

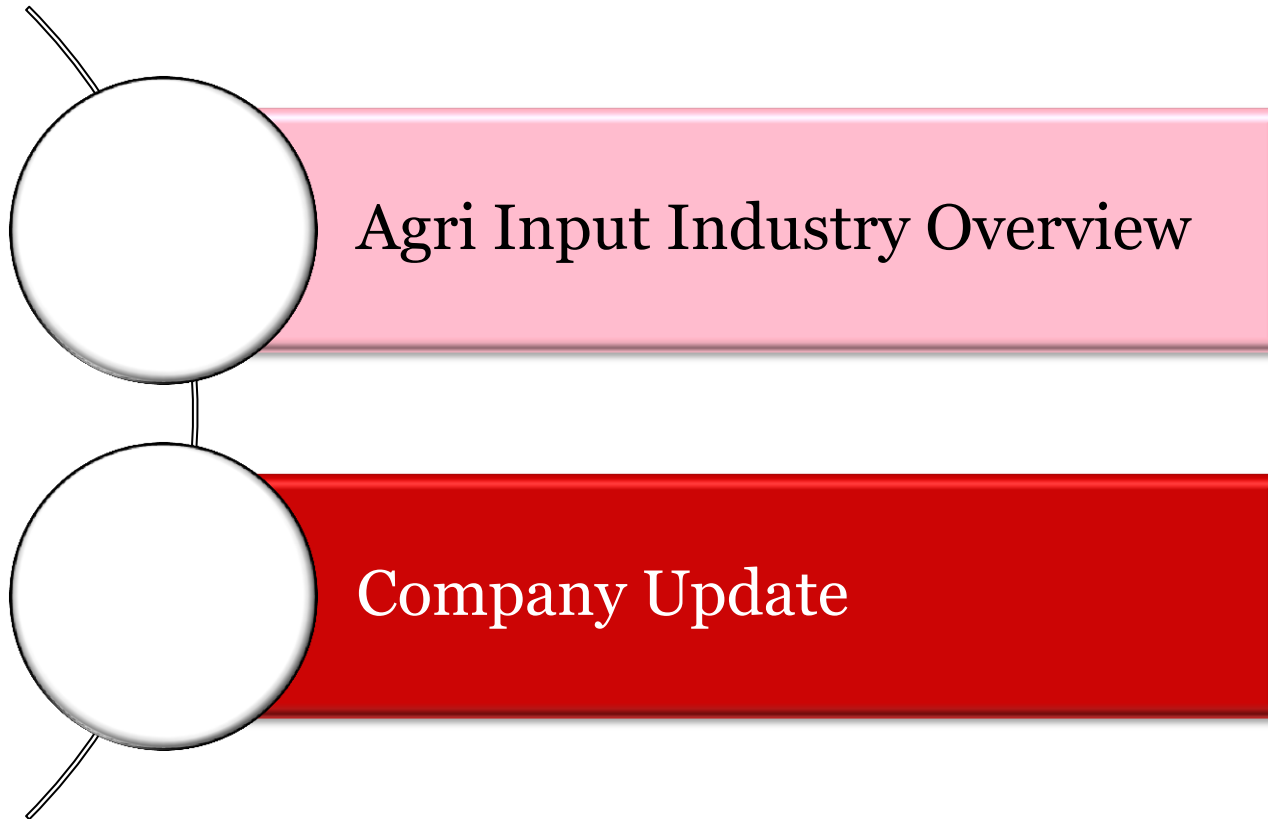


Investor Presentation

Nov, 2015

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AGRI INPUT INDUSTRY OVERVIEW

GLOBAL SCENARIO

Global Mega Trends

Rising Food Demand

- Global Food demand to increase 1.5x by 2030
- Changing dietary patterns, especially in developing countries

Limited Resources

- Limited land and labor availability
- Degradation of soil quality

High volatility in food prices with an upward trend

- Global staple food prices have doubled as compared with 2000 levels

Innovation to drive productivity

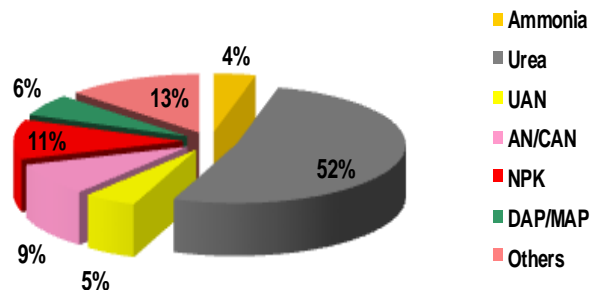
- Commercial and small farm productivity increases to drive supply growth
- Innovation in inputs technology to drive supply

Increased Value Chain Coordination

- Coordination across value chain – improve farm extension, market linkage, infrastructure

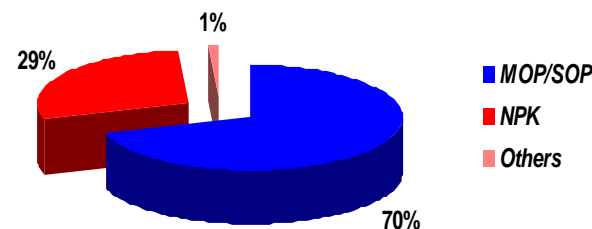
World N,P,K Fertilizer Market

"N" World Market



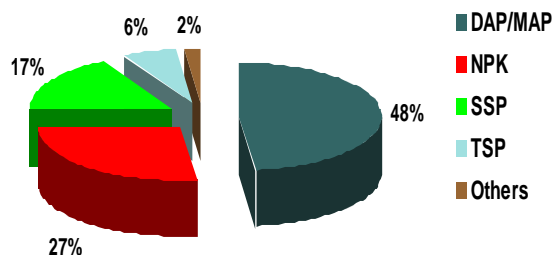
"N" Market is 114 Million MT

"K" World Market



"K" Market is 31 Million MT

"P" World Market



"P" Market is 43 Million MT

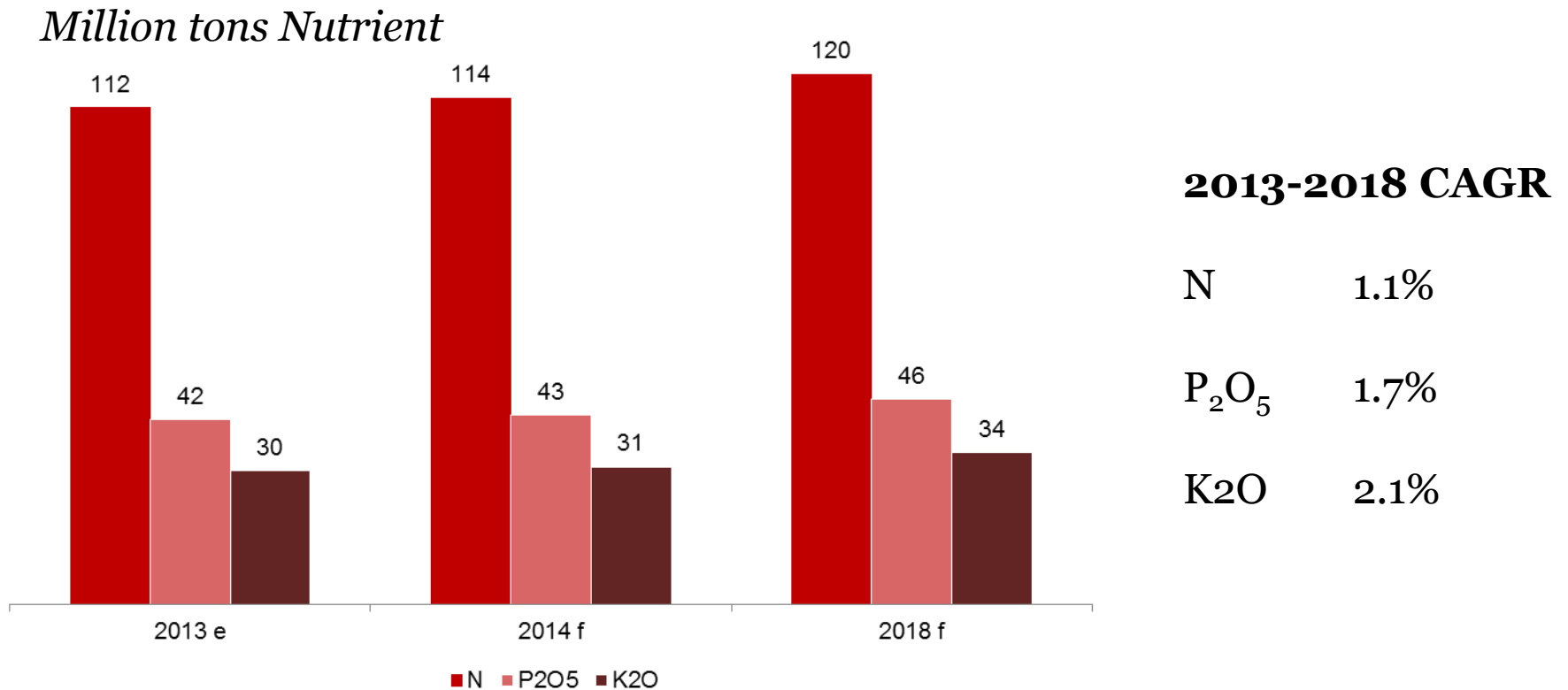
Global Fertiliser Industry:

- India and China account for 40% of global consumption

Bulk availability of nutrient fertilisers is concentrated in certain regions

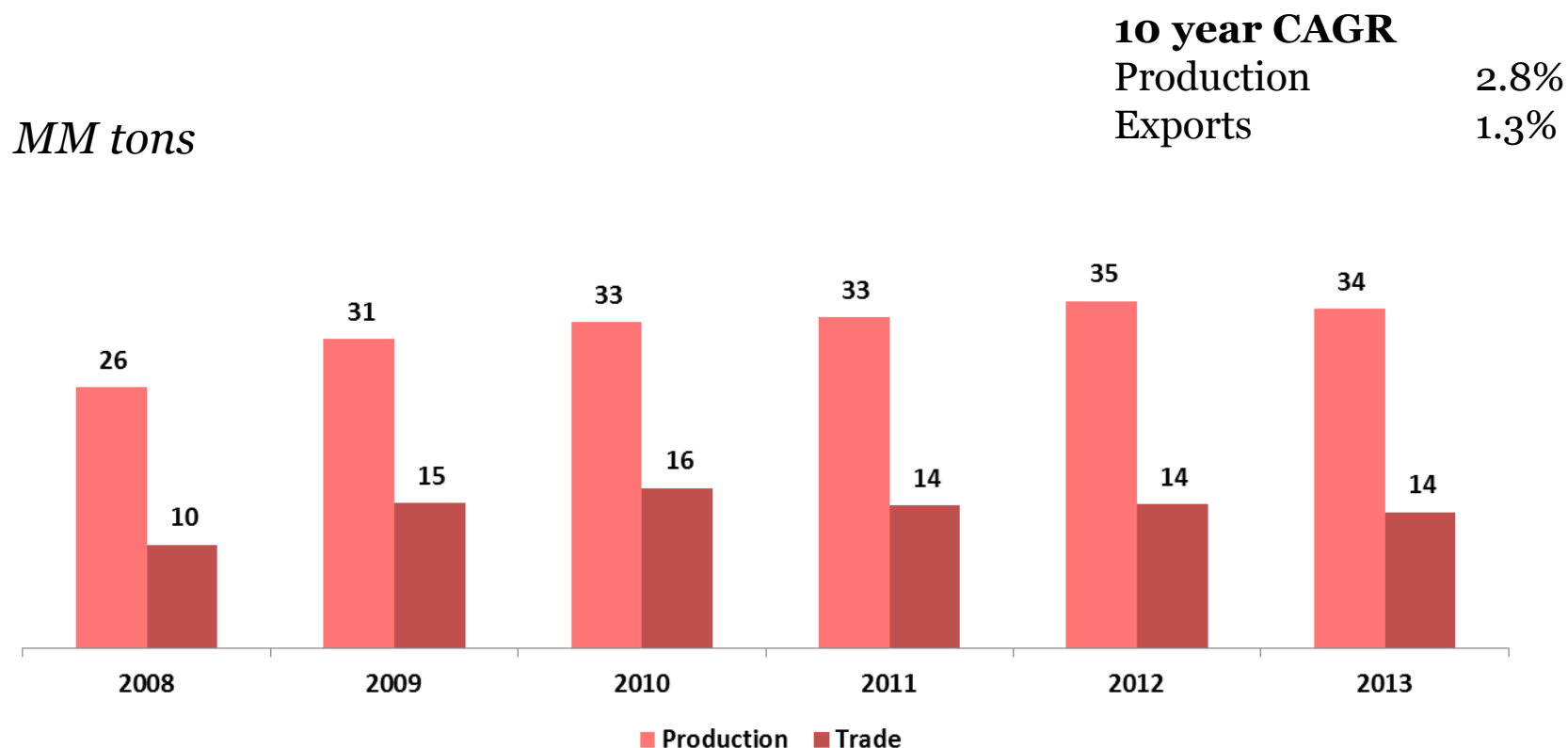
- 'N' nutrient in Middle East, USA & FSU
- 'P' nutrient in North/West Africa, USA & Jordan
- 'K' nutrient in Canada, FSU & Middle East

