,924
Aggregate amount of impairment in value of investments	-	-

**Notes:**

# The Ordinary shares of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT) held by the Group have been pledged to secure the obligations of TIFERT to their lenders, except 8,04,848 shares.

\*\* includes loan amounting ₹ 1,609 lakhs (2018: ₹ 1,609 lakhs) to TIFERT which is compulsorily convertible to equity shares at the end of three years from June 2017.

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(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>7. Other financial assets</b>		
<b>Financial assets carried at fair value through profit or loss (FVTPL)</b>		
Derivatives that are not designated in hedge accounting relationships		
Foreign currency forward contracts	1,285	669
Option contracts	-	378
Derivatives that are designated in hedge accounting relationships	25	-
	<b>1,310</b>	<b>1,047</b>
<b>Financial assets carried at amortised cost</b>		
Advances with related parties (Refer Note 41(E))	100	115
Interest accrued but not due on deposits, loans, others*	160	658
Insurance claims receivable	2,739	339
	<b>2,999</b>	<b>1,112</b>
	<b>4,309</b>	<b>2,159</b>
Current	4,309	2,159
Non-current	-	-
	<b>4,309</b>	<b>2,159</b>
* Includes ₹ 2 lakhs (2018: ₹ 1 lakh) interest receivable from related party Refer Note 41(E)		
<b>8. Other non-current assets</b>		
Capital advances	5,253	1,790
Pre-payment for leasehold land*	3,815	3,887
Deposits	2,744	3,064
Others	145	188
	<b>11,957</b>	<b>8,929</b>
* Land admeasuring 3.52 acres ₹ (18 lakhs) is pending execution of lease in the name of the Company		
<b>9. Inventories</b>		
Raw materials	98,676	63,234
Raw materials in-transit	14,672	30,068
Work-in-process	2,369	1,576
Finished goods	1,66,265	1,04,176
Stock-in-trade	34,149	20,598
Stores and spares	5,531	4,358
Packing materials	2,477	2,239
	<b>3,24,139</b>	<b>2,26,249</b>

Note: Refer Note 3.20 for basis of valuation and for details of inventories pledged refer Note 18.1.

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(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>10. Current investments</b>		
<b>Quoted instruments at FVTPL</b>		
<b>Canara Robecco Gold Saving Fund</b>	14	14
1,49,284.652 (2018: 1,49,284.652) units of ₹10 each		
<b>Total quoted investments (A)</b>	<b>14</b>	<b>14</b>
<b>Unquoted other investments at FVTPL</b>		
<b>UTI Master Shares</b>	*	*
1,000 (2018: 1,000) shares of ₹10 each, fully paid-up		
<b>Total unquoted investments (B)</b>	<b>*</b>	<b>*</b>
<b>Total current investments (A) + (B)</b>	<b>14</b>	<b>14</b>
Aggregate amount of quoted investments and market value thereof	14	14
Aggregate amount of unquoted investments	*	*
Aggregate amount of impairment in value of investments	-	-
*less than a lakh		
<b>11. Trade receivables</b>		
(a) Secured, considered good	9,263	8,012
(b) Unsecured, considered good*	1,73,179	1,49,758
(c) Credit impaired	12,775	12,183
	1,95,217	1,69,953
Allowance for doubtful receivables	12,775	12,183
	<b>1,82,442</b>	<b>1,57,770</b>

\* Includes ₹ 459 lakhs (2018: ₹ 123 lakhs) receivable from related party. Also Refer Note 41(E).

The credit period on sales of goods varies with seasons and business segments/ markets and generally ranges between 30 to 180 days. No interest is recovered on trade receivables for payments received after the due date.

Before accepting any new customer, the Group has a credit evaluation system to assess the potential customer's credit quality and to define credit limits for the customer. Credit limits attributed to customers are reviewed on an annual basis.

The Group maintains an allowance for impairment of doubtful accounts based on financial condition of the customer, ageing of the customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Group creates provision for past due receivables beyond 180 days ranging between 25%-100% after reckoning the underlying collaterals. Besides, based on the expected credit loss model the Group also provides up to 0.50% for receivables less than 180 days.

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Movement in the allowance for doubtful receivables</b>		
Balance at beginning of the year	12,183	10,346
Impairment losses recognised on receivables	592	1,837
<b>Balance at end of the year</b>	<b>12,775</b>	<b>12,183</b>

The concentration of risk with respect to trade receivables is reasonably low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets. No single customer constitutes more than 5% balance of the total trade receivables as of the Balance Sheet date.

## Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>12. Cash and cash equivalents</b>		
Cash on hand	85	61
Balances with Banks:		
in Current accounts	13,128	10,090
in Deposit accounts	-	34,501
	<b>13,213</b>	<b>44,652</b>
<b>13. Bank balances other than cash and cash equivalents</b>		
Restricted		
Dividend accounts	1,864	10,176
Bonus debenture redemption and interest	846	705
Margin money/ deposit	9	9
	<b>2,719</b>	<b>10,890</b>

### Unclaimed dividend accounts

If the dividend has not been claimed within 30 days from the date of its declaration, the Group is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Group in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

### Bonus debenture redemption and interest

If the proceeds on maturity of debentures and interest thereon has not been claimed within 30 days from the date of its declaration, the Group is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Group in a scheduled bank to be called "Unpaid debenture account". The unclaimed amounts lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

### Margin money / deposit

Amounts in margin money/deposit accounts represents amounts deposited with certain government agencies.

## 14. Loans

<b>At amortised cost</b>		
Unsecured, considered good		
Inter-corporate deposits	42,805	40,777
	<b>42,805</b>	<b>40,777</b>
Current	42,805	40,777
Non-current	-	-
	<b>42,805</b>	<b>40,777</b>

# Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>15. Other current assets</b>		
Advances recoverable in kind or for value to be received		
Considered good	28,927	20,295
Considered doubtful	403	373
	29,330	20,668
Less: Impairment allowance	403	373
	28,927	20,295
Gratuity fund (net) [Refer Note 34(a)]	217	38
Others (including Goods and Services Tax balances)	37,157	50,656
6.20% Fertilizer companies Government of India special bonds 2022 10,000 (2018: 10,000 of ₹ 100 each)	*	*
6.65% Fertilizer companies Government of India special bonds 2023 5,000 (2018: 5,000) of ₹ 100/- each	*	*
	<b>66,301</b>	<b>70,989</b>

\* Less than a lakh

## 16. Equity

### 16.1 Equity share capital

#### Authorised Share capital :

35,00,00,000 (2018: 35,00,00,000) fully paid equity shares of ₹ 1 each

3,500

3,500

#### Issued, subscribed and fully paid-up:

29,25,27,329 (2018: 29,23,83,409) fully paid equity shares of ₹ 1 each

2,925

2,924

2,925

2,924

### 16.2 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:

	Number of shares	Amount
<b>Balance as at 1 April 2017</b>	<b>29,16,69,127</b>	<b>2,917</b>
Add: Equity shares allotted pursuant to exercise of stock options	7,14,282	7
<b>Balance as at 31 March 2018</b>	<b>29,23,83,409</b>	<b>2,924</b>
Add: Equity shares allotted pursuant to exercise of stock options	1,43,920	1
<b>Balance as at 31 March 2019</b>	<b>29,25,27,329</b>	<b>2,925</b>

### 16.3 Rights, preferences and restriction relating to each class of share capital:

**Equity shares:** The Company has one class of equity shares having a face value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

## Consolidated Notes

(Contd.)

**16.4** As at 31 March 2019, E.I.D.-Parry (India) Limited (Parent Company) held 17,71,55,580 (2018: 17,71,55,580) equity shares of ₹ 1 each fully paid-up representing 60.56% (2018: 60.59%) of the paid up capital. There are no other shareholders holding more than 5 % of the issued capital.

### 16.5 Share options granted under the Group's employee share option plan

As at 31 March 2019, shares reserved for issue under the 'ESOP 2007' scheme is 81,61,366 (2018: 81,85,066) equity shares of ₹ 1 each and under the 'ESOP 2016' scheme is 1,43,55,580 (2018: 1,44,75,800) equity shares of ₹ 1 each.

Share options granted under the Group's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 33.

### 16.6 Details of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the year ended 31 March 2015:

- 25,74,193 equity shares of ₹ 1 each fully paid-up were allotted to shareholders of erstwhile Liberty Phosphate Limited (LPL) in the proportion of 7 equity shares of ₹ 1 each of the Company for every 8 equity shares of ₹ 10 each held in the LPL pursuant to the Scheme of Amalgamation between LPL and the Company.
- 53,09,210 equity shares of ₹ 1 each fully paid-up were allotted to shareholders of erstwhile Sabero Organics Gujarat Limited (Sabero) in the proportion of 5 equity shares of ₹ 1 each of the Company for every 8 equity shares of ₹ 10 each held in Sabero pursuant to the Scheme of Amalgamation between Sabero and the Company.

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>16.7 Cumulative redeemable preference shares</b>		
<b>Authorised capital</b>		
50,00,000 (2018: 50,00,000) cumulative redeemable preference shares of ₹ 10 each	500	500

**Cumulative redeemable preference shares:** The Company has a class of cumulative redeemable preference shares having face value of ₹ 10 each with such rights, privileges and conditions respectively attached thereto as may be from time to time confirmed by the regulations of the company. Pursuant to the Scheme of Amalgamation, the cumulative redeemable preference shares carry cumulative dividend of 8% per annum in relation to capital paid upon them and are on original terms and conditions in which they were issued by erstwhile Liberty Phosphate Limited, the amalgamating company.

No such cumulative redeemable preference shares are issued and outstanding as of 31 March 2019 (2018: Nil).

### 17. Other equity

General reserve	2,33,328	2,03,328
Retained earnings	1,00,912	81,810
Capital reserve	352	352
Capital redemption reserve	986	986
Securities Premium	13,201	12,608
Central subsidy	11	11
ESOP reserve	1,466	908
Foreign currency translation reserve	5,517	5,054
Equity Instruments through OCI	(22,841)	(18,354)
Cash flow hedge reserve	(18)	-
	<b>3,32,914</b>	<b>2,86,703</b>

# Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>(i) General reserve</b>		
Balance at beginning of year	2,03,328	2,00,340
Effect of common control business combination (Refer Note 42)	-	(27,032)
Amount transferred on cancellation of stock options	-	20
Amount transferred from retained earnings	30,000	30,000
	<b>2,33,328</b>	<b>2,03,328</b>
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
<b>(ii) Retained earnings</b>		
Balance at beginning of year	81,810	69,748
Effect of common control business combination (Refer Note 42)	-	1,313
Profit for the year	72,048	69,131
Remeasurement of the net defined benefit plans	(31)	(249)
Dividend on equity shares including dividend distribution tax	(22,915)	(28,133)
Amount transferred to general reserve	(30,000)	(30,000)
	<b>1,00,912</b>	<b>81,810</b>

Retained earnings represents the Company's undistributed earnings after taxes.

In respect of the year ended 31 March 2019, the directors approved payment of interim dividend of ₹ 3 per share and proposed that a final dividend of ₹ 3.50 per share be paid on fully paid equity shares. The proposed final equity dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total amount paid with respect to interim dividend is ₹ 10,577 Lakhs including dividend distribution tax of ₹ 1,803 Lakhs and estimated amount to be paid with respect to final dividend is ₹ 12,343 Lakhs including dividend distribution tax of ₹ 2,105 Lakhs.

In respect of the year ended 31 March 2018, the directors approved payment of interim dividend of ₹ 3 per share and proposed that a final dividend of ₹ 3.50 per share be paid on fully paid equity shares which was approved by the shareholders at the Annual General Meeting. The total amount paid with respect to interim dividend is ₹ 10,557 Lakhs including dividend distribution tax of ₹ 1,785 Lakhs and with respect to final dividend is ₹ 12,338 Lakhs including dividend distribution tax of ₹ 2,104 Lakhs.

In July 2017, a dividend of ₹ 5 per share amounting to total dividend of ₹ 17,576 lakhs including dividend distribution tax of ₹ 2,973 lakhs was paid to holders of fully paid equity shares with respect to the final dividend for the year ended 31 March 2017.

<b>(iii) Capital Reserve</b>	<b>352</b>	<b>352</b>
<b>(iv) Capital Redemption reserve</b>	<b>986</b>	<b>986</b>

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on buyback of Company's own shares and on redemption of the preference shares. The Company has bought back its own shares and also redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

## Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>(v) Securities premium</b>		
Balance at beginning of year	12,608	10,771
Amount transferred on exercise of employee stock option	142	171
Amount received on exercise of employee stock option	451	1,666
	<b>13,201</b>	<b>12,608</b>
Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.		
<b>(vi) Central subsidy</b>	11	11
<b>(vii) Share options outstanding account</b>		
Balance at beginning of year	908	236
Amount transferred on exercise/ cancellation of employee stock option	(142)	(191)
Recognition of share based payment expense	700	863
	<b>1,466</b>	<b>908</b>
Share options outstanding account relates to share options granted by the Company to its employees under its employee share option plan. These will be transferred to retained earnings after the exercise of the underlying options.		
<b>(viii) Foreign currency translation reserve</b>		
Balance at beginning of year	5,054	5123
Effect of common control business combination (Refer Note 42)	-	(12)
Movement during the year	463	(57)
	<b>5,517</b>	<b>5,054</b>
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency i.e. Indian Rupee (₹) are recognised directly and accumulated in the foreign currency translation reserve. These balances are reclassified to profit or loss on the disposal of the foreign operations.		
<b>(ix) Reserve for equity instruments through other comprehensive income</b>		
Balance at beginning of year	(18,354)	(1,407)
Net fair value gain/ (loss) on investments in equity instruments at FVTOCI (net of tax)	(4,487)	(16,947)
	<b>(22,841)</b>	<b>(18,354)</b>
This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.		
<b>(x) Cash flow hedge reserve</b>		
Balance at beginning of year	-	-
Effective portion of cash flow hedges (net of tax)	(18)	-
	<b>(18)</b>	<b>-</b>
Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income		

# Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>18. Borrowings</b>		
<b>Secured- at amortised cost</b>		
Loan repayable on demand from banks	26,808	39,796
Short term loans from banks	70,409	61,707
<b>Unsecured- at amortised cost</b>		
Loan repayable on demand from banks	50,230	49,941
Banks	88,000	31,400
Others	60,000	90,000
	<b>2,95,447</b>	<b>2,72,844</b>
Long term borrowings	-	-
Short term borrowings	2,95,447	2,72,844
	<b>2,95,447</b>	<b>2,72,844</b>

## 18.1 Summary of borrowing arrangements

- i) Secured loan repayable on demand comprises cash credit balances and buyers credit secured by a pari-passu charge on current assets of the Company. Further, certain loans are secured by second charge on moveable fixed assets of the Company.
- ii) Secured short-term loans from banks comprises of working capital demand loan secured by a pari-passu charge on current assets of the Company. Further, certain borrowings are secured by specific subsidy receivables and letter of comfort from Government of India under Special Banking Arrangement.
- iii) Unsecured loans repayable on demand comprises of buyers credit denominated in foreign currency and unsecured short-term loans comprise of commercial paper, short-term loans and foreign currency loans from banks.

## 18.2 Breach of loan agreement

There is no breach of loan agreement.

## Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>19. Other financial liabilities</b>		
<b>Financial liabilities mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Derivatives not designated in hedge accounting relationships		
Foreign currency forward contracts	5,253	382
Derivatives designated in hedge accounting relationships	53	-
	<b>5,306</b>	<b>382</b>
<b>Financial liabilities carried at amortised cost</b>		
Security and trade deposits received (includes non-current portion of ₹ 168 lakhs (2017: ₹ 128 lakhs))	13,386	11,619
Interest accrued but not due on borrowings	407	252
Interest accrued but not due on others	1,043	950
Interim dividend payable (includes ₹ Nil (2018: ₹ 5,315 lakhs) payable to related party. Refer Note 41 (E))	-	8,772
Unclaimed dividends	1,864	1,404
Unclaimed debentures	846	705
Payables on purchase of fixed assets	985	395
Others *	2	33,346
	<b>18,533</b>	<b>57,443</b>
	<b>23,839</b>	<b>57,825</b>
Current	23,671	57,697
Non-current	168	128
	<b>23,839</b>	<b>57,825</b>

\* Includes amount payable on acquisition ₹ Nil (2018: ₹ 33,000 lakhs). Refer Note 41(E) and Note 42.