Global Nutrient Consumption Outlook



Source: IFA

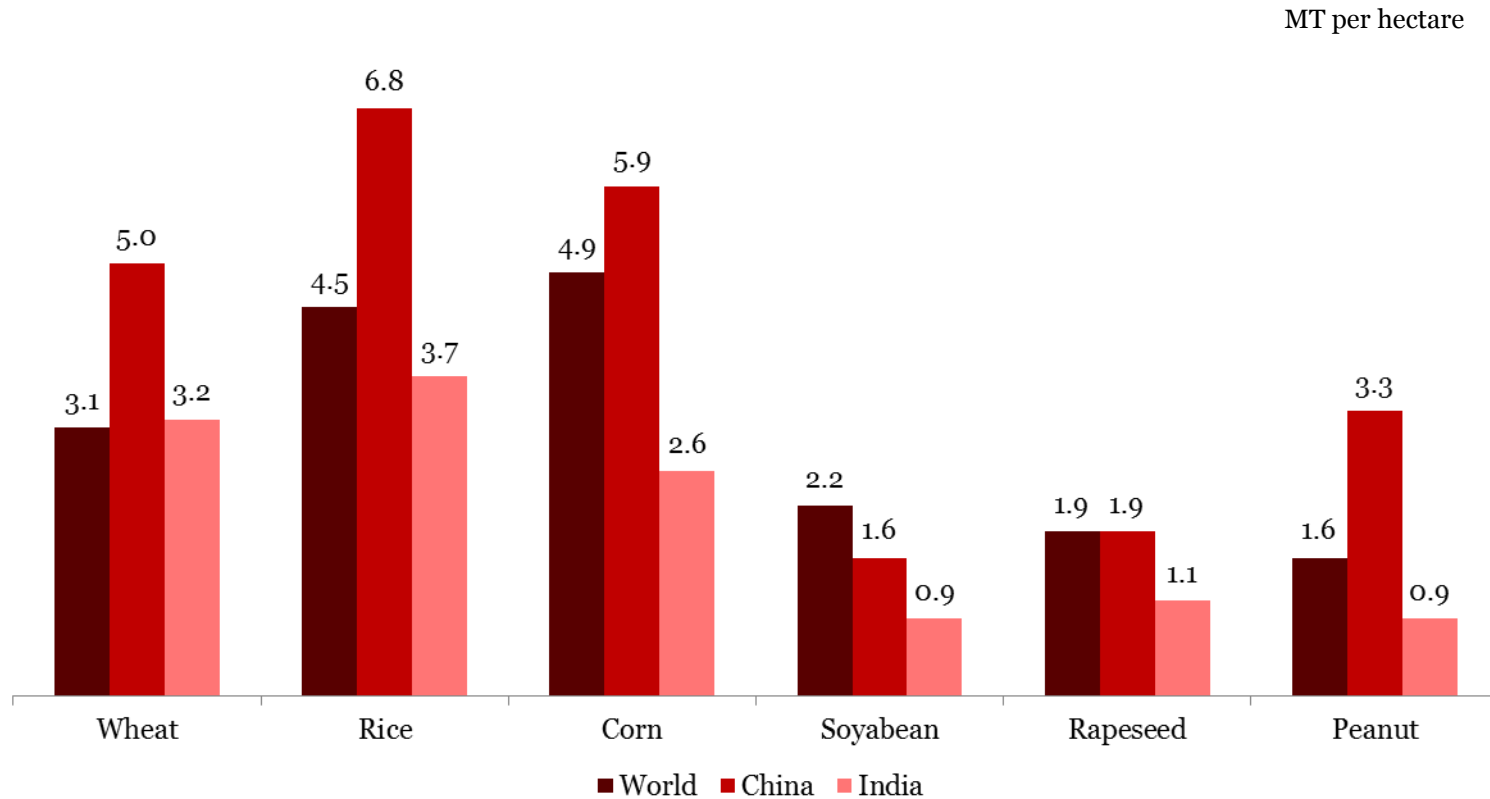
DAP – Global Production & Trade



Global production & trade of DAP have increased
China, Saudi Arabia & Morocco account for all the production increases

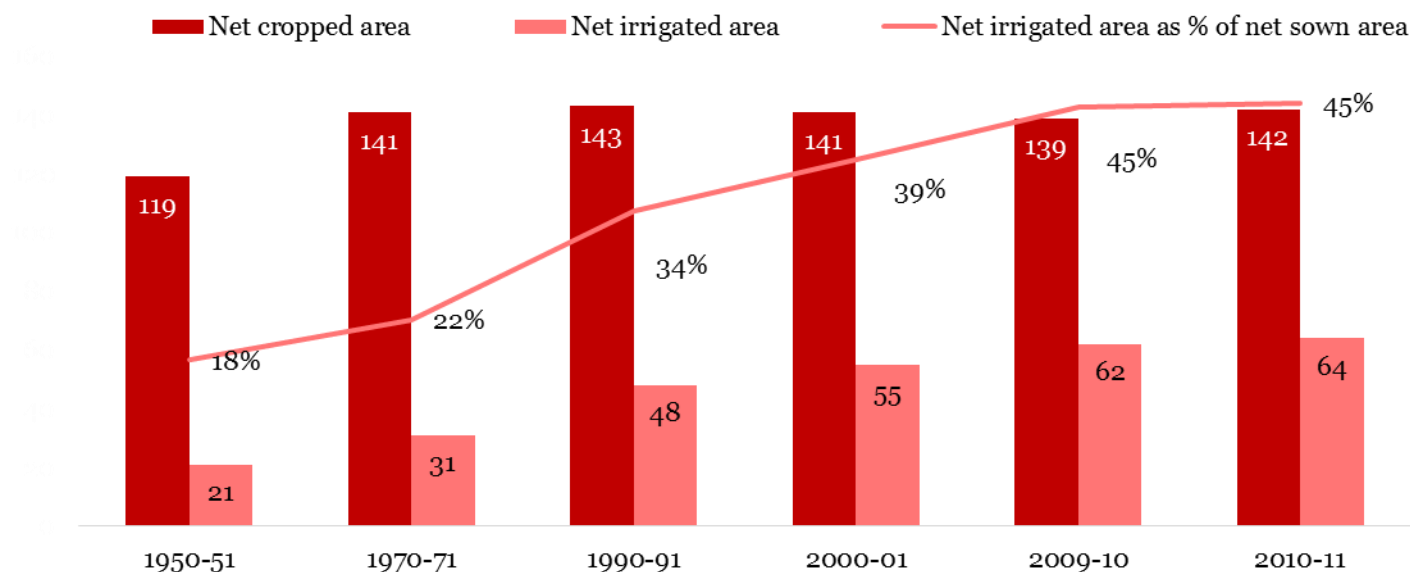
INDIAN SCENARIO

India's crop productivity is low by global standards - needs to increase to meet demand



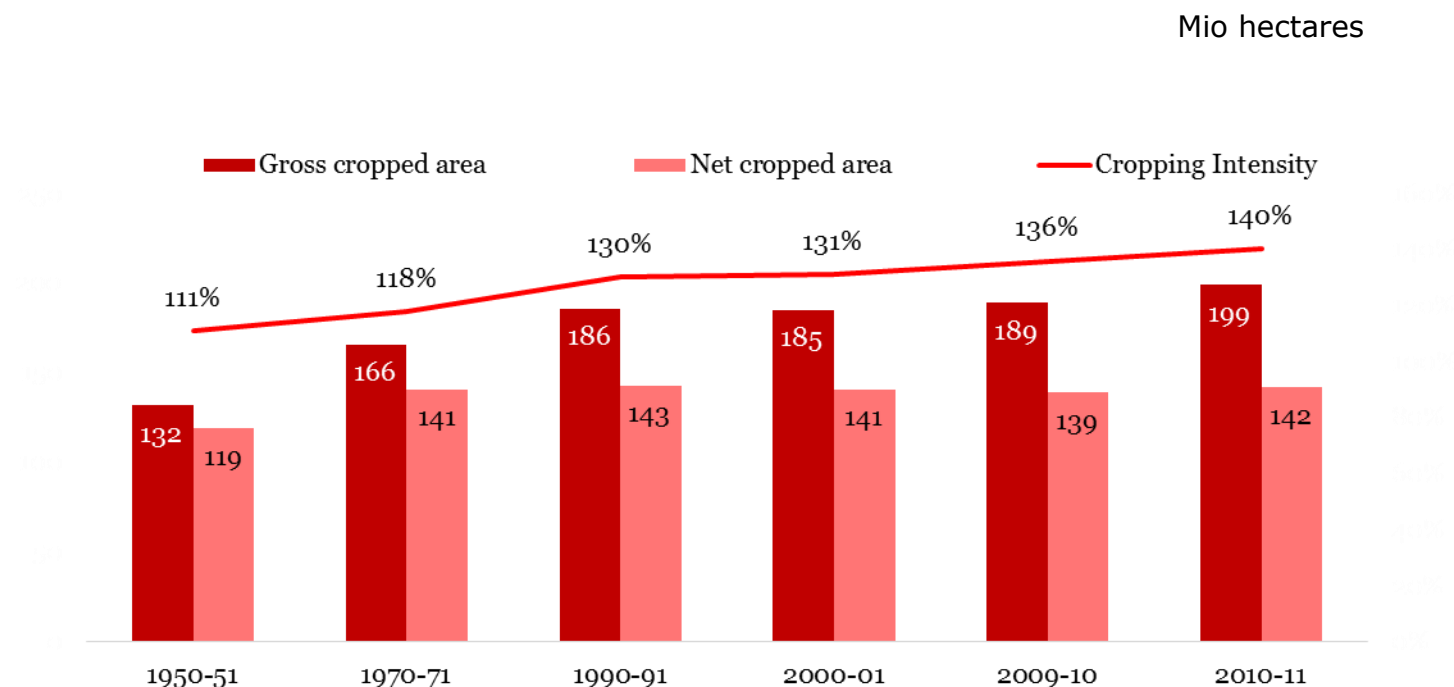
Positive factor: Irrigated Area in India has been steadily increasing

Mio hectares



The overall net irrigated area a percent of net cropped area has increased from 34% in the early 1990s to 45% in 2011

Positive factor: Cropping Intensity has also steadily increased

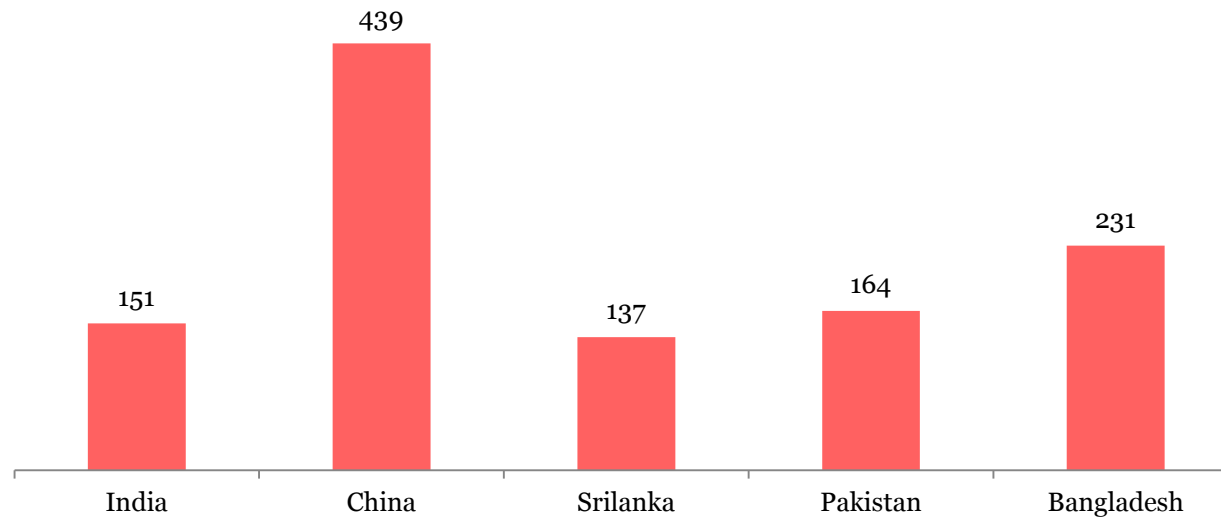


Cropping intensity has gone up from 118% in early 1970s to 140% in FY11. A continuation of this trend is likely to push up demand for fertilizers.

India's nutrient application rates will have to increase to improve productivity

Nutrient Consumption among the Asian Countries

kg/ha



India's Nutrient consumption (Kg/Ha) is lower than countries like China (439), Bangladesh (231) and Pakistan (164).

Long-term demand drivers and fundamentals are strong in India

- Population growth, urbanization and resulting food demand will be primary growth drivers
 - Population growth
 - Urbanization and higher income levels
 - Changing dietary mix
 - Impact of Food Security Bill
- Nutrient application rates will have to increase from current levels to sustain supply response to demand
- Cropping intensity, irrigation and other agricultural factors are improving

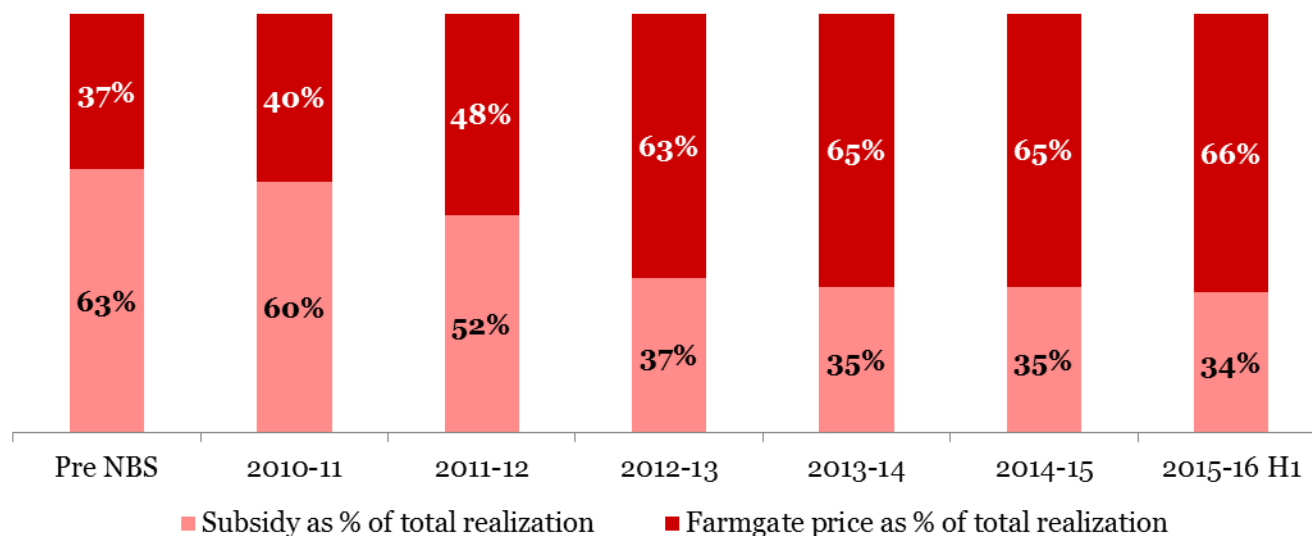
Fertiliser Subsidy Policy

Phosphatics decontrolled Nutrient Based Subsidy (NBS) policy effective from April 1, 2010. The Salient features of NBS policy are:

- Policy applicable for P&K fertilisers only and not for Urea
- Subsidy is fixed based on the import prices of various nutrients adjusted for the MRP. “P” based on DAP, “N” based on Urea and “K” based on Potash and “S” based on Sulphur
- Under the NBS Policy MRP/Farmgate prices has been decontrolled - Companies are free to set the price
- The subsidy is announced for the year and any increase / decrease in cost of inputs will have to be addressed by companies through change in farm gate prices – Fixed subsidy & variable farmgate prices

Subsidy - Rs. Per Kg						
Nutrient	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
N	23.227	27.153	24.000	20.875	20.875	20.875
P	26.276	32.338	21.804	18.679	18.679	18.679
K	24.487	26.756	24.000	18.833	15.500	15.500
S	1.784	1.677	1.677	1.677	1.677	1.677

Resulted in lower subsidy component...