<b>20. Provisions</b>		
Employee benefits*	3,207	2,443
	<b>3,207</b>	<b>2,443</b>
Current	1,810	1,004
Non-current	1,397	1,439
	<b>3,207</b>	<b>2,443</b>

\* The provision for employee benefits represents leave entitlements and gratuity. Refer Note 34(a) for details

# Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>21. Income tax</b>		
<b>21.1 Deferred tax liabilities (net)</b>		
Deferred tax liabilities	19,649	20,883
Deferred tax assets	(8,420)	(8,354)
	<b>11,229</b>	<b>12,538</b>

2018-2019	Opening balance 1 April 2018	Recognised in Profit or loss	Recognised in other com- prehensive income	Closing balance 31 March 2019
<b>Deferred tax liabilities/(assets) in relation to:</b>				
Property, plant and equipment	20,883	(1,234)	-	19,649
Investments at FVTOCI	(2,406)	-	247	(2,159)
Provision for doubtful debts and advances	(4,295)	(224)	-	(4,519)
Statutory dues allowable on payment basis	(410)	-	-	(410)
Employees separation and retirement costs	(942)	(54)	(19)	(1,015)
Others	(292)	(15)	(10)	(317)
<b>Total</b>	<b>12,538</b>	<b>(1,527)</b>	<b>218</b>	<b>11,229</b>

2017-2018	Opening balance 1 April 2017	Effect of common control business combination (Refer Note 42)	Recognised in Profit or loss	Recognised in other comprehensive income	Closing balance 31 March 2018
<b>Deferred tax liabilities/(assets) in relation to:</b>					
Property, plant and equipment	21,145	(359)	97	-	20,883
Investments at FVTOCI	(1,202)	-	-	(1,204)	(2,406)
Provision for doubtful debts and advances	(3,614)	-	(681)	-	(4,295)
Statutory dues allowable on payment basis	(410)	-	-	-	(410)
Employees separation and retirement costs	(685)	-	(124)	(133)	(942)
Others	(287)	-	(5)	-	(292)
<b>Total</b>	<b>14,947</b>	<b>(359)</b>	<b>(712)</b>	<b>(1,337)</b>	<b>12,538</b>

## Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>21.2 Unrecognised deductible temporary differences, unused tax losses and unused tax credits</b>		
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- long-term capital loss	56	56
- short-term capital loss	11	11
- unused tax losses	268	267
	<b>335</b>	<b>334</b>
Long-term capital loss of ₹ 47 lakhs is available for set-off till 31 March 2025 and ₹ 9 lakhs till 31 March 2017 (2018: ₹ 13 lakhs till 31 March 2025), short-term capital loss till 31 March 2020, unused tax losses amounting ₹ 226 lakhs (2018: ₹ 250 lakhs) do not have any expiry and balance unused tax losses have an expiry ranging from 2019 till 2028.		
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>21.3 Income tax credit/ (expense) recognised directly in equity</b>		
Tax effect on changes in fair value of other investments	(247)	1,204
Tax effect on actuarial gains/losses on defined benefit obligations	19	133
Tax effect on Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	10	-
	<b>(218)</b>	<b>1,337</b>
	As at 31 March 2019	As at 31 March 2018
<b>21.4 Current tax liabilities (net)</b>		
Income tax payable (net of advance tax)	3,834	2,195
	<b>3,834</b>	<b>2,195</b>
<b>21.5 Reconciliation of tax expense to the accounting profit is as follows:</b>		
<b>Accounting profit before tax</b>	<b>1,09,258</b>	<b>1,03,809</b>
Tax expense at statutory tax rate of 34.95% (2018: 34.61%)	38,179	35,926
<i>Adjustments:</i>		
Effect of income that is exempt from tax	(2)	(107)
Effect of expenses that are not deductible in determining taxable profit	35	35
Effect of concessions (research and development and other allowances)	(718)	(706)
Effect of change in tax rate	51	148
Others	(335)	(618)
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>37,210</b>	<b>34,678</b>

# Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>22. Other liabilities</b>		
Advances from customers	5,336	6,776
Income received in advance	908	975
Other liabilities (including statutory remittances)	1,506	1,753
	<b>7,750</b>	<b>9,504</b>
Current	6,842	8,529
Non-current	908	975
	<b>7,750</b>	<b>9,504</b>
<b>23. Trade payables</b>		
Acceptances	2,66,256	2,09,054
Other than Acceptances:	1,09,991	1,28,807
	<b>3,76,247</b>	<b>3,37,861</b>
of the above		
i. Outstanding dues of micro enterprises and small enterprises*	1,261	651
ii. Outstanding dues of creditors other than micro enterprises and small enterprises**	3,74,986	3,37,210
	<b>3,76,247</b>	<b>3,37,861</b>

\* Dues to MSME have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Refer Note 46

\*\* Includes amount payable to related party ₹ 987 Lakhs (2018: ₹ 756). Also refer note 41(E).

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>24. Revenue from operations</b>		
The following is an analysis of the Group's revenue:		
Sales	10,05,269	8,39,773
Government subsidies	3,10,641	2,67,314
Other operating revenue	6,546	5,621
<b>Total Revenue from operations</b>	<b>13,22,456</b>	<b>1,112,708</b>
The Government of India introduced the Goods and Services tax (GST) with effect from 1 July 2017. Accordingly, in compliance with Indian Accounting Standard (Ind AS) 'Revenue', Revenue from operations for the period beginning 1 July 2017 is presented net of GST.		
<b>Other operating revenues comprise:</b>		
Service income	443	168
DEPB income/ excise benefits	2,591	3,178
Provision for liabilities no longer required, written back	880	105
Insurance claim	281	329
Others	2,351	1,841
	<b>6,546</b>	<b>5,621</b>

## Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)		
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>25. Other income</b>		
Interest income	3,696	5,420
Dividend income from investments carried at FVTPL	4	239
Dividend income from investments carried at FVTOCI	3	6
Guarantee income	-	109
Profit on sale of investment	-	79
Others	5	116
	<b>3,708</b>	<b>5,969</b>
<b>26. Changes in inventories of finished goods, work-in-process and stock-in-trade</b>		
<b>As at 1 April</b>		
Work-in-process	1,576	2,499
Finished goods	1,04,176	79,693
Stock-in-trade	20,598	28,584
	<b>1,26,350</b>	<b>1,10,776</b>
Add: Effect of common control business combination (Refer Note 42)	-	3,781
Less: Credit taken on transition to Goods and Services Tax	-	3,419
<b>Less: As at 31 March</b>		
Work-in-process	2,369	1,576
Finished goods	1,66,265	1,04,176
Stock-in-trade	34,149	20,598
	<b>2,02,783</b>	<b>1,26,350</b>
Less: Inventory written-off (Refer Note 48 (b))	2082	-
	<b>(78,515)</b>	<b>(15,212)</b>
<b>27. Employee benefits expense</b>		
Salaries, wages and bonus	33,842	29,652
Share based payments (Refer Note 33.3)	700	863
Contribution to provident and other funds	2,738	2,491
Staff welfare expenses	3,827	3,181
	<b>41,107</b>	<b>36,187</b>
<b>28. Finance cost</b>		
Interest expense *	24,303	16,869
Other borrowing costs and charges	767	962
	<b>25,070</b>	<b>17,831</b>
* net of ₹ 283 lakhs capitalised at the average interest rate of 5.14% (2018: ₹ Nil)		
<b>29. Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (refer Note 4)	11,096	9,670
Amortisation of intangible assets (refer Note 5)	288	243
	<b>11,384</b>	<b>9,913</b>

# Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>30. Other expenses</b>		
Stores and spares consumed	10,497	8,636
Power, fuel and water	25,060	23,035
Rent	6,276	8,625
Repairs to:		
Buildings	641	758
Machinery	3,305	2,772
Others	2,217	1,762
Insurance charges	1,245	1,381
Rates and taxes	1,273	1,261
Freight and distribution	1,03,272	97,915
Exchange differences (net)	14,836	4,964
Loss on sale/scrap of property, plant and equipments (net)	615	460
Impairment allowance recognised for doubtful trade and other receivables, loans and advances (net)	622	1,848
Trade and other receivables written off	28	-
Loss on sale of investments	8	-
Loss on measuring investments at FVTPL (net)	24	8
Miscellaneous expenses	33,167	32,097
	<b>2,03,086</b>	<b>1,85,522</b>

## Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

### 31. Segment information

#### 31.1 Products and services from which reportable segments derive their revenues

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Group's reportable segments under Ind AS 108 are as follows:

1. Nutrient and other allied business
2. Crop protection

The following is an analysis of the Group's revenue and results from operations by reportable segment:

	Segment revenue		Segment profit	
	For the year ended 31 March 2019	For the year ended 31 March 2018*	For the year ended 31 March 2019	For the year ended 31 March 2018*
Nutrient and other allied business	11,50,529	9,60,236	1,18,032	1,01,443
Crop protection	1,80,191	1,66,224	28,315	26,866
	<b>13,30,720</b>	<b>11,26,460</b>	<b>1,46,347</b>	<b>1,28,309</b>
Less: Inter - segment	(8,264)	(13,752)	(334)	(289)
<b>Total</b>	<b>13,22,456</b>	<b>1,112,708</b>	<b>1,46,013</b>	<b>1,28,020</b>
Other income			3,708	5,969
Exceptional item			(2,385)	-
Unallocable expense			(13,092)	(12,289)
Finance costs			(25,070)	(17,831)
Share in profit/ (loss) of joint venture			84	(60)
<b>Profit before tax</b>			<b>1,09,258</b>	<b>1,03,809</b>

\* Refer Note 42.