Share of farm gate price of Complex Fertilizers in total realization has increased and the share of subsidy has decreased.

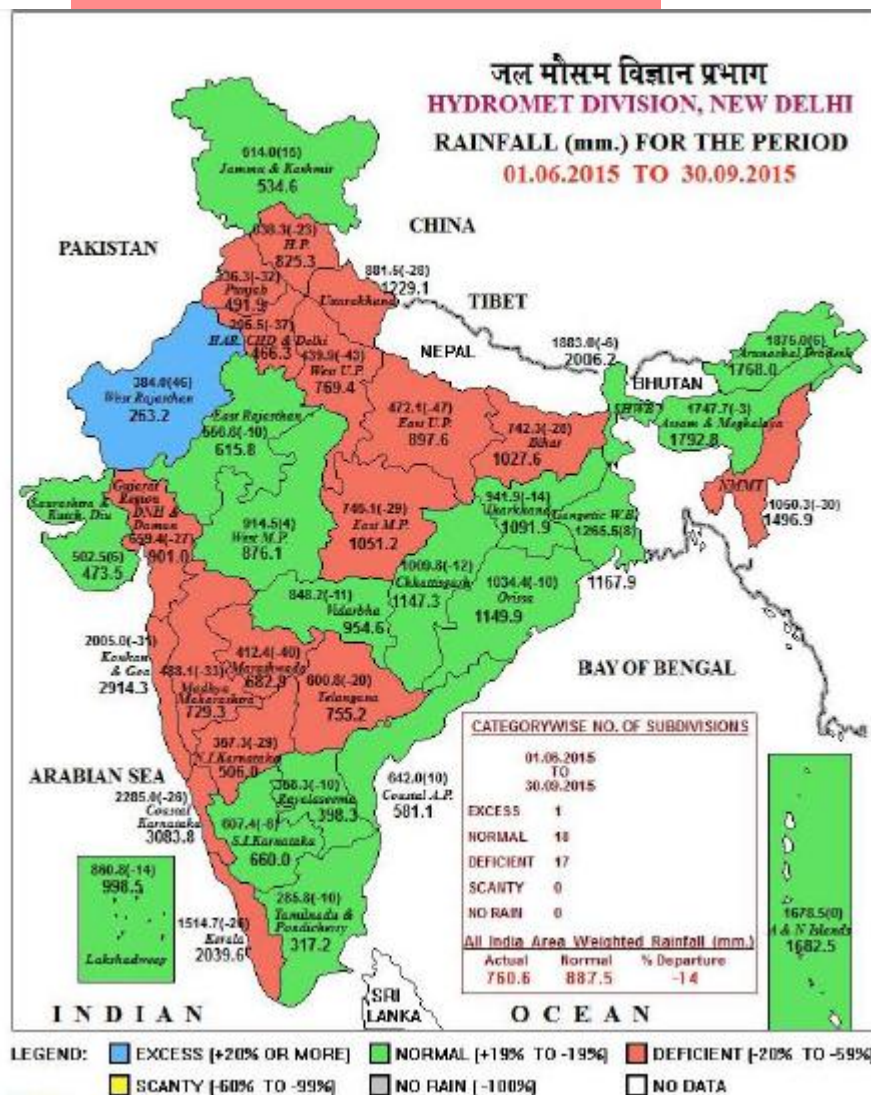
Rs. Cr	2011-12	2012-13	2013-14	2014-15	2015-16 P	YoY Growth %
Imported Urea	13,716	15,133	11,538	12,100	12,300	-2.7%
Indigenous Urea	20,208	20,000	26,500	38,200	38,200	17.3%
Phosphatics	36,089	30,480	29,301	20,667	22,469	-11.2%
Total Fertiliser Subsidy	70,013	65,613	67,339	70,967	72,969	1.0%



H1 UPDATE

Challenging agri environment...

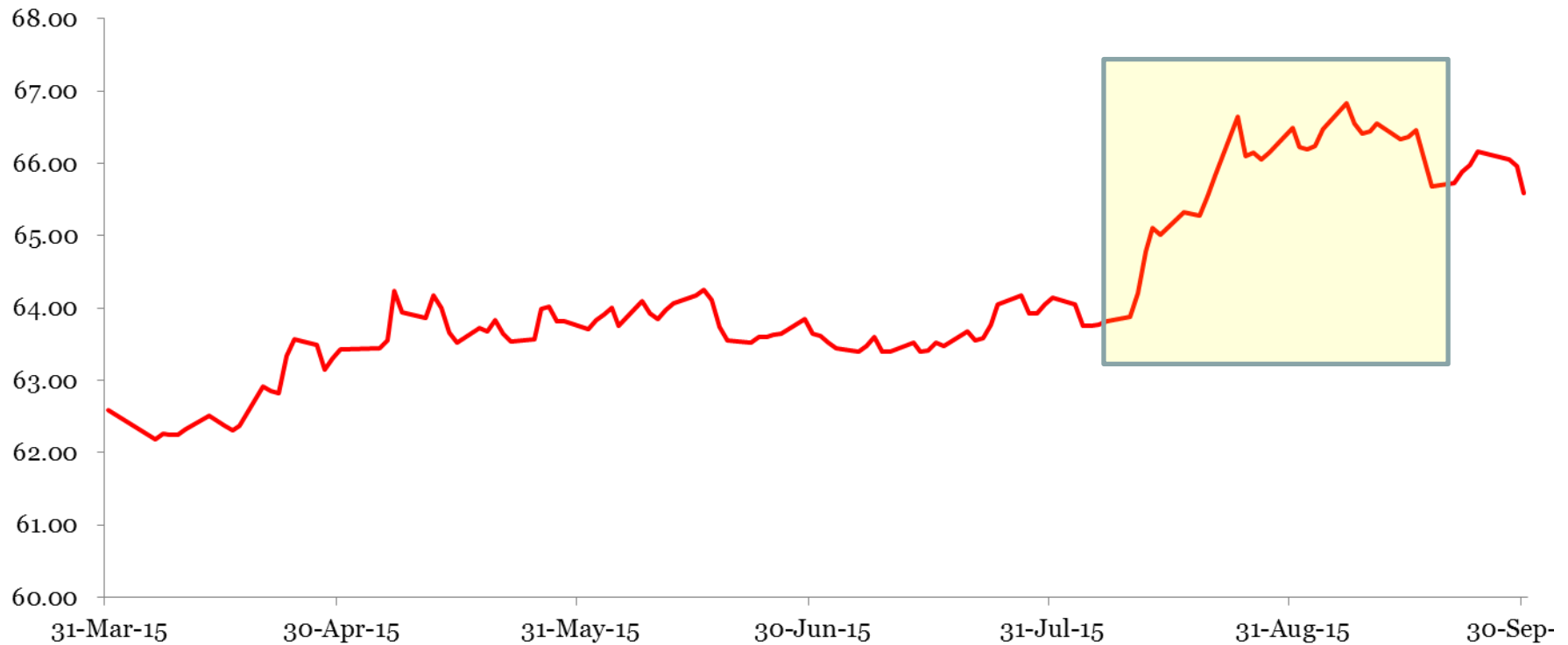
Deficit Rains and low reservoir level



Cumulative Rainfall distribution - in mm

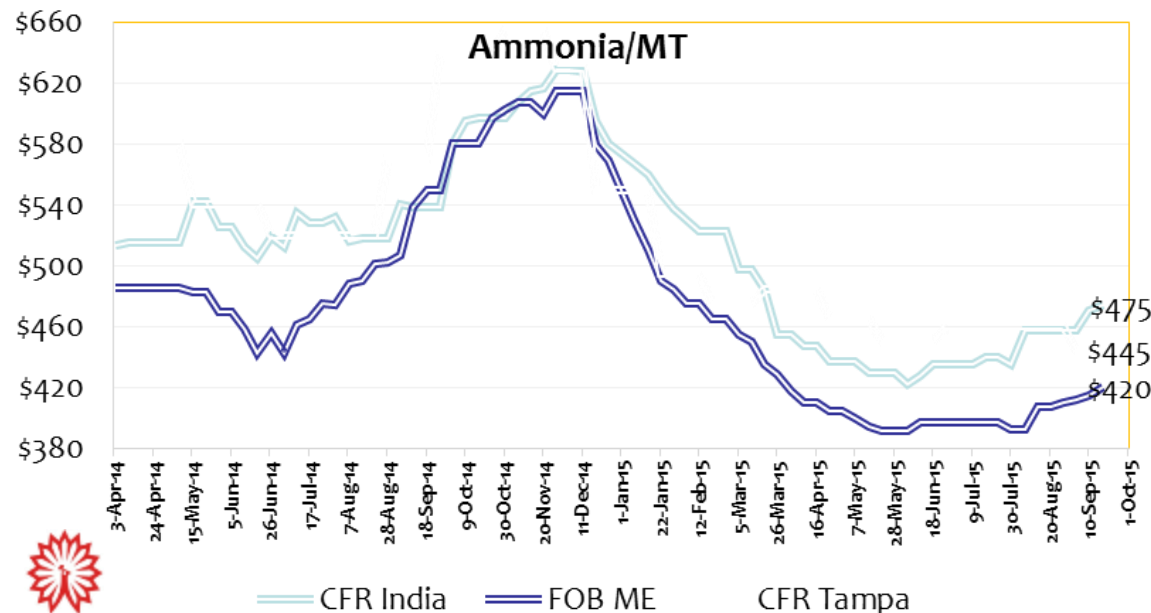
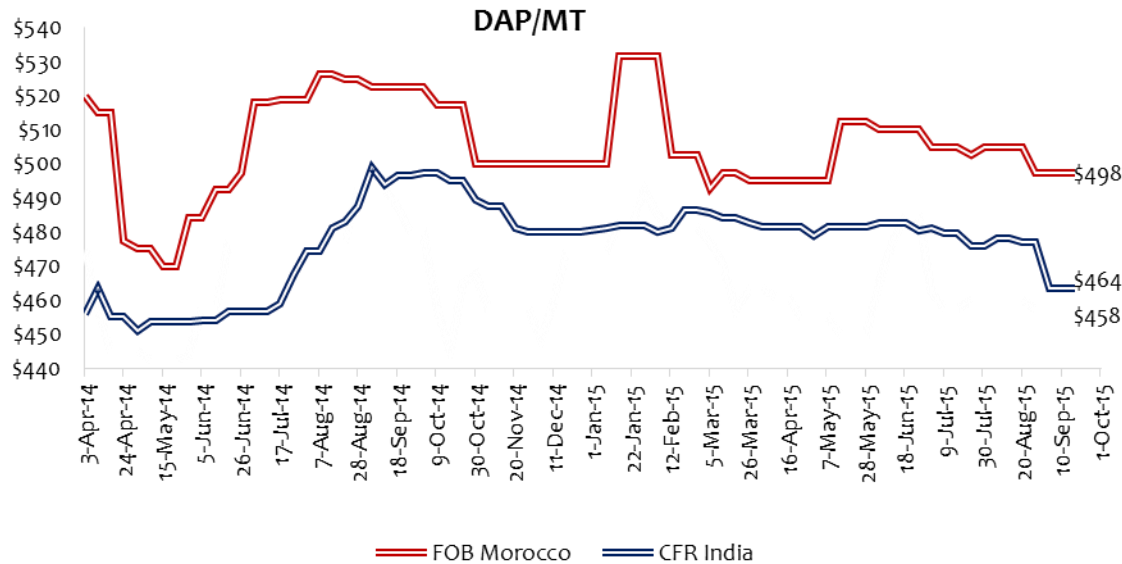
Sub div	Upto Sep 30		
	Actual	Normal	% dep
E & NE	1317	1438	-8%
NW	511	615	-17%
C	816	976	-16%
South	606	716	-15%
Coastal AP	623	543	15%
Telangana	589	726	-19%
Rayalaseema	324	368	-12%
Overall	761	888	-14%

Volatile exchange rate....



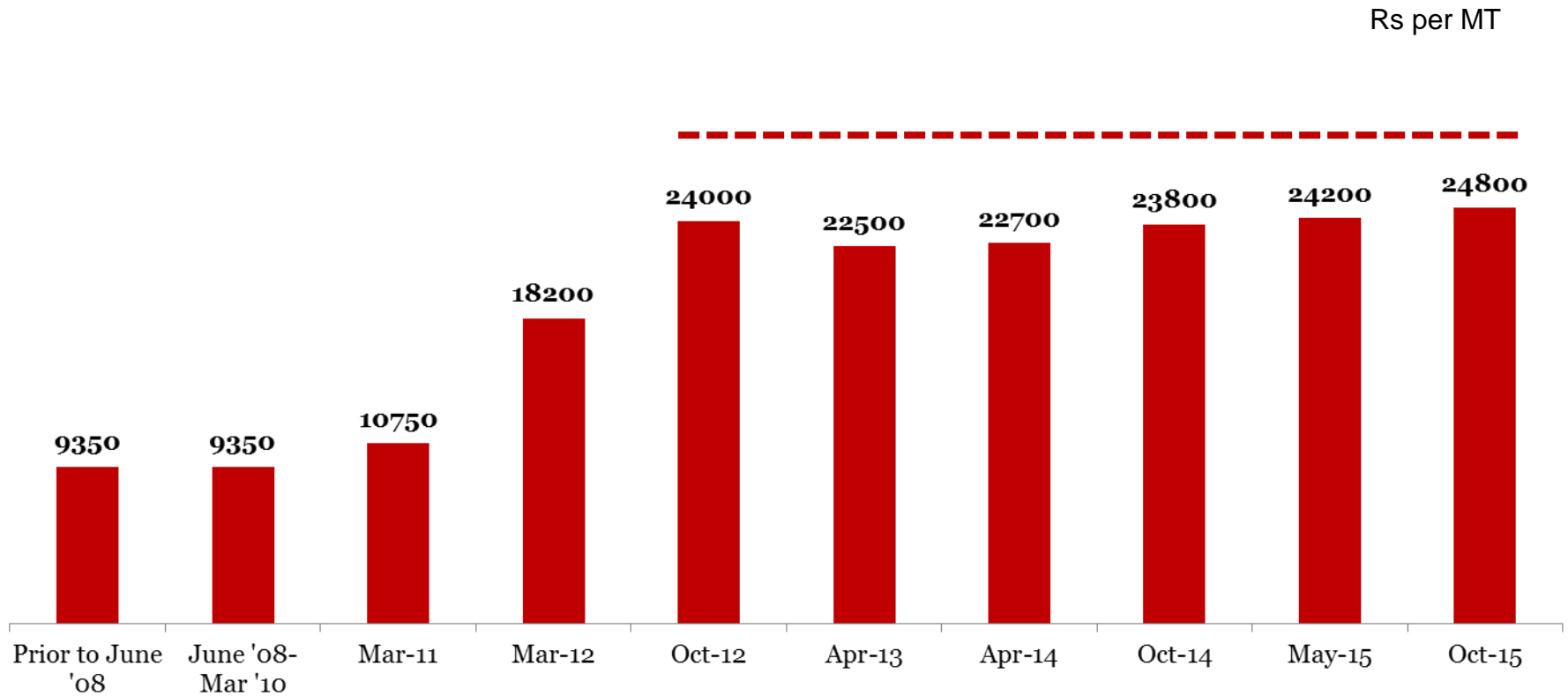
❑ Unexpected depreciation of Chinese yuan renminbi in Aug'15 impacted landed cost

Partially offset by soft commodity prices...