The accounting policies of the reportable segments are same as the Group's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

#### 31.2 Segment assets and liabilities

	As at 31 March 2019	As at 31 March 2018*
<b>Segment assets</b>		
Nutrient and other allied business	8,42,283	7,36,232
Crop protection	1,34,828	1,28,537
Unallocable assets	80,281	1,20,068
<b>Total assets</b>	<b>1,057,392</b>	<b>9,84,837</b>
<b>Segment liabilities</b>		
Nutrient and other allied business	3,70,060	3,22,498
Crop protection	28,310	37,409
Unallocable liabilities	3,23,183	3,35,303
<b>Total liabilities</b>	<b>7,21,553</b>	<b>6,95,210</b>

\* Refer Note 42.

#### For the purposes of monitoring segment performance and allocating resources between segments:

1. All assets are allocated to reportable segments other than inter-corporate deposits, investments, cash and cash equivalents and derivative contracts.
2. All liabilities are allocated to reportable segments other than borrowings, defined benefit obligation and long-term employee benefits, derivative contracts, current and deferred tax liabilities.

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### 31.3 Other segment information

(₹ in lakhs, unless otherwise stated)

	Depreciation and amortisation		Additions to non- current assets	
	For the year ended 31 March 2019	For the year ended 31 March 2018*	For the year ended 31 March 2019	For the year ended 31 March 2018*
Nutrient and other allied business	8,521	7,386	20,386	8,510
Crop protection	2,863	2,527	7,429	4,659

\*Refer Note 42

### 31.4 Revenue from major products

The following is an analysis of the Group's revenue from operations from its major products:

	For the year ended 31 March 2019	For the year ended 31 March 2018*
Phosphatic Fertilisers	6,40,771	5,01,043
Urea	52,614	50,584
Muriate of Potash	18,924	18,699
Single Super Phosphate	35,099	28,983
Others	92,480	93,613
	<b>8,39,888</b>	<b>6,92,922</b>
Government subsidies	3,10,641	2,67,314
<b>Nutrient and other allied business</b>	<b>11,50,529</b>	<b>9,60,236</b>
Crop protection	1,80,191	1,66,224
<b>Total</b>	<b>13,30,720</b>	<b>11,26,460</b>
Less: Inter - segment	(8,264)	(13,752)
<b>Revenue from operations</b>	<b>13,22,456</b>	<b>11,12,708</b>

\*Refer Note 42

## 32. Financial instruments

### 32.1 Capital management

The Group's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Group ensures optimal credit risk profile to maintain/enhance credit rating.

The Group determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and inter-corporate deposits with financial institutions.

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The following table summarises the capital of the Group:

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
<b>Equity</b>	<b>3,35,839</b>	<b>2,89,627</b>
Short-term borrowings	2,95,447	2,72,844
Inter-corporate deposits with financial institutions	(42,805)	(40,777)
Cash and cash equivalents	(13,213)	(44,652)
<b>Net debt</b>	<b>2,39,429</b>	<b>1,87,415</b>
<b>Total capital (equity + net debt)</b>	<b>5,75,268</b>	<b>4,77,042</b>
Net debt to capital ratio	0.42	0.39
Interest coverage ratio	5.36	6.82

### 32.2 Categories of financial instruments

#### Financial assets

##### Measured at fair value through profit or loss (FVTPL)\*

##### (a) Mandatorily measured:

(i) Derivative instruments not designated in hedge accounting relationship	1,285	1,047
(ii) Derivative instruments designated in hedge accounting relationship	25	-
(iii) Equity investments	26	27
(iv) Other investments	324	361

##### Measured at amortised cost

(a) Cash and cash equivalents	13,213	44,652
(b) Bank balance other than cash and cash equivalents	2,719	10,890
(c) Other financial assets at amortised cost	4,67,594	4,62,345

##### Measured at FVTOCI\*

(a) Investments in equity instruments designated upon initial recognition	16,413	18,518
(b) Investments in other instruments designated upon initial recognition	1,609	1,609

##### Measured at cost

(a) Investments in equity instruments in joint ventures and associate	1,710	1,626
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#### Financial liabilities

##### Measured at fair value through profit or loss (FVTPL)\*

(a) Derivative instruments not designated in hedge accounting relationship	5,253	382
(b) Derivative instruments designated in hedge accounting relationship	53	-

##### Measured at amortised cost

Financial guarantee contract	6,90,227	6,68,148
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\*Refer note 32.9 for fair valuation methods and assumptions

### 32.3 Financial risk management objectives

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Group's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

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Item	Primarily affected by	Risk management policies	Refer
Market risk - currency risk	USD balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	Mitigating foreign currency risk using foreign currency forward contracts, option contracts and currency swaps	Note 32.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies	Note 32.4.2
Market risk - other price risk	Decline in value of equity instruments	Monitoring forecasts of cash flows; diversification of portfolio	Note 32.4.3
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 32.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 32.6

### 32.4 Market risk

The Group's financial instruments are exposed to market rate changes. The Group is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

#### 32.4.1 Foreign currency risk management

The Group is exposed to foreign exchange risk on account of following:

1. Nutrient and other allied business has foreign exchange exposure for its imports of raw materials, intermediates and traded goods.
2. Crop Protection segment has foreign exchange exposure on both exports of finished goods and imports of raw materials, intermediates and traded goods.
3. Foreign currency borrowings in the form of buyers credit, packing credit etc. availed for meeting its funding requirements.

The Group has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Group follows netting principle for managing the foreign exchange exposure for each operating segment.

There are no long-term borrowings outstanding as on 31 March 2019 and 31 March 2018.

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- a. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities		Assets	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
USD (millions)	514.71	448.27	37.48	44.72
INR (₹ in lakhs)	3,55,973	2,92,182	25,921	29,147
EURO (millions)	0.33	0.05	2.13	1
INR (₹ in lakhs)	253	43	1,655	800

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

- b. Foreign currency forward and option contracts outstanding as at the Balance Sheet date:

	As at 31 March 2019		As at 31 March 2018	
	Buy	Sell	Buy	Sell
<b>Forward contracts</b>				
USD (millions)*	378.88	67.73	276.82	77.75
INR (₹ in lakhs)	2,62,035	46,837	1,80,428	50,668
Number of contracts	93	31	68	33
<b>Option contracts</b>				
USD (millions)	-	-	66.30	-
INR (₹ in lakhs)	-	-	43,214	-
Number of contracts	-	-	10	-

The forward and option contracts have been entered into to hedge the foreign currency risk on purchase of raw materials, stock-in-trade and the related buyer's credit and in certain cases the foreign currency term loan and trade receivables.

\* Includes 64.58 USD (millions) (31 March 2018 : 48.50 USD (millions)) Sell Contracts outstanding under past performance facility as per Reserve Bank of India (RBI) Master Direction on Risk Management and Inter Bank Dealings.

- c. Net open exposures outstanding as at the Balance Sheet date:

	Liabilities		Assets	
	As at 31 March 2019	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
USD (millions)	135.83	105.15	-	-
INR (₹ in lakhs)	93,939	68,539	-	-
EURO (millions)	0.33	0.05	2.13	1.00
INR (₹ in lakhs)	253	43	1,655	800

## Consolidated Notes

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**d. Summary of hedging instruments outstanding at the end of the year designated as cash flow hedges:**

	As at	No. of contracts	USD (millions)	Amount in ₹ lakhs	Average exchange rate
Sell Currency - USD with tenor less than a year	31 March 2019	6	17.70	12,240	69.15
	31 March 2018	-	-	-	-

Foreign currency forward contracts designated as hedging instruments in cash flow hedges of forecast sales in USD are measured at fair value through OCI. While the Company enters into other foreign exchange forward contracts to reduce the foreign exchange risk, these other contracts are not designated in hedge relationships and are measured at FVTPL.

The terms of the hedging instruments match the terms of the forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

**e. Foreign currency sensitivity analysis**

The Group is mainly exposed to fluctuations in US Dollar. The following table details the Group's sensitivity to a ₹ 1 increase and decrease against the US Dollar. ₹ 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ₹ 1 change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by ₹ 1 against the US Dollar. For a ₹ 1 weakening against the US Dollar, there would be a comparable impact on the profit or equity.

	(₹ in lakhs, unless otherwise stated)	
Currency USD impact on:	2018-19	2017-18
Impact of ₹ 1 strengthening against US Dollar on profit or loss for the year	884	879
Impact of ₹ 1 weakening against US Dollar on profit or loss for the year	(884)	(999)
Impact of ₹ 1 strengthening against US Dollar on Equity as at the end of the reporting period	884	879
Impact of ₹ 1 weakening against US Dollar on Equity as at the end of the reporting period	(884)	(999)

### 32.4.2 Interest rate risk management

The Group issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc., for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Group manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

**a. Interest rate sensitivity analysis**

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Group's profit for the year ended 31 March 2019 would decrease/ increase by ₹ 808 lakhs (2018: ₹ 761 lakhs).

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(₹ in lakhs, unless otherwise stated)

### 32.4.3 Other price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group's equity investments are held for strategic rather than trading purposes. The Group also holds certain other equity investments for trading purposes.

#### a. Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower other comprehensive income/ equity for the year ended 31 March 2019 would increase/ decrease by ₹ 629 Lakhs (2018: ₹ 605 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI. The impact of change in equity price on profit or loss is not significant.

### 32.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken up on case to case basis. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

### 32.6 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 32.8 sets out details of additional undrawn facilities that the Company has at its disposal to reduce liquidity risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019:

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	3,76,247	3,80,280	-	-	3,80,280
Borrowings and interest thereon*	2,95,854	2,96,427	-	-	2,96,427
Other financial liabilities**	18,126	17,956	-	1,500	19,456
Foreign currency forward contracts	5,306	5,306	-	-	5,306
<b>Total</b>	<b>6,95,533</b>	<b>6,99,969</b>	<b>-</b>	<b>1,500</b>	<b>7,01,469</b>

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(₹ in lakhs, unless otherwise stated)

The table below provides details of financial assets as at 31 March 2019:

	Carrying amount
Investments	14
Trade receivables	1,82,442
Government subsidies receivable	2,39,348
Cash and cash equivalents including bank balances	15,932
Loans	42,805
Other financial assets	2,999
Foreign currency forward contracts	1,310
<b>Total</b>	<b>4,84,850</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018:

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	3,37,861	3,39,383	-	-	3,39,383
Borrowings and interest thereon*	2,73,096	2,73,398	-	-	2,73,398
Other financial liabilities**	57,191	57,066	-	1,500	58,566
Foreign currency forward and option contracts	382	382	-	-	382
<b>Total</b>	<b>6,68,530</b>	<b>6,70,229</b>	<b>-</b>	<b>1,500</b>	<b>6,71,729</b>

The table below provides details of financial assets as at 31 March 2018:

	Carrying amount
Investments	14
Trade receivables	1,57,770
Government subsidies receivable	2,62,686
Cash and cash equivalents including bank balances	55,542
Loans	40,777
Other financial assets	1,112
Foreign currency forward contracts	1,047
<b>Total</b>	<b>5,18,948</b>

\*Included in Borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end benchmark interest rates, the actual interest rates may differ based on the changes in the benchmark interest rates.

\*\*Other financial liabilities include deposits received from customers amounting to ₹ 13,217 Lakhs (2018: ₹ 11,490 Lakhs). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment, these deposits have been classified as current balances. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

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(₹ in lakhs, unless otherwise stated)

### 32.7 Financial guarantee contract

The Company has provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of installment due to the lenders and delayed the payment. The same was not agreed to by the Lenders and the acceleration notice was served on TIFERT by lenders on 28 March 2017. The loan instalment was immediately paid on 30 March 2017 by TIFERT. However, on 4 April 2017 the lenders followed up with call notice on shareholders towards guaranteed amount (Coromandel's share USD 35.25 million outstanding as on 31 March 2017). The Company along with other shareholders of TIFERT are in discussion with the Lenders to resolve the matter with regard to liquidity situation and operational improvements of TIFERT and also to find a solution for meeting the future debt obligations of TIFERT.

Considering the discussion with Lenders and operational improvement achieved by TIFERT during the year, the Company reasonably considers that TIFERT would be in a position to meet the debt obligations and it is unlikely that such an event of payment under guarantee amount will arise. TIFERT has paid the subsequent half-yearly instalments that were due as per the payment schedule. The sponsor guarantee was valid upto 31 March 2018. The Company's obligation under this corporate guarantee if that amount is claimed by the counter party to the guarantee is subject to a maximum of ₹ 15,538 Lakhs (31 March 2018: ₹ 17,777 Lakhs). Carrying amount of the corporate guarantee contract in the books is as under:

	As at 31 March 2019	As at 31 March 2018
Financial guarantee contract	-	-

### 32.8 Financing facilities

The Company has access to financing facilities of which ₹ 1,41,463 Lakhs (2018: ₹ 1,23,626 Lakhs) were unused at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

### 32.9 Fair value measurements

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

Financial assets/financial liabilities	Fair Value as at*		Fair value hierarchy	Valuation techniques & key inputs used
	As at 31 March 2019	As at 31 March 2018		
1) Foreign currency forward contracts	(3,996)	287	Level 2	Refer Note 3(a) below
2) Option contracts	-	378	Level 2	Refer Note 3(b) below
3) Investments in quoted equity instruments at FVTPL	26	27	Level 1	Refer Note 2 below
4) Investments in unquoted venture capital fund at FVTPL	324	361	Level 3	Refer Note 4(a) below
5) Investments in quoted equity investments at FVTOCI	715	1,190	Level 1	Refer Note 2 below
6) Investments in unquoted equity instruments at FVTOCI	13,136	15,062	Level 3	Refer Note 4(b) below
	2,562	2,266	Level 3	Refer Note 4(c) below

\* positive value denotes financial asset (net) and negative value denotes financial liability (net)

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## Notes:

- There were no transfers between Level 1 and 2 in the period.
- The Level 1 financial instruments are measured using quotes in active market.
- The following table shows the valuation technique and key input used for Level 2:

Financial Instrument	Valuation Technique	Key Inputs used
(a) Foreign currency forward contracts	Discounted Cash Flow	Forward exchange rates, contract forward and interest rates, observable yield curves.
(b) Option contract not designated in hedge accounting relationships	Black Scholes model	The significant valuation inputs considered are the option exercise price, currency spot rates, tenure, risk-free interest rates and the anticipated volatility in the underlying currency.

- The following table shows the valuation technique and key input used for Level 3:

Financial Instrument	Valuation Technique	Key Inputs used	Sensitivity
(a) Investments in unquoted venture capital fund at FVTPL	Net Asset Value (NAV) method	The Group uses net asset value (NAV) as reported by the venture capital fund for its valuation purpose.	A 10% increase/ decrease in the value of unquoted investments of the fund would increase/ decrease the carrying amount of investment by ₹ 17 Lakhs (2018: ₹ 21 Lakhs).
(b) Investments in unquoted equity instruments at FVTOCI	Discounted Cash Flow Method	Long-term growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 0 to 2% (2018: 0 to 2%)  Weighted average cost of capital (WACC) as determined ranging from 12% to 15% (2018: 12% to 15%)	If the long-term growth rates used were 100 basis points higher/lower while all the other variables were held constant, the carrying amount would increase/decrease by ₹ 1,888 lakhs (2018: ₹ 4,758 lakhs)  A 100 basis points increase/ decrease in the WACC or discount rate used while holding all other variables constant would decrease/ increase the carrying amount by ₹ 3,049 lakhs (2018: ₹ 5,508 lakhs)
(c) Investments in unquoted equity instruments at FVTOCI	Market Multiple Approach	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from 30% to 50% (2018: 30% to 50%)	A 10% increase/ decrease in the discount for lack of marketability used in isolation would decrease/increase the carrying amount by ₹ 196 lakhs (2018: ₹ 36 lakhs)

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(₹ in lakhs, unless otherwise stated)