- ❑ Drop in feedstock cost ie, Coal, Crude and Natural Gas in last 1 year
- ❑ Global softening of agri commodities, stagnant demand and agro-climatic issues in key markets led to price pressures on raw materials
- ❑ Outlook to remain Soft to Stable in near term

... resulted in range bound farm gate price 



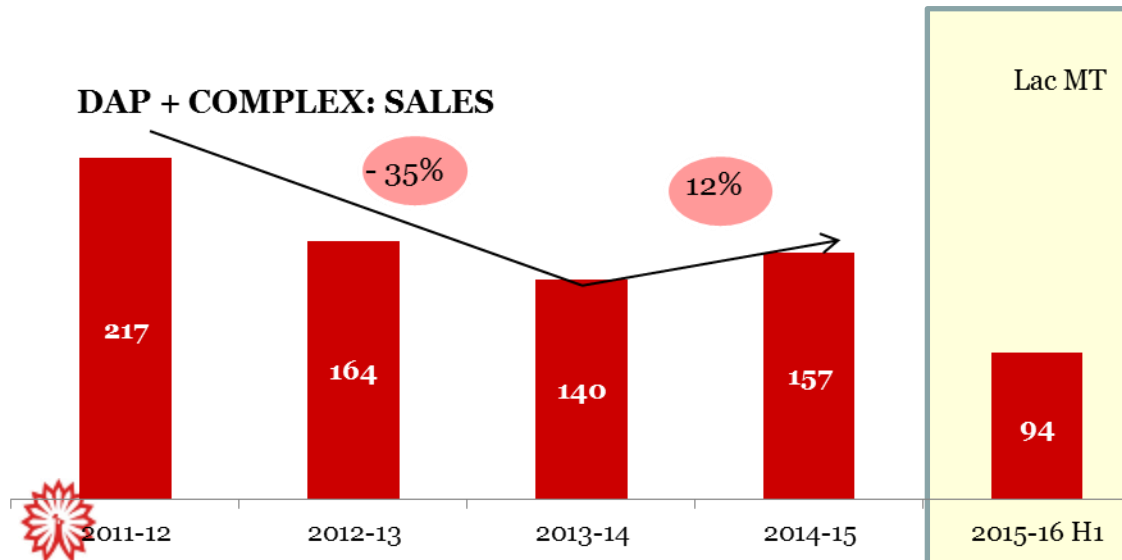
Lower pipeline inventory and improved MSPs led to demand revival in H1...

Crop MSPs (Rs / Qtl)

Crop	FY14-15	FY15-16	% Inc
Paddy	1360	1410	4%
Wheat	1450	1525	5%
Pulses			
Lentil	3075	3325	8%
Gram	3075	3350	9%
Oilseeds			
Mustard	3100	3350	8%
Safflower	3050	3300	8%

Additional bonus on pulses led to higher acreages :12%

DAP + COMPLEX: SALES

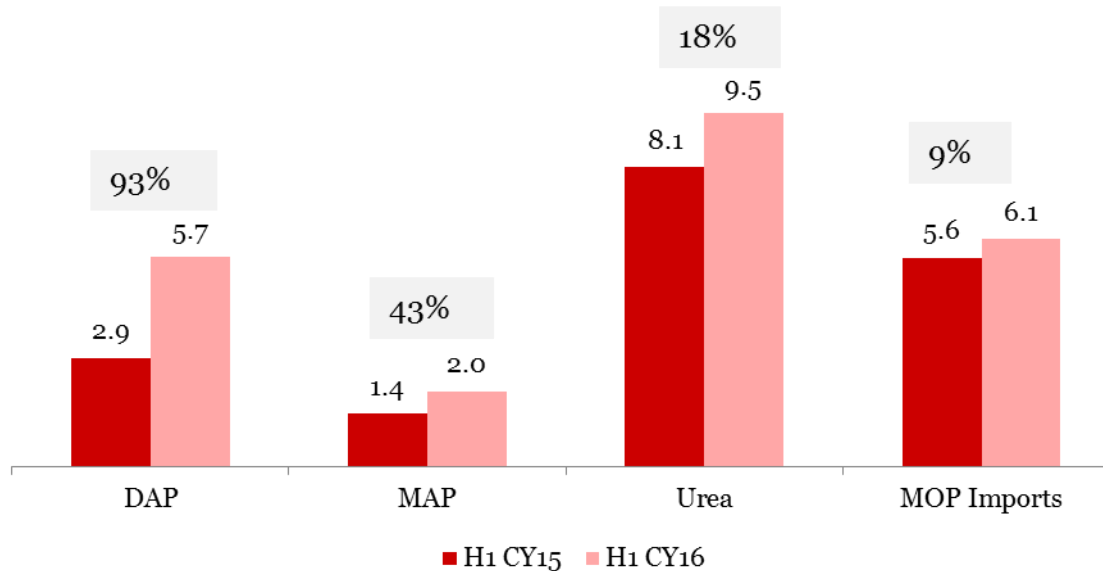


Phosphatics Sales growth in H1: 26%

- DAP: 36%
- Complex: 16%

China Policy Changes...

- China's shift to flat tariff structure resulted in higher exports during H1:

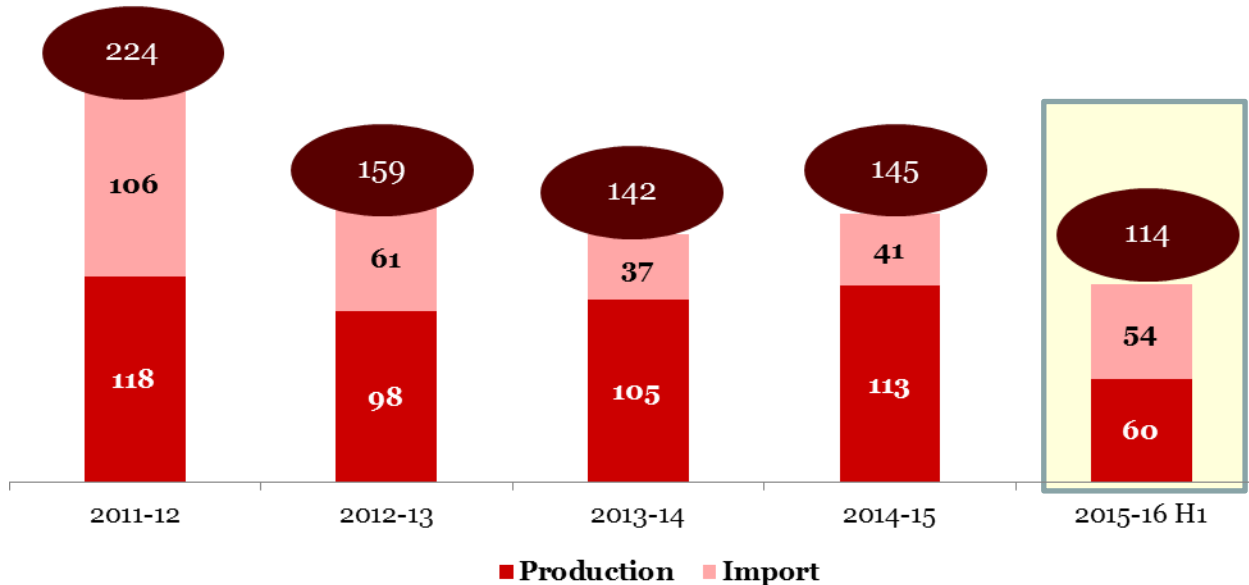


- Depreciation of the Chinese yuan renminbi (CNY) against the US dollar led to price corrections by the Chinese suppliers
- Introduction of 13% VAT on exports

...led to increased Phosphatics imports

DAP + COMPLEX: PRODUCTION + IMPORT

Lac MT



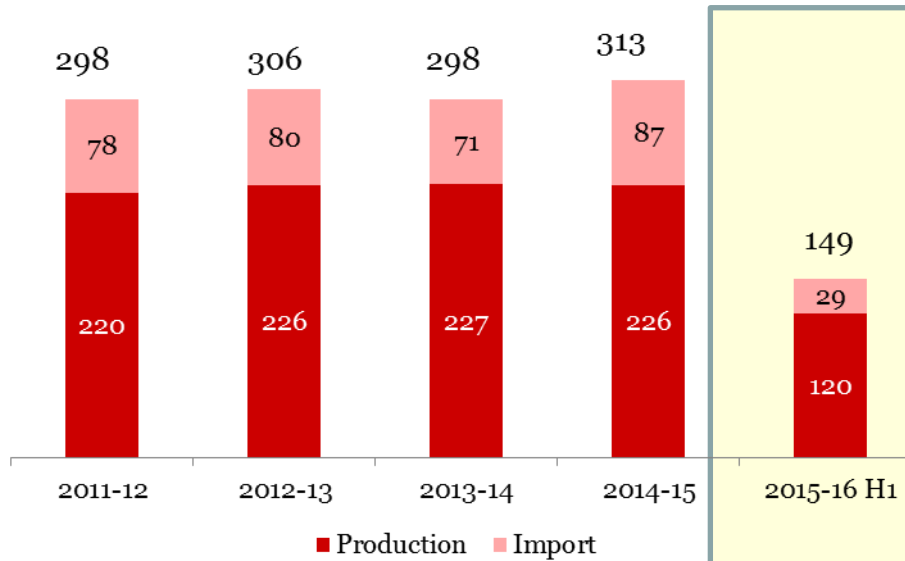
Increase in imports in H1 due to:

- ❑ low pipeline inventory
- ❑ reasonably soft international prices
- ❑ change in China's export tax policy

Urea demand has remained stable post NBS implementation

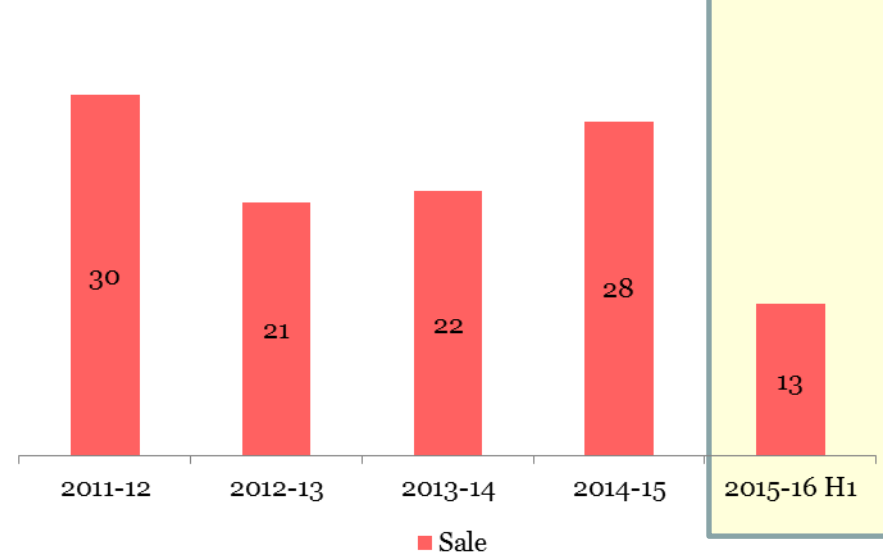
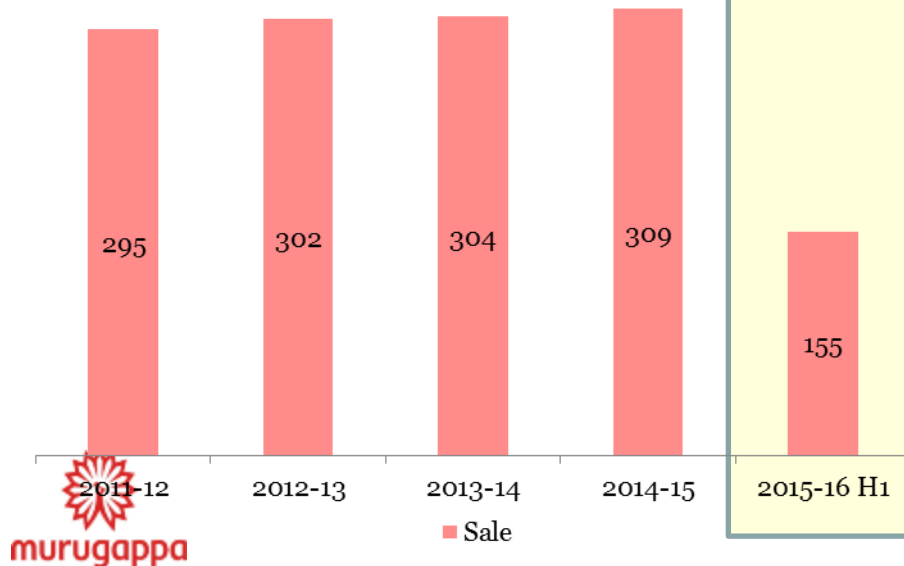
UREA SUPPLY & DEMAND