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

		Fair value hierarchy	As at 31 March 2019		As at 31 March 2018	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Financial assets at amortised cost:						
- Trade receivables	Level 2	1,82,442	1,82,442	1,57,770	1,57,770	
- Government subsidies receivable	Level 2	2,39,348	2,39,348	2,62,686	2,62,686	
- Cash and cash equivalents	Level 2	13,213	13,213	44,652	44,652	
- Bank balances other than cash and cash equivalents	Level 2	2,719	2,719	10,890	10,890	
- Loans	Level 2	42,805	42,805	40,777	40,777	
- Other financial assets	Level 2	2,999	2,999	1,112	1,112	
		Fair value hierarchy	As at 31 March 2019		As at 31 March 2018	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities						
Financial liabilities at amortised cost:						
- Borrowings	Level 2	2,95,447	2,95,447	272,844	2,72,844	
- Trade payables	Level 2	3,76,247	3,76,247	3,37,861	3,37,861	
- Other financial liabilities	Level 2	18,533	18,540	57,443	57,462	

1. In case of trade receivables, government subsidies receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

### Reconciliation of Level 3 fair value measurements for the year ended 31 March 2019:

	Investments in unquoted venture capital fund at FVTPL	Investments in unquoted equity instruments at FVTOCI	Total
Opening balance	361	17,328	17,689
Total gains or losses:			
- in profit or loss	(23)	-	(23)
- in other comprehensive income (net)	-	(3,765)	(3,765)
Exchange differences	-	345	345
Purchases	-	1,790	1,790
Sold	(14)	-	(14)
<b>Closing balance</b>	<b>324</b>	<b>15,698</b>	<b>16,022</b>

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(₹ in lakhs, unless otherwise stated)

## Reconciliation of Level 3 fair value measurements for the year ended 31 March 2018:

	Investments in unquoted venture capital fund at FVTPL	Investments in unquoted equity instruments at FVTOCI	Total
Opening balance	414	35,754	36,168
Total gains or losses:			
- in profit or loss	71	-	71
- in other comprehensive income (net)	-	(18,370)	(18,370)
Exchange differences	-	(56)	(56)
Purchases	16	-	16
Sold	(140)	-	(140)
<b>Closing balance</b>	<b>361</b>	<b>17,328</b>	<b>17,689</b>

### 33. Share based payments

Particulars	Employee Stock Option Scheme 2007 (‘ESOP 2007 Scheme’)	Employee Stock Option Scheme 2016 (‘ESOP 2016 Scheme’)
Approval of shareholders	24 <sup>th</sup> July 2007	11 <sup>th</sup> January 2017
Administration	Remuneration and Nomination Committee of the Board of Directors	
Eligibility	The committee determines which eligible employees will receive options	
Number of equity shares reserved under the scheme	1,27,85,976	1,45,81,000
Number of equity shares per option	1	1
Vesting period	1-5 years	1-4 years
Exercise period	Within 6* years from date of vesting	Within 5 years from date of vesting
Exercise Price Determination	Latest available closing market price of the shares on the stock exchange where there is highest trading volume prior to the date of the Remuneration and Nomination Committee approving the grant.	

\* In partial modification of the special resolution passed for establishing ESOP 2007, the shareholders in their meeting held on 23 July 2012 decided to approve the extension of the exercise period of options granted under the ESOP 2007 from three years to six years.

#### 33.1 Employee Stock Option Scheme 2007 (‘ESOP 2007 Scheme’):

- a) Pursuant to the ESOP 2007 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	52,100	287.50	6,61,182	224.81
Granted	-	-	-	-
Exercised	23,700	287.50	6,09,082	219.45
Cancelled	-	-	-	-
Lapsed	-	-	-	-
At the end of the year	28,400	287.50	52,100	287.50

## Consolidated Notes

(Contd.)

- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 0.01 years (2018: 0.02 years). The exercise price of the outstanding options is ₹ 287.50 (2018: ₹ 44.58 to ₹ 334.35). The weighted average share price during the year is ₹ 436 (2018: ₹ 460).
- c) Number of options exercisable at the end of the year 28,400 (2018: 52,100).
- d) The fair values of the option with modified terms were determined using a Black Scholes' model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 3-4 years.

Following assumptions were used for calculation of fair value of grants:

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Dividend yield (%)	700	700
Expected volatility (%)	0.39-0.47	0.39-0.47
Risk free interest rate (%)	8	8
Expected term (in years)	4-6	4-6

### 33.2 Employee Stock Option Scheme 2016 ('ESOP 2016 Scheme'):

- a) Pursuant to the ESOP 2016 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

	For the year ended 31 March 2019		For the year ended 31 March 2018	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	21,28,400	334.32	21,74,500	319.65
Granted*	2,43,620	439.25	1,48,900	529.40
Exercised	1,20,220	319.65	1,05,200	319.65
Cancelled	97,680	319.65	89,800	319.65
Lapsed	-	-	-	-
At the end of the year	21,54,120	347.68	21,28,400	334.32

\* the weighted average fair value of options granted during the year is ₹173.25 (2018: ₹207.85)

- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 3.25 years (2018: 4.09 years). The exercise price of the outstanding options range from ₹ 319.65 to ₹529.40 (2018: ₹ 319.65 to ₹ 529.40). The weighted average share price during the year is ₹ 436 (2018: ₹ 460).
- c) Number of options exercisable at the end of the year 6,13,820 (2018: 3,11,740).
- d) The fair values of the option were determined using a Black Scholes' model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 5-6 years.

Following assumptions were used for calculation of fair value of grants:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Dividend yield (%)	350-650	400-500
Expected volatility (%)	0.32-0.34	0.32-0.34
Risk free interest rate (%)	7.00 – 8.00	7.00 – 7.60
Expected term (in years)	3.50-6.50	5.00-6.00

### 33.3 Share based payments

The Group recorded employee share based payments of ₹ 700 lakhs (2018: ₹ 863 lakhs) under 'Employee benefits expense'.

# Consolidated Notes

(Contd.)

## 34. Employee benefits plan

### a) Defined benefit plans

(₹ in lakhs, unless otherwise stated)

	Gratuity plan	
	2018-2019	2017-2018
<b>Change in Defined Benefit Obligation (DBO) during the year</b>		
Present value of DBO at the beginning of the year	5,077	4,613
Effect of common control business combination (Refer Note 42)	-	53
Current service cost	501	464
Interest cost	377	314
Actuarial (gain)/ loss arising from changes in financial assumptions	78	(145)
Actuarial (gain)/loss arising from changes in experience adjustments	(124)	462
Benefits paid	(504)	(684)
<b>Present value of DBO at the end of the year</b>	<b>5,405</b>	<b>5,077</b>
<b>Change in fair value of plan assets during the year</b>		
Fair value of plan assets at the beginning of the year	5,115	4,309
Interest income	420	342
Employer contributions	690	1,213
Benefits paid	(504)	(684)
Remeasurements – return on plan assets (excluding interest income)	(99)	(65)
<b>Present value of DBO at the end of the year</b>	<b>5,622</b>	<b>5,115</b>
<b>Amounts recognised in the Balance Sheet</b>		
Present value of DBO at the end of the year	5,405	5,077
Fair value of plan assets at the end of the year	5,622	5,115
<b>Funded status of the plans – (asset)/ liability</b>	<b>(217)</b>	<b>(38)</b>
<b>(Asset)/ liability recognised in the Balance Sheet</b>	<b>(217)</b>	<b>(38)</b>
<b>Components of employer expense</b>		
Current service cost	501	464
Interest income on net defined benefit obligation	(43)	(28)
<b>Expense recognised in Statement of Profit and Loss</b>	<b>458</b>	<b>436</b>
<b>Remeasurement on the net defined benefit obligation</b>		
Return on plan assets (excluding interest income)	99	65
Actuarial (gain)/loss arising from changes in financial assumptions	78	(145)
Actuarial (gain)/loss arising from changes in experience adjustments	(124)	462
<b>Remeasurements recognised in other comprehensive income</b>	<b>53</b>	<b>382</b>
<b>Total defined benefit cost recognised</b>	<b>511</b>	<b>818</b>
<b>Nature and extent of investment details of the plan assets#</b>		
State and Central Securities	-	-
Bonds	-	-
Special deposits	-	-
Insurer managed funds	100%	100%

# Includes details of trusts other than those covered under a Scheme of Life Insurance Corporation of India

## Consolidated Notes

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The gratuity plan is governed by the Payment of Gratuity Act, 1972. Employee who has completed five years of service is entitled to specific benefit depending on the employee's length of service and salary at retirement or relieving age. The fund has the form of trust and it is governed by the Board of Trustees which consists of employer and employee representatives. The Board of Trustees is responsible for the administration of plan assets.

The Board of Trustees reviews the level of funding and asset-liability matching strategy in the gratuity plan to keep the scheme adequately funded for settlement of obligations under the plan.

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India (LIC) which is basically a year-on-year cash accumulation plan. As part of the scheme the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity settlements during the year subject to sufficiency of funds under the policy.

	31 March 2019	31 March 2018
<b>Assumptions</b>		
Discount rate	7.54%	7.82%
Estimated rate of return on plan assets	7.82%	7.25%
Expected rate of salary increase	5-7%	5-7%
Attrition rate	5%	5%
<b>Sensitivity analysis – DBO at the end of the year (₹ in lakhs)</b>		
Discount rate + 100 basis points	5,128	4,815
Discount rate - 100 basis points	5,716	5,369
Salary increase rate +1%	5,679	5,337
Salary increase rate -1%	5,155	4,838
Attrition rate +1%	5,425	5,101
Attrition rate -1%	5,381	5,046
<b>Weighted average duration of DBO</b>	11 years	11 years
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Expected cash flows (₹ in lakhs)</b>		
1. Expected employer contribution in the next year	1,078	780
2. Expected benefit payments		
Year 1	1,001	747
Year 2	739	672
Year 3	627	606
Year 4	583	520
Year 5	427	464
Beyond 5 years	1,520	1,478

### b) Defined contribution plans

In respect of the defined contribution plans, an amount of ₹ 2,247 lakhs (2018: ₹ 2,003 lakhs) has been recognised as an expense in the Statement of Profit and Loss during the year.

## Consolidated Notes

(Contd.)

		For the year ended 31 March 2019	For the year ended 31 March 2018
<b>35. Earnings per share</b>			
i) Profit after tax (₹ in lakhs)	[a]	72,048	69,131
<b>Basic</b>			
ii) Weighted average number of equity shares of ₹ 1/- each outstanding during the year	[b]	29,24,23,474	29,21,00,265
<b>Dilution</b>			
iii) Effect of potential equity shares on employees stock options outstanding		5,13,576	9,60,261
iv) Weighted average number of equity shares of ₹ 1/- each outstanding during the year	[c]	29,29,37,050	29,30,60,526
<b>Earnings Per Share (face value of ₹ 1/- each)</b>			
v) Basic – [a]/[b] – (₹)		24.64	23.67
vi) Diluted – [a]/[c] – (₹)		24.60	23.59

### 36. Contingent liabilities (to the extent not provided for)

Claims against the Group not acknowledged as debt:

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
In respect of matters under dispute:		
Excise duty	449	602
Customs duty	851	386
Sales tax	1,448	1,522
Income tax	2,126	1,795
Service tax	251	245
Goods and Services Tax	5	32
Others	6,010	1,943

The amounts disclosed above represent our best estimate and the uncertainties are dependent on the outcome of the legal processes initiated by the Group or the claimant as the case may be.

### 37. Commitments

#### a) Capital commitments

Capital expenditure commitments	13,073	5,851
Commitment towards investments	316	338

#### b) Other commitments

- (i) Maximum obligation on long term lease of land - ₹ 2,785 lakhs (2018: ₹ 2,800 lakhs).

### 38. Leases

The Group has entered into certain operating lease agreements and an amount of ₹ 5,830 lakhs (2018: ₹ 8,323 lakhs) paid under such agreements has been charged to the Statement of Profit and Loss. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by such agreements.

### 39. Corporate social responsibility

Expenses incurred on Corporate Social Responsibility (CSR) programs under Section 135 of the 2013 Act are charged to the Statement of Profit and Loss under 'Other expenses' (Note 30) ₹ 1,380 lakhs (2018: ₹ 1,396 lakhs) and under 'Employee benefits expense' (Note 27) ₹ 58 lakhs (2018: ₹ 43 lakhs).

## Consolidated Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

### 40. Research and development expenses incurred on the following heads have been accounted under the natural heads:

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Salaries, wages and bonus	787	548
Contribution to provident and other funds	72	55
Consumption of stores and spare parts	166	39
Power and fuel	53	30
Repairs to machinery	89	102
Miscellaneous expenses	138	155
	<b>1305</b>	<b>929</b>

### 41. Related party disclosures

#### A) Names of the related parties and their relationship:

Names	Nature of relationship
E.I.D.-Parry (India) Limited	Parent company
Sabero Organics Philippines Asia Inc.	Associate
Parry Infrastructure Company Private Limited (PICPL)	Fellow subsidiary
US Nutraceuticals LLC (USN)	Fellow subsidiary
Parry Sugar Industries Limited (PSIL)	Fellow subsidiary (Upto 25 April 2017)
Coromandel SQM (India) Pvt Limited (CSQM)	Joint venture
Yanmar Coromandel Agrisolutions Private Limited (YCAS)	Joint venture
Parry Enterprises (India) Limited (PEIL)	Associate of parent company
Coromandel Provident Fund	Employee benefit plan
Coromandel Provident Fund No. 1	Employee benefit plan
CFL Gratuity Fund	Employee benefit plan
Coromandel Gratuity Fund – I	Employee benefit plan
Coromandel Gratuity Fund – II	Employee benefit plan
Coromandel Management Staff Pension Fund	Employee benefit plan
Coromandel Superannuation Fund	Employee benefit plan
Coromandel Benevolent Fund	Employee benefit plan
Mr. Sameer Goel	Key management personnel
Mr. S Suresh	Key management personnel of Parent company

#### B) Transactions during the year:

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>i) Sale of finished goods/raw materials/services</b>		
a) Joint venture - CSQM	270	191
<b>ii) Rent received</b>		
a) Fellow subsidiary – PICPL	95	95
b) Joint venture – CSQM	16	16
c) Associate – PEIL	7	7

# Consolidated Notes

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		(₹ in Lakhs)	
		For the Year ended 31 March 2019	For the Year ended 31 March 2018
<b>iii) Expenses reimbursed by</b>			
a) Joint venture – CSQM		5	4
b) Joint venture – YCAS		1	-
c) Associate – PEIL		1	1
<b>iv) Purchase of finished goods and services</b>			
a) Parent company		604	1,868
b) Joint venture – CSQM		3,718	3,078
c) Associate – PEIL		1,600	1,467
d) Joint venture – YCAS		-	*
<b>v) Commission on sales</b>			
a) Associate – Sabero Philippines		10	10
<b>vi) Expenses reimbursed to</b>			
a) Parent company		659	407
<b>vii) Acquisition of Business</b>			
a) Parent Company (Refer Note 42)		-	33,000
<b>viii) Purchase of assets and spares</b>			
a) Joint venture – YCAS		28	257
<b>ix) Dividend paid (including interim dividend payable)</b>			
a) Parent company		11,515	14,172
<b>x) Rent paid</b>			
a) Parent company		58	6
b) Joint venture – YCAS		2	2
<b>xi) Deposit paid and received back</b>			
a) Parent Company		-	1
<b>xii) Interest income</b>			
a) Fellow subsidiary – USN		-	17

\* less than a lakh

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

## Consolidated Notes

(Contd.)

(₹ in Lakhs)

### C) Transactions with key management personnel

- a) Dividends paid to directors during the year is ₹ 35 lakhs (2018: ₹ 23 lakhs).  
b) Compensation of key management personnel of the Company:

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Short-term employee benefits	484	406
Others*	270	265
<b>Total compensation</b>	<b>754</b>	<b>671</b>

\*excludes Goods and Services Tax/ service tax

- c) During the year, the Company has not granted any employee stock options to its key managerial personnel.

### D) Refer Note 34 for transactions with Employee benefit funds.

### E) Outstanding balances as at the year end

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
a) Trade receivables/Loans and advances		
- Parent company	325	91
- Fellow subsidiary – PICPL	98	22
- Associate – Sabero Philippines	6	6
- Joint venture – CSQM	132	32
- Associate – PEIL	2	-
b) Trade payables/ Other liabilities		
- Parent company	358	38,315
- Joint venture – CSQM	481	668
- Fellow subsidiary – PICPL	1,076	1,106
- Joint venture – YCAS	13	53
- Associate – PEIL	135	35

\*less than a lakh

## Consolidated Notes

(Contd.)

42. During the current year, the Company acquired on a slump sale basis with effect from 1 April 2018, the assets and liabilities of Bio Business of E.I.D. Parry (India) Limited and its subsidiary Parry America, Inc. with effect from 19 April 2018. The Company accounted for the business combination in accordance with the requirements of Appendix C of Ind AS 103 'Business Combinations' which lays down the principles in respect of accounting for business combinations of entities or businesses under common control. As required by the Standard, pooling of interests method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts. Considering the requirement of Ind AS 103- 'Business Combination', the accounting for the transaction has been given effect retrospectively by the company. Accordingly, the financial statements for the corresponding period 2017-18 have been restated to give effect of the above scheme.