Lac MT

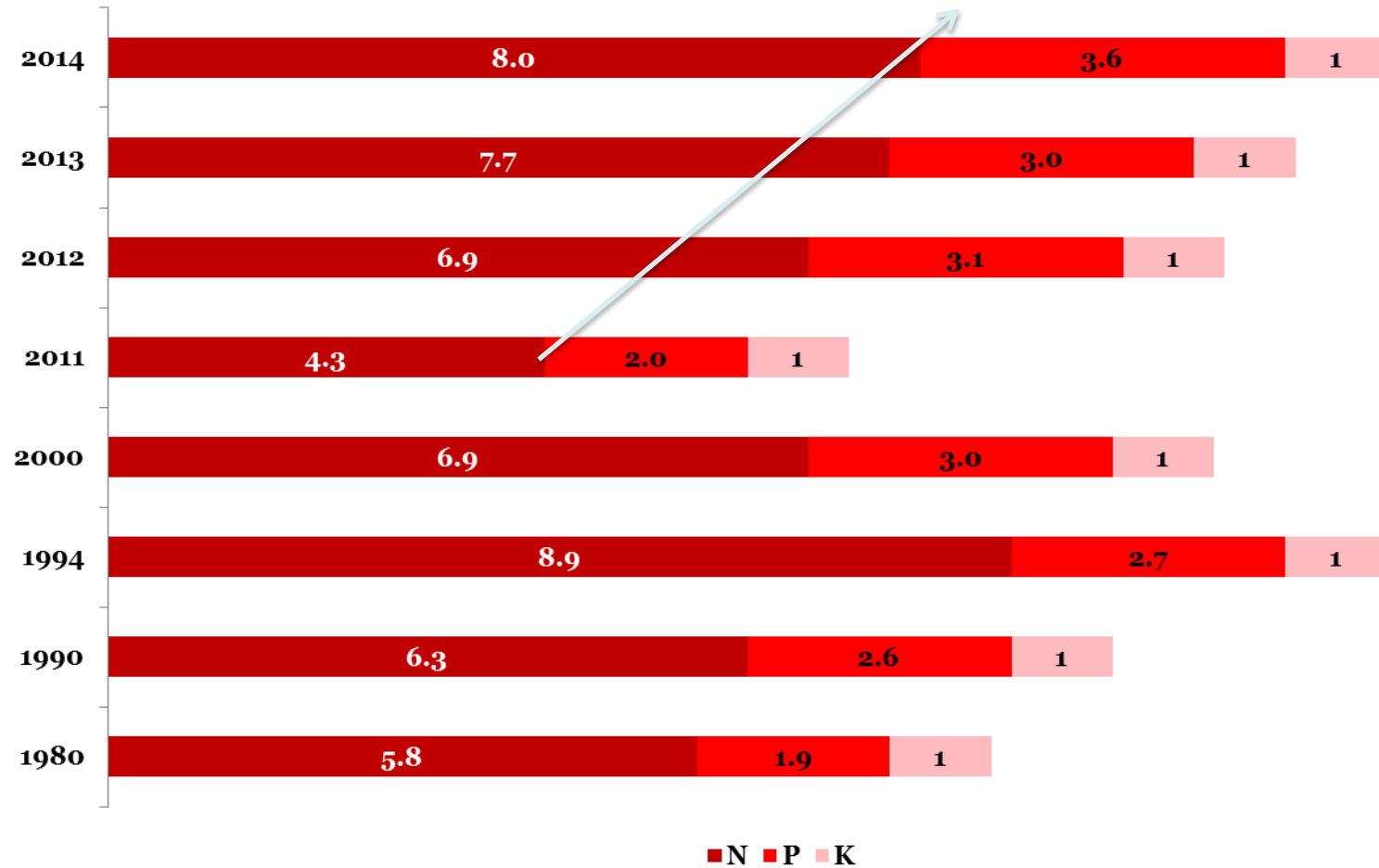


MOP SUPPLY & DEMAND

Lac MT



...resulting in skewed NPK application ratios



Positives:

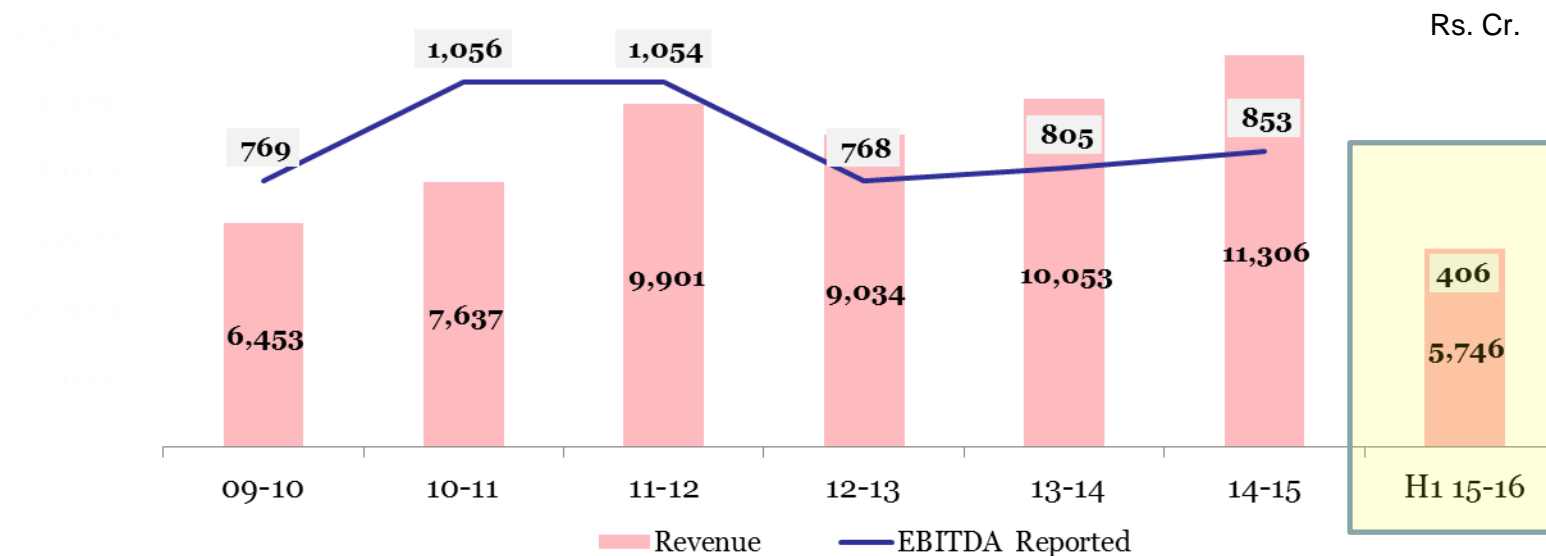
- Commodity prices to remain Soft to Stable in near term
- Phosphatics industry to continue its revival in difficult agriculture scenario
- North East monsoons projected above normal ($> 111\%$ of LPA) to improve reservoir levels

Challenges:

- Phos acid availability
- Volatility in exchange rate

COMPANY PROFILE

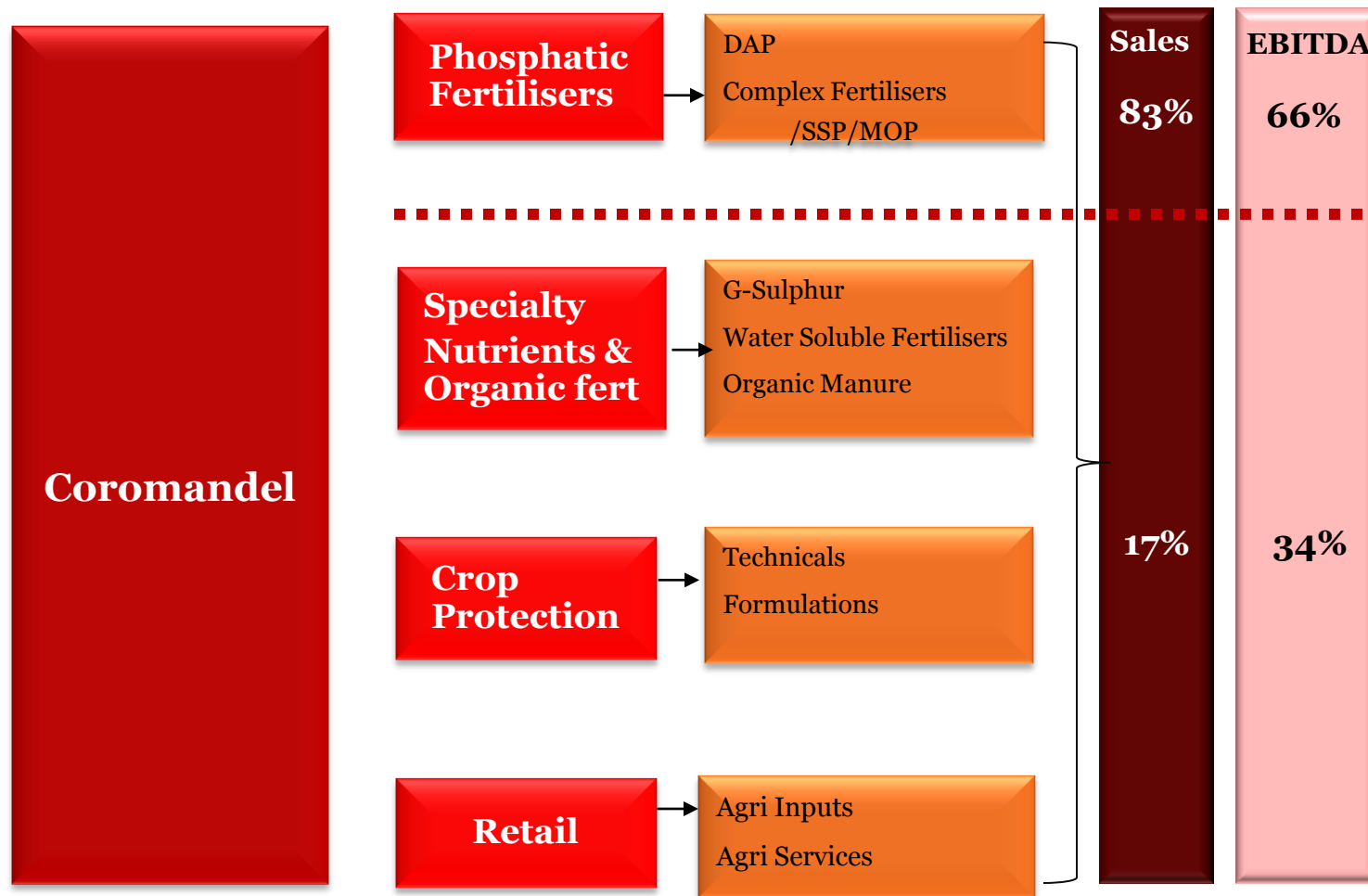
Coromandel - Snapshot



Key Facts :

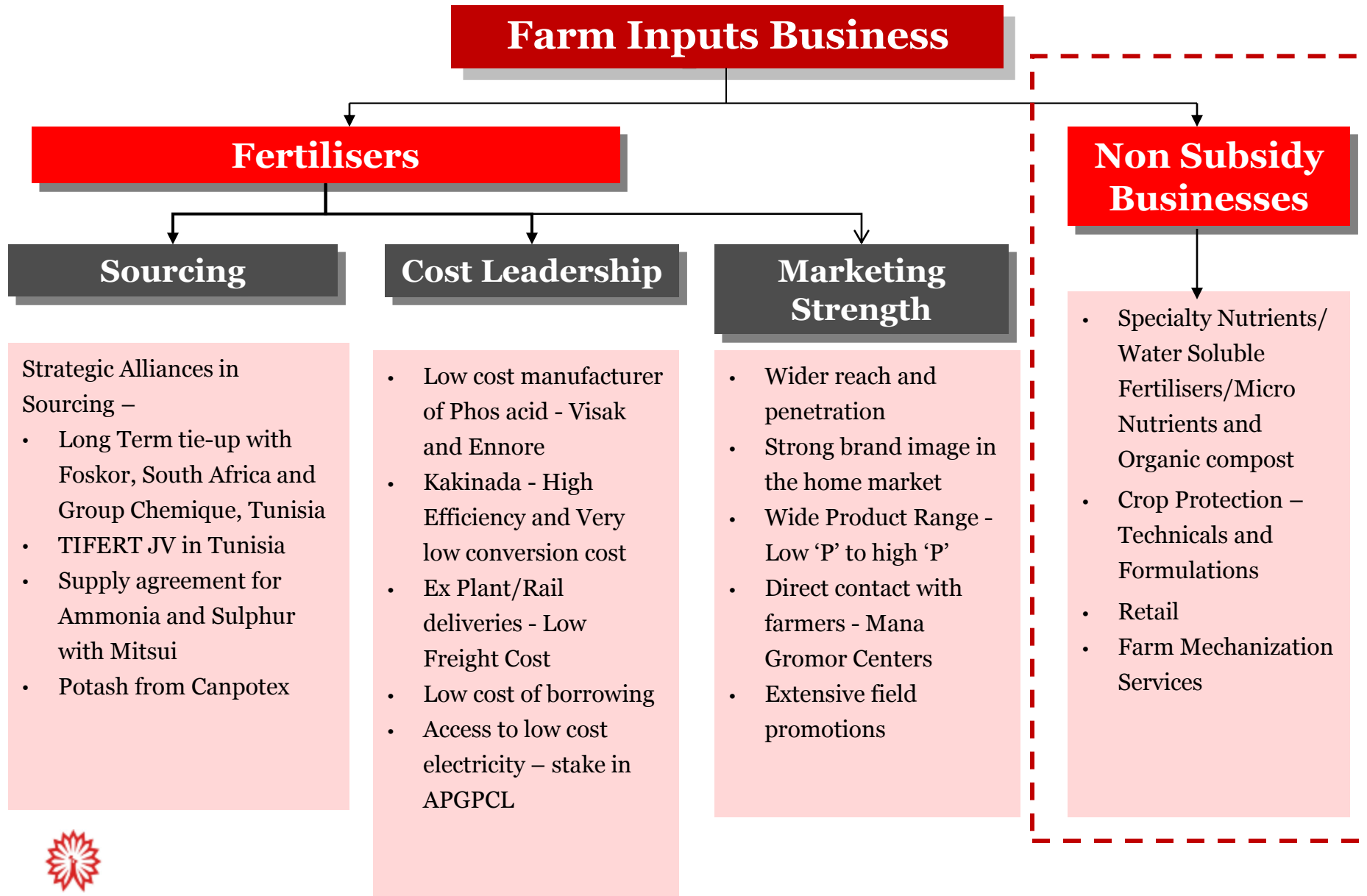
- Turnover: Rs.11,306 Cr (FY14-15)
- Market Cap: Rs. 5400 Cr
- Strong credit rating: 'AA +' (Stable outlook)' with CRISIL India
- Employees: 2712
- International Linkages: FOSKAR, GCT, CANPOTEX, SQM, GETAX, QAFCO, ICL, Phoschem, OCP, YANMAR etc
- International Market Serviced: Latin America, Africa, China, South East Asia, Middle east

Business Structure



Growth through acquisitions and JVs

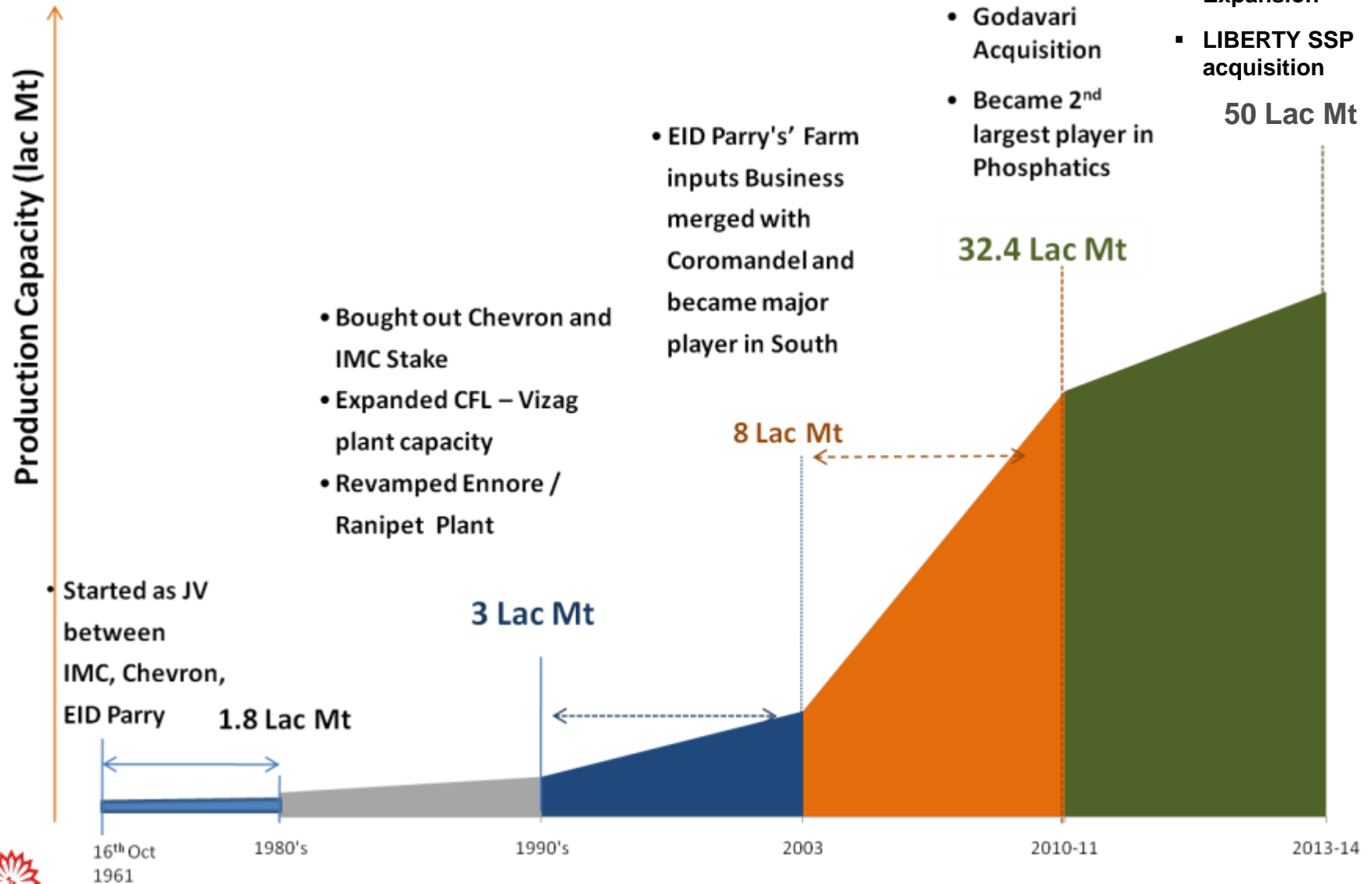
	2003	2004	2006 & 2007	2008	2009 & 2010	2011	2013	2014
Complex Fertilizers	Demerged fert. Biz from EID Parry			GFCL Acq 1.5 MM tons				
SSP							Liberty Group 1MM ton SSP Capacity	
Crop Protection			FICOM Acq		Acq of Jammu unit	Sabero Acq		
Others / JVs		BAA with FOSKOR	TIFERT JV		JV with SQM		APGPCL 15 MW	JV with Yanmar and Mitusi



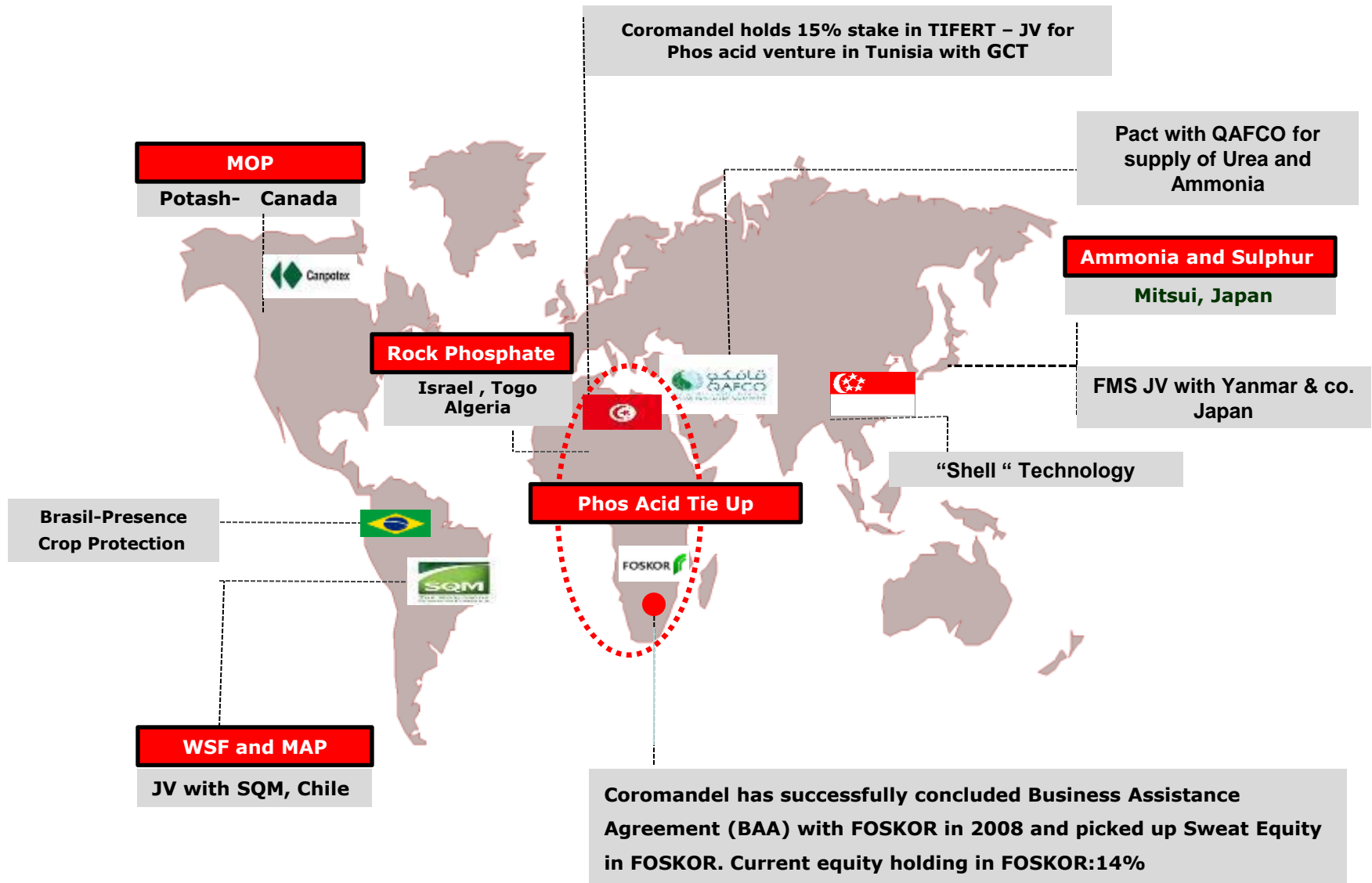
Coromandel's Fertilisers Business



Coromandel Fertiliser Business Growth Story

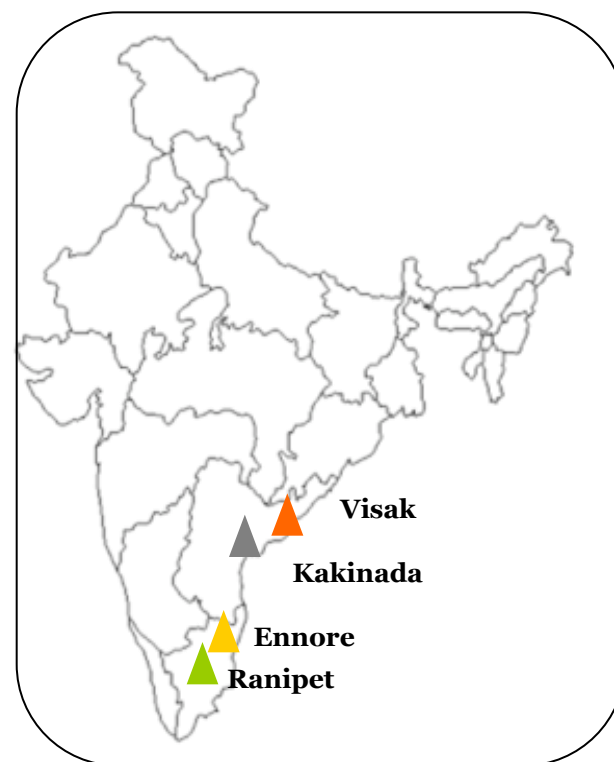


Global Strategic Alliances



State of The Art Manufacturing Facilities

- Plants are strategically located in highly irrigated southern Indian states and in heart of fertilizer consumption market – low freight cost
- Plant Facilities – State of art with good infrastructure support and robust systems
- Phosphate – lowest cost manufacturer in India
- Captive jetty at Vizag, Own storage tanks and pipeline for raw materials: Ammonia & molten sulphur (Vizag & Ennore) - Lower handling and associated costs
- Captive power plants at Vizag & Ennore – saves power costs
- Captive desalination plants at Ennore – ensure water supply at low cost
- High capacity utilisation levels & continuous modernisation of facilities
- Backward integration into manufacturing the intermediate - phosphoric acid from rock



Cost Leadership

Visak Plant

Captive Phos Acid

- Continuous de-bottle necking to increase production levels
- Value gap - imported Vs own acid
- Increased Gypsum generation
- Use of various sources /grades of rocks
- New belt filter technology- to use low grade rocks

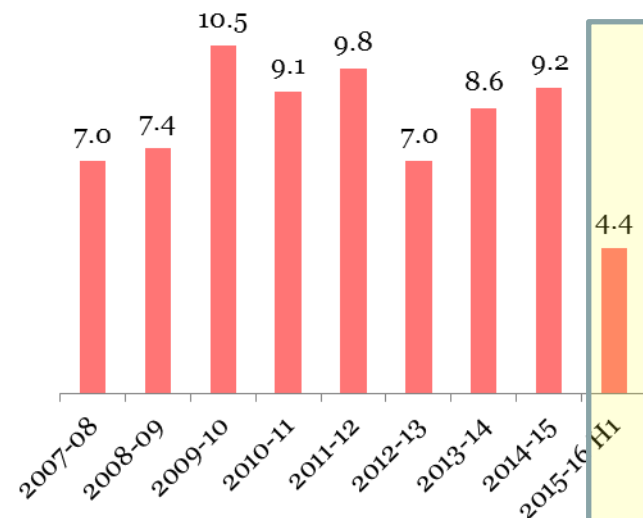
Sulphuric Acid

- Consistent production performance – operating at 100% + capacity
- Air pre heater technology – Total avoidance of LSHS/Furnace oil
- Increased Power generation

Logistic Cost

- Ex Plant Deliveries – minimizing freight cost

Visak Production (Lac Mt)



Kakinada Plant

Very High Efficiency

- N – 99% P – 98% K – 94%

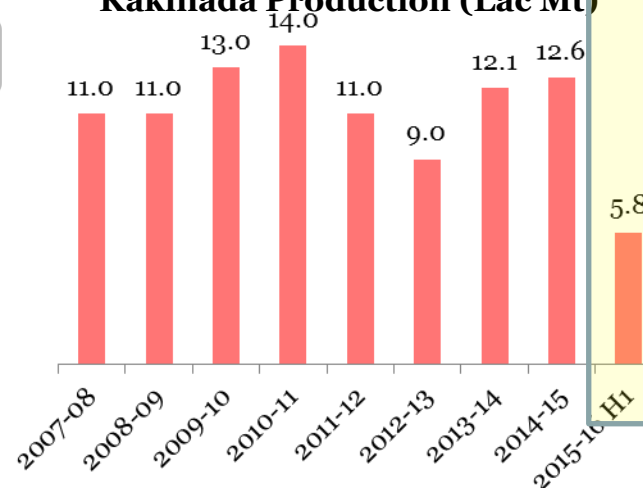
Low Conversion Cost

- Availability of Natural Gas
- Increased through put of all trains

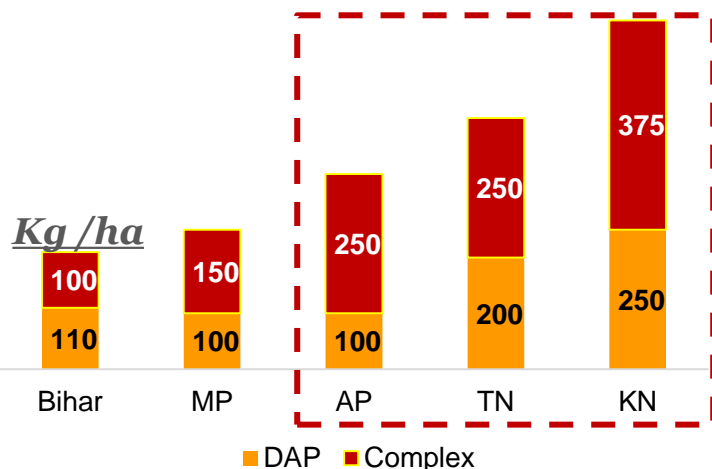
Logistic Cost

- Increased rail dispatches – minimizing freight cost to be in line with subsidy

Kakinada Production (Lac Mt)