The Bio-Pesticides business is engaged in the manufacture and marketing of Neem based Azadirachtin Technical and Formulations, Plant extract based Bio-stimulants, Micronutrients, Microbials, Fungicides etc. and has brands that are well established in India and Globally.

Parry America, Inc, a 100% subsidiary headquartered in US sources Azadirachtin technical from Bio-Pesticides business in India, formulates and markets the products in North and South America, Australia and Japan.

Details of the summarized values of assets and liabilities of Bio-Pesticides business and Parry America as acquired and the treatment of the difference between the net assets acquired and the consideration paid is as under:

	(₹ in lakhs)
	As of 1 April, 2017
Property, plant and equipment	1,566
Capital work-in-progress	15
Other Intangible assets	2
Other non-current assets	5
Deferred tax asset (net)	359
Cash and bank balances	552
Inventories	4,143
Trade receivables	6,515
Other current assets	962
<b>Total assets (A)</b>	<b>14,119</b>
Other non-current liabilities	101
Trade payables	4,032
Other current liabilities	153
<b>Total liabilities (B)</b>	<b>4,286</b>
<b>Net assets acquired (C) = (A) - (B)</b>	<b>9,833</b>
Less: Distributions made during the period 01 April 2017 till 31 March 2018 <b>(D)</b>	2,564
Less: Consideration paid <b>(E)</b>	33,000
<b>Balance adjusted against reserve (F) = (C) - (D) - (E)</b>	<b>(25,731)</b>
<b>Adjustment to Reserve is as under :</b>	
- General Reserve	(27,032)
- Retain Earnings	1,313
- Foreign Currency translation reserve	(12)
	<b>(25,731)</b>

## Consolidated Notes

(Contd.)

### 43. Financial information in respect of joint ventures and associates that are not individually material:

#### a. Joint ventures

(₹ in lakhs)

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Group's share of profit/ (loss)	84	(60)
Group's share of other comprehensive income	2	*
Group's share of total comprehensive income	86	(60)
	As at 31 March 2019	As at 31 March 2018
Aggregate carrying amount of the Group's interests in these joint ventures	1,706	1,622

#### b. Associates

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Group's share of profit/ (loss)	*	*
Group's share of other comprehensive income	*	*
Group's share of total comprehensive income	*	*
	As at 31 March 2019	As at 31 March 2018
Aggregate carrying amount of the Group's interests in these associates	*	*

\* Less than a lakh

### 44. Payments to Auditors of the Company

(₹ in lakhs)

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Audit fees	65	65
Tax audit fees	15	15
Limited reviews	33	33
Certifications	70	70
Other services	-	-
Reimbursement of expenses	3	2
<b>Total</b>	<b>186</b>	<b>185</b>

Note: Amounts given above excludes GST/ service tax

### 45 During the year, the Company has made political donation of ₹ 300 lakhs (2018: Nil) to Triumph Electoral Trust.

## Consolidated Notes

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46. Based on and to the extent of information available with the Group under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

(₹ in Lakhs)			
Sl.No.	Particulars	As at 31 March 2019	As at 31 March 2018
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	1,261	651
(ii)	Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
(iii)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv)	Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi)	Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## Consolidated Notes

(Contd.)

### 47. Additional disclosures related to consolidated financial statements:

#### a. List of subsidiaries and joint ventures considered for consolidation:

Name of the Company	Relationship	Country of incorporation	Percentage of voting power as at 31 March 2019	Net assets		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
				31 March 19		31 March 19		31 March 19		31 March 19	
				% of consolidated net assets	Amount in lakhs	% of consolidated profit/(loss)	Amount in lakhs	% of consolidated other comprehensive income	Amount in lakhs	% of consolidated total comprehensive income	Amount in lakhs
Coromandel International Limited	Parent	India	-	98%	3,28,864	99%	71,391	-27%	1,081	107%	72,472
Liberty Pesticides and Fertilisers Limited (LPFL)	Subsidiary	India	100	*	266	*	12	-	-	*	12
Sabero Organics America S.A. (SOAL)	Subsidiary	Brazil	99.98	*	127	*	(41)	*	(18)	*	(59)
Sabero Australia Pty Ltd, Australia (Sabero Australia)	Subsidiary	Australia	100	*	-	*	7	-	-	*	7
Sabero Europe B.V. (Sabero Europe)	Subsidiary	Netherlands	100	*	(8)	*	(1)	-	-	*	(1)
Sabero Argentina S.A. (Sabero Argentina)	Subsidiary	Argentina	95	*	11	*	18	*	(8)	*	10
Coromandel Agronegocios de Mexico, S.A de C.V. (Coromandel Mexico)	Subsidiary	Mexico	100	*	118	*	24	*	(1)	*	23
Coromandel International (Nigeria) Limited (CNL)	Subsidiary	Nigeria	99.99	*	12	*	(10)	*	(1)	*	(11)
Parry America, Inc (PAI)	Subsidiary	USA	100	1%	2,338	1%	557	-3%	121	1%	678
Parry Chemicals Limited (PCL)	Subsidiary	India	100	*	1,619	*	18	-	-	*	18
Dare Investments Limited (DIL)	Subsidiary	India	100	*	659	*	(2)	9%	(378)	-1%	(380)
CFL Mauritius Limited (CML)	Subsidiary	Mauritius	100	*	202	*	(28)	120%	(4,882)	-7%	(4,910)
Coromandel Brasil Limitada (CBL), Limited Liability Partnership	Subsidiary	Brazil	100	*	(73)	*	19	*	10	*	29
Coromandel SQM (India) Private Limited (CSQM)	Joint venture	India	50	*	1,238	*	71	*	-	*	71
Yanmar Coromandel Agrisolutions Private Limited (YCAS)	Joint venture	India	40	*	468	*	13	*	2	*	15
<b>Total</b>					<b>3,35,839</b>		<b>72,048</b>		<b>(4,074)</b>		<b>67,974</b>

\* less than 1%

The above excludes Sabero Organics Philippines Asia Inc., an Associate for which all amounts are less than a lakh.

- b.** In respect of CML, SOAL, Coromandel Mexico, CBL and CNL the financial year is from 1 January 2018 to 31 December 2018 and accordingly audited financial statements are available up to 31 December 2018. These consolidated financial statements have been adjusted by the Management for significant transactions between 1 January and 31 March to align for consolidation purposes.
- c.** In respect of Sabero Europe the financial year is from 1 June 2019 to 31 May 2019 in respect of Sabero Argentina the financial year is from 1 January 2018 to 31 December 2018 and in respect of Sabero Australia the financial year is from 1 April 2018 to 31 March 2019, however unaudited financial statements for the period 1 April 2018 to 31 March 2019 has been considered for the purpose of preparation of consolidated financial statements.

# Consolidated Notes

(Contd.)

## 48. Exceptional item

- a) During the year ended 31 March 2019, the Company has settled a customer claim for damages arising under an international supply agreement in respect of one of its Crop Protection products, and costs related thereto, including incidental legal costs estimated at ₹ 1,990 Lakhs has been disclosed as an Exceptional item. The Company is pursuing with its insurers for reimbursement of this claim.
- b) On 28 January 2019 a fire accident occurred at the product godown in one of the Company's manufacturing unit at Sarigam, Gujarat. The damage caused to the inventories and other assets on account of this fire accident together with costs related thereto, net of insurance claim receivable, estimated at ₹ 395 Lakhs has been disclosed as an Exceptional item. The Company is pursuing with its insurers for reimbursement of this claim.

## 49. Approval of financial statements

The financial statements were approved by the Board of Directors on 23 April 2019..

**For and on behalf of the Board of Directors**

**Sameer Goel**  
Managing Director

**M. M. Murugappan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**P. Varadarajan**  
Company Secretary

Place: Secunderabad  
Date: 23 April 2019

Notes

Handwriting practice lines consisting of 20 horizontal dotted lines.



## Our Parentage

Murugappa Group

Coromandel values and beliefs are guided by the 'Five Lights'  
– Integrity, Passion, Quality, Respect & Responsibility -  
assimilated from the core spirit of its parent Murugappa Group.

Founded in 1900, the INR 329 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine Listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd., Cholamandalam Financial Holdings Ltd. and Wendt (India) Ltd.



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