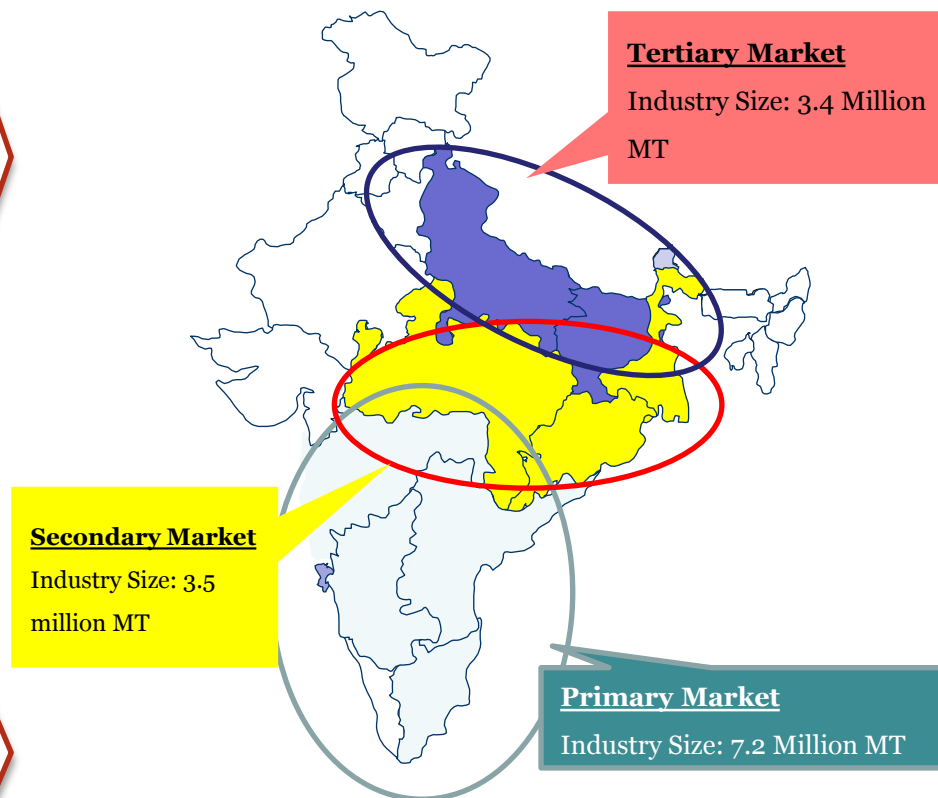
Higher complex fertilizer consumption in core markets



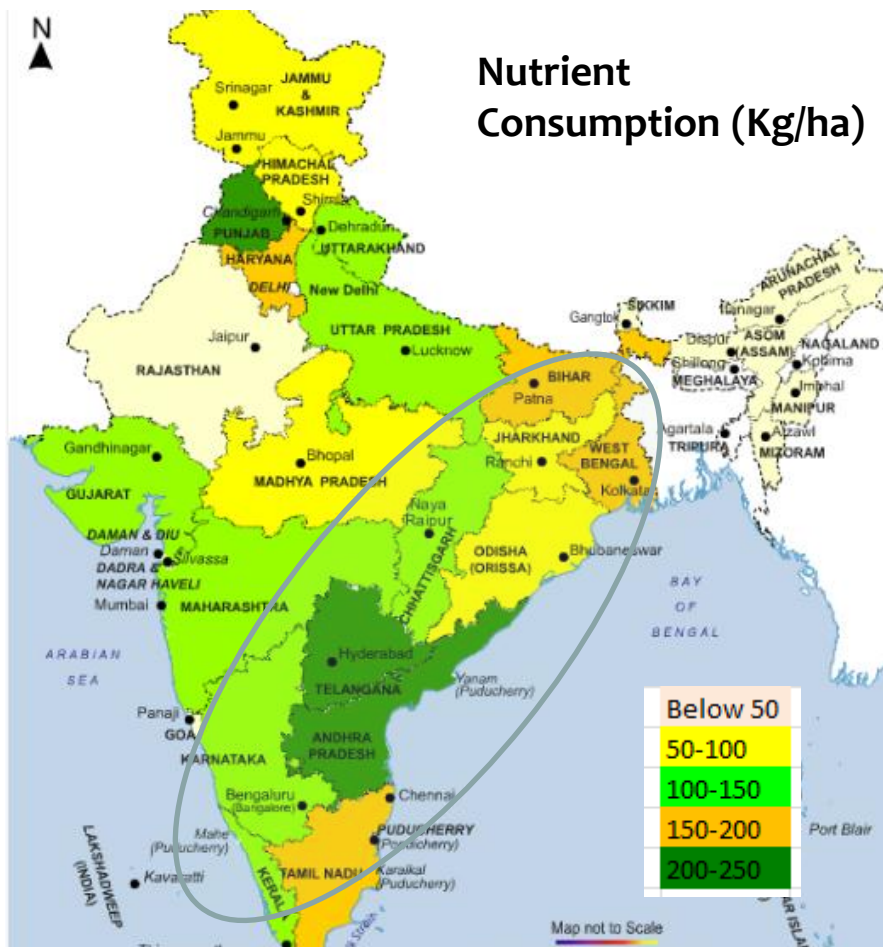
Marketing Channels

- Dealer Trade
- Retail Network
- Institutional segment

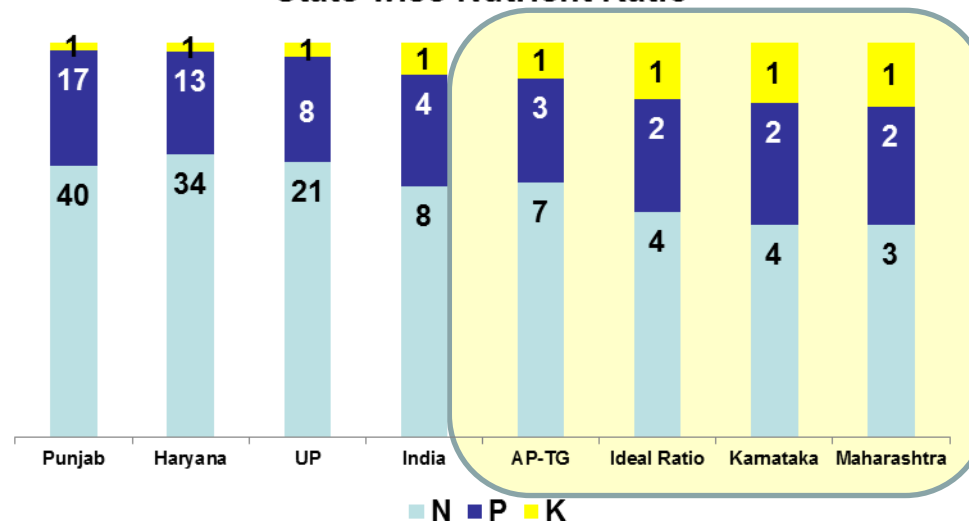
Target Markets



Locational Advantage



State wise Nutrient Ratio



Primary markets maintains the balanced nutrient ratio

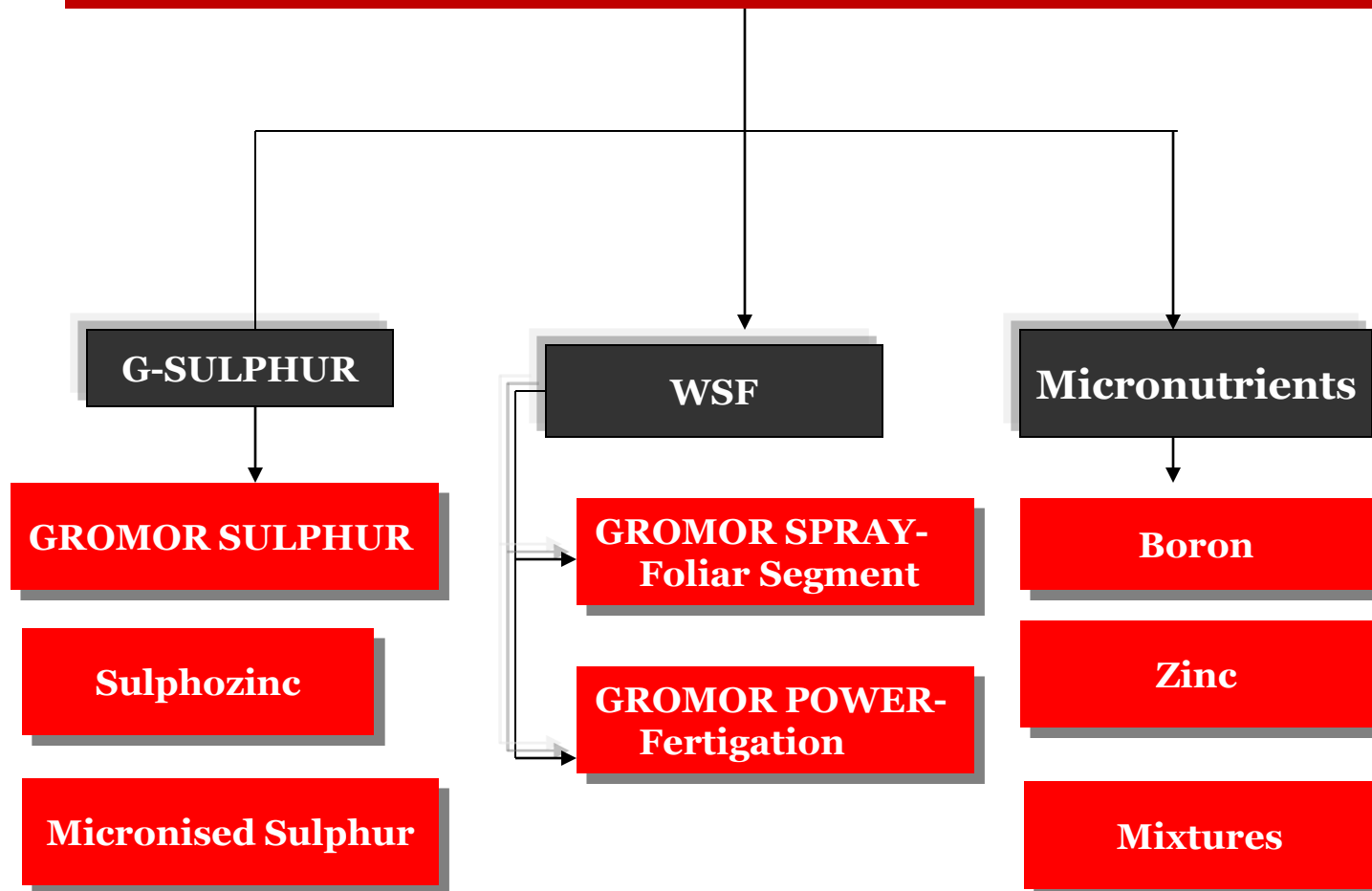
- Market leader in Complex fertiliser segment
- 2nd largest Phosphatics player in India
- Highest producer and marketer of unique fertiliser grades
- Plants located along strategic sourcing ports

Presence across major consumption pockets

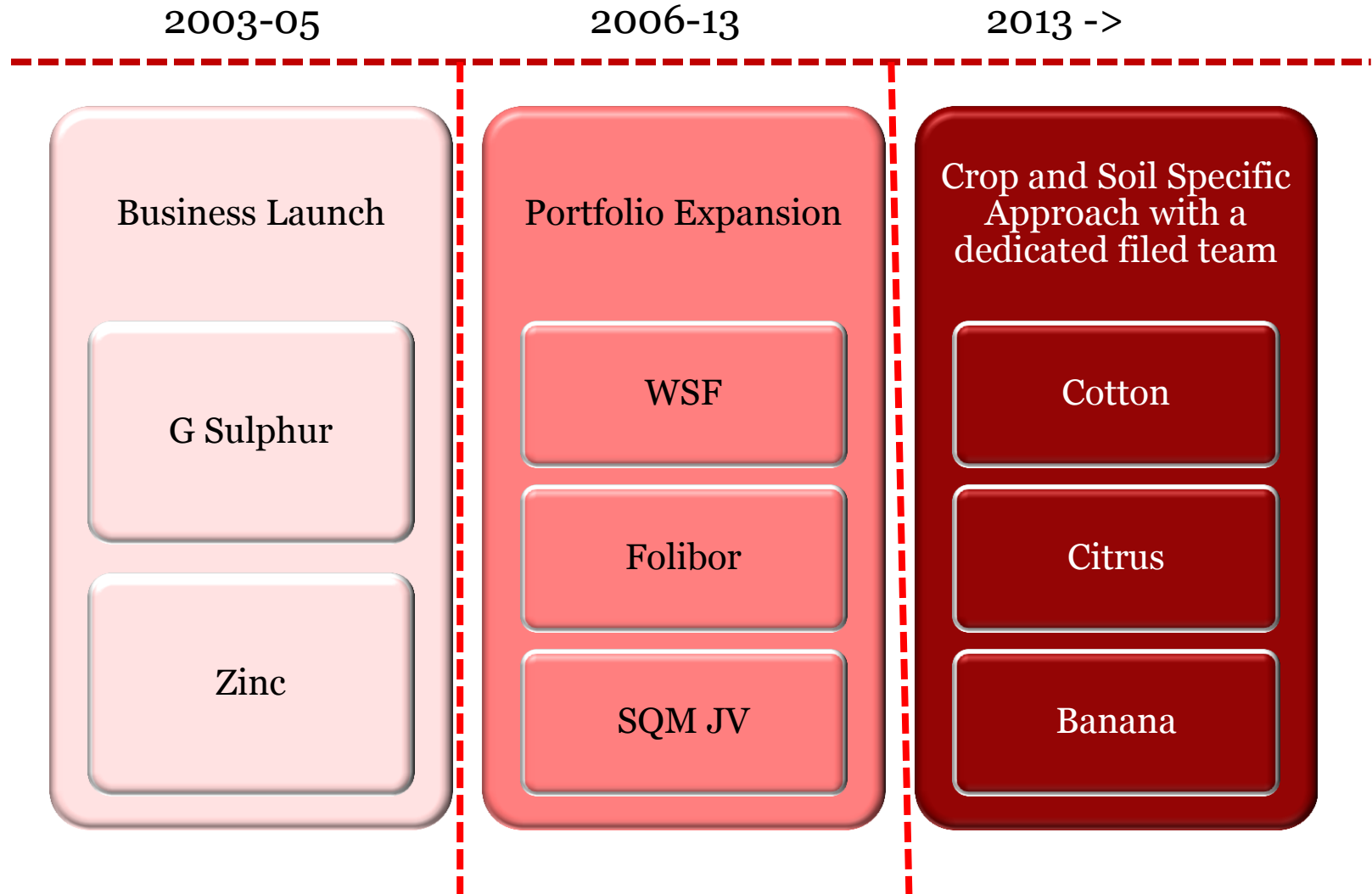
Specialty Nutrient Business



SPECIALITY NUTRIENTS DIVISION (SND)



Sulphur and WSF Business



- Customer Lock-in through holistic precision nutrition solutions and customization to crops and regions for maximizing the profitability of the crops
- Leverage SQM to bring global best practices in crop nutrition management
- Independent & specialized marketing teams to bring crop focus- Developing market based on total nutrition package- Gromor Sampoorthi
- Localized crop based promotion through special team to promote Gromor Sampoorthi program
- Crop based and soil based new product introduction to address farmer needs

SND & Organic Fertiliser Business

Sulfur Products

- Micronised sulphur variant launched
- Continues to be the market leader despite adverse market conditions

WSF

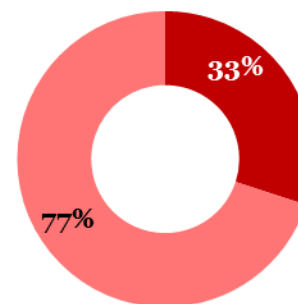
- Expanded umbrella branding approach for SND products
- New crop specific grades introduced for cereal, cotton & banana

Organic Fertiliser

- Improved profitability through Granulated product offering
- Strengthened supply chain for organic fertilizer procurement

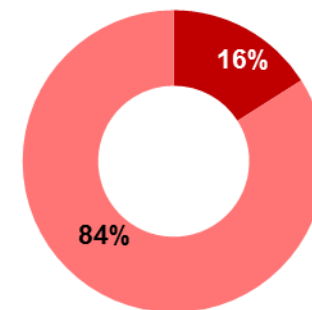
Market Share

Sulphur products



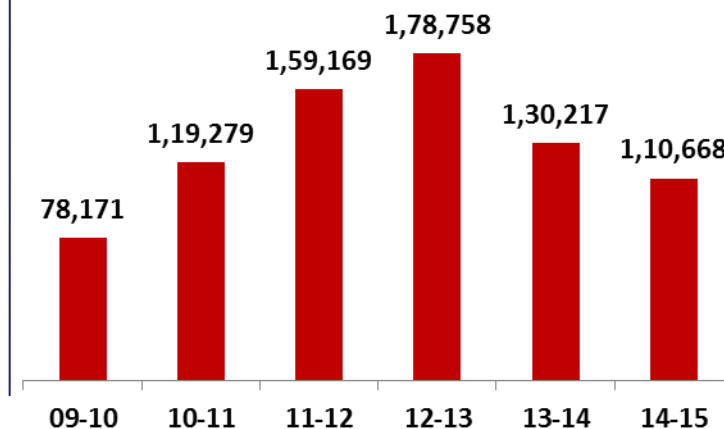
■ Coromandel

WSF



■ Others

Organic Compost Volumes (MT)

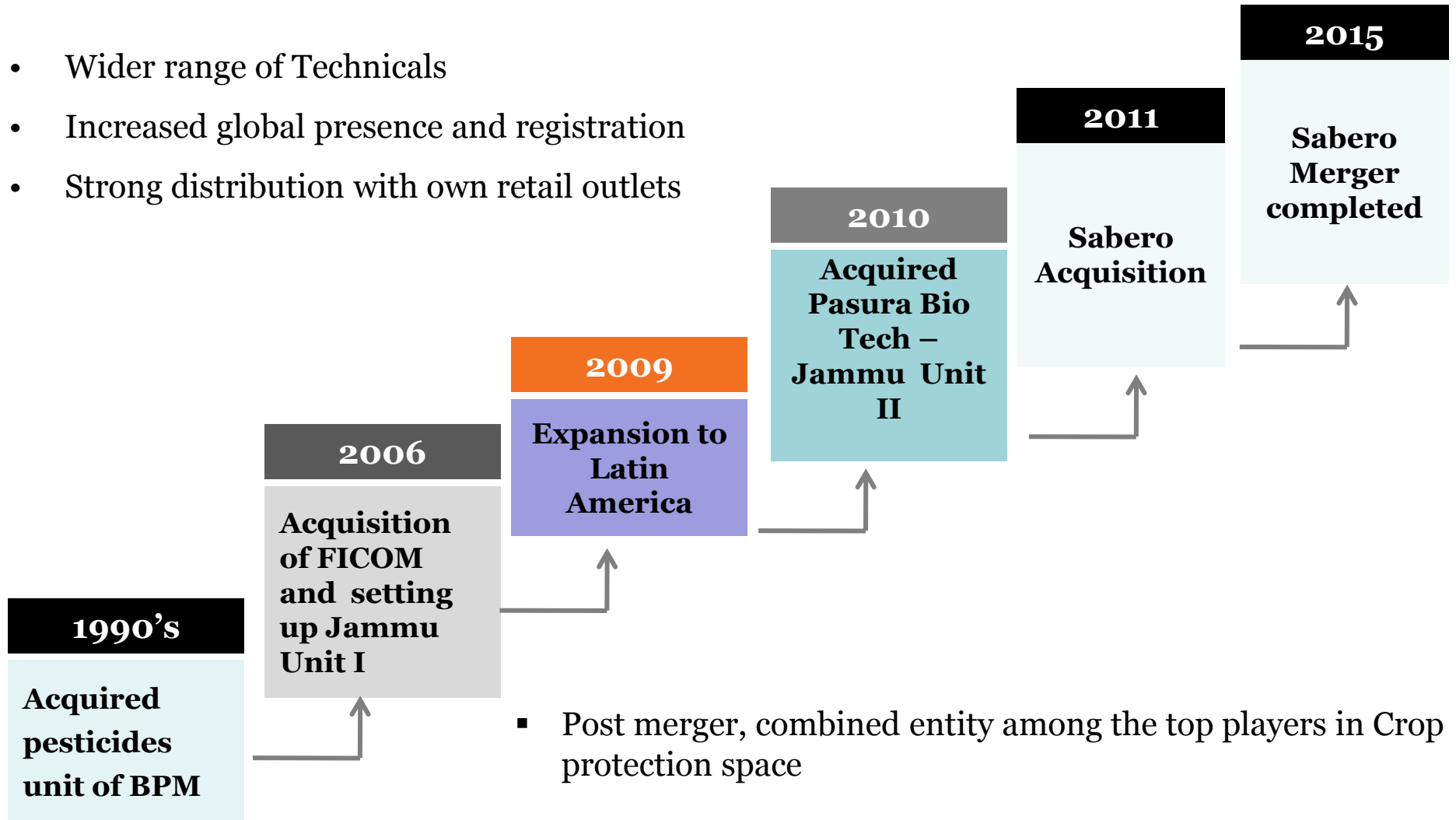


Crop Protection Business



Crop Protection business - Coromandel

- Wider range of Technicals
- Increased global presence and registration
- Strong distribution with own retail outlets



- Post merger, combined entity among the top players in Crop protection space
- Exports contribute 45% of the combined turnover

- **Increase R&D focus**
 - Starting R&D center for crop protection business in Hyderabad
 - Off Patent molecule synthesis and process improvements in existing range
- **Improving sourcing efficiency**
 - Generate market information through China office
- **Focus on Export Registrations to improve market penetration**
 - Leverage China office for portfolio development for key markets
 - Expand business in LATAM, Africa and APAC by leveraging strong registration portfolio

Operational Initiatives

- Expansion of technical plant capacity at Sarigam
- Umbrella branding focus through “Gromor Suraksha”
- Reducing conversion & treatment cost
- Expand dealer network and enhance dealer engagement activities

Strategic Initiatives

- Co-Marketing with MNCs – Access to new molecules – Tie up with BASF, Syngenta, Dupont
- R&D Initiatives & registration capabilities
- Alternate sourcing from China
- New Products Introduction
- Foray into Latin American market – Set up office in Brazil

Jammu



Ranipet



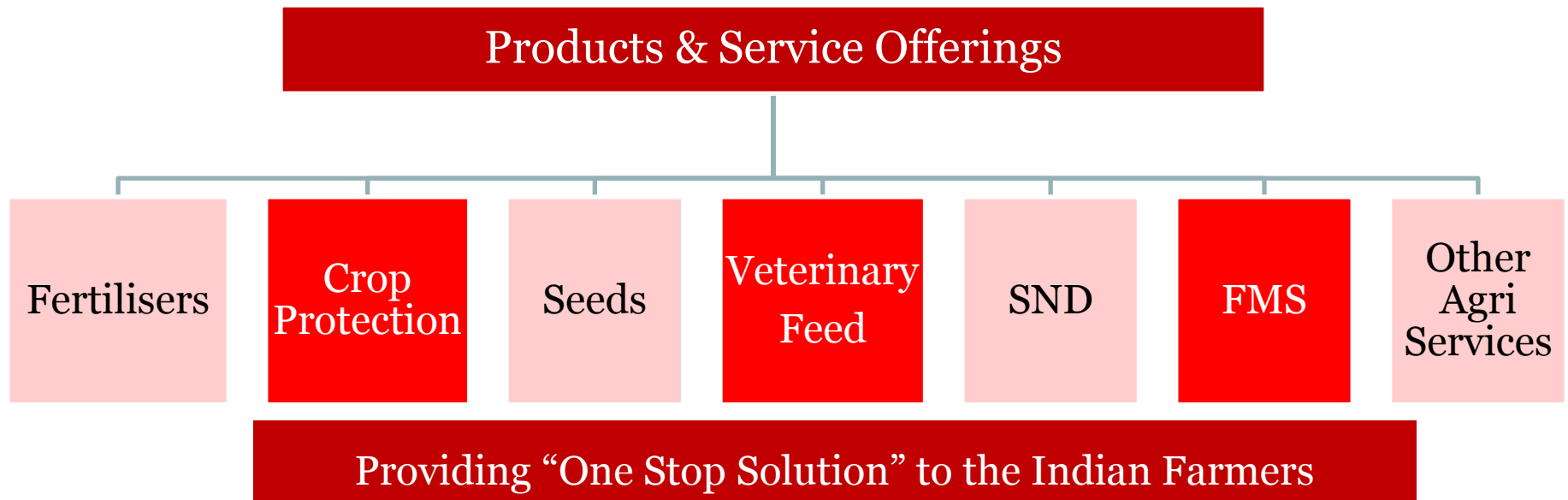
Mana Gromor Centers (MGCs) - Retail



- Positioning Retail as a complete “Farming Solutions” platform
- Constantly deliver significantly improved customer value proposition
 - Nutrient recommendations based on “Gromor Nutrient Manager” program
 - Knowledge dissemination through Gromor Webinar, “Gromor Scientist” and Mobile based communication
- Leverage farm implements knowledge of Yanmar to expand operations
- Increasing business efficiencies and margin expansion
- Strengthening Multi brand and expansion of range assortment

Retail Business Overview

- 600 centers in Andhra Pradesh and 200 centers in Karnataka- servicing more than 2 million farmers
- Received Retail Excellence Award by CMO Asia in Singapore
 - ‘Retail Marketing Campaign of the Year’
 - ‘Retailer of the Year (Rural Impact & CSR)’



Yanmar Coromandel AgriSolutions Strategy

- Indigenize 'Walk behind' rice transplanters
- Opening service centres across AP and Telangana
- Spare part indigenization
- Stakeholder and Govt engagement to improve relations
- Market development through new dealer appointment
- Improve direct customer reach through MGCs

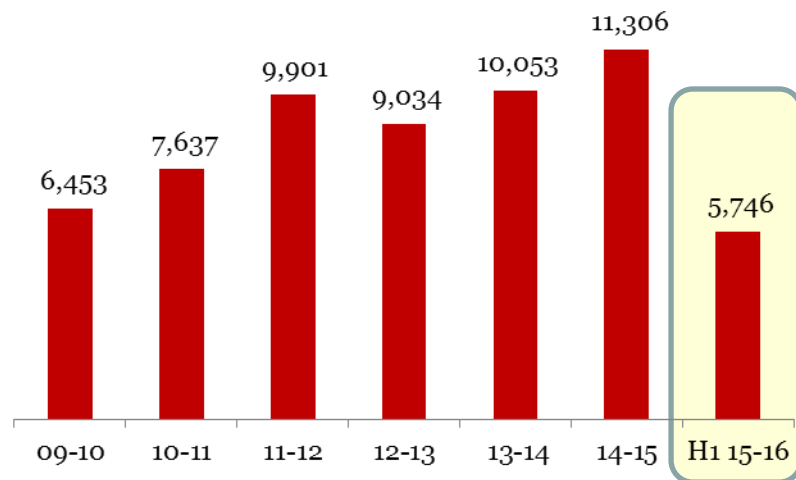


Financial Performance

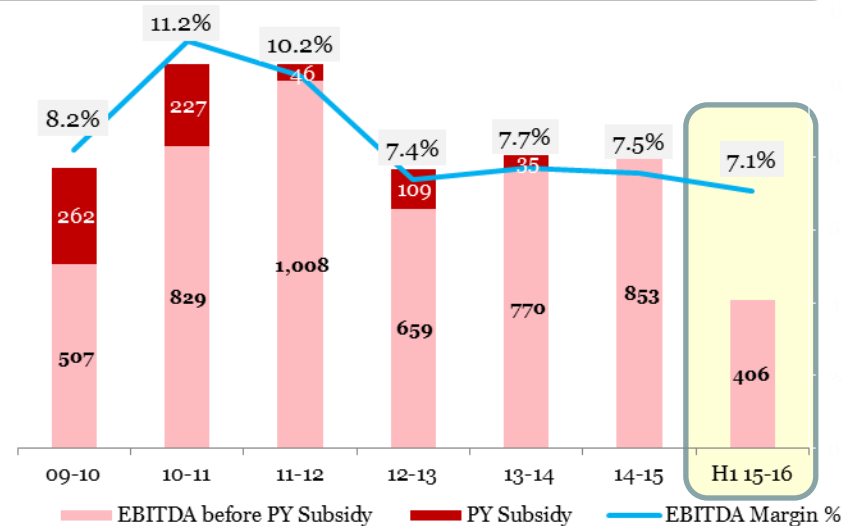


Consolidated Financial Performance

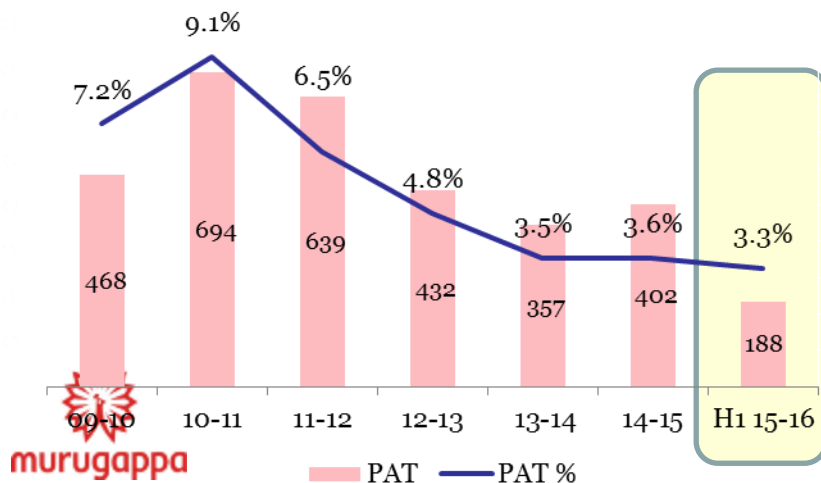
Turnover (Rs. Cr)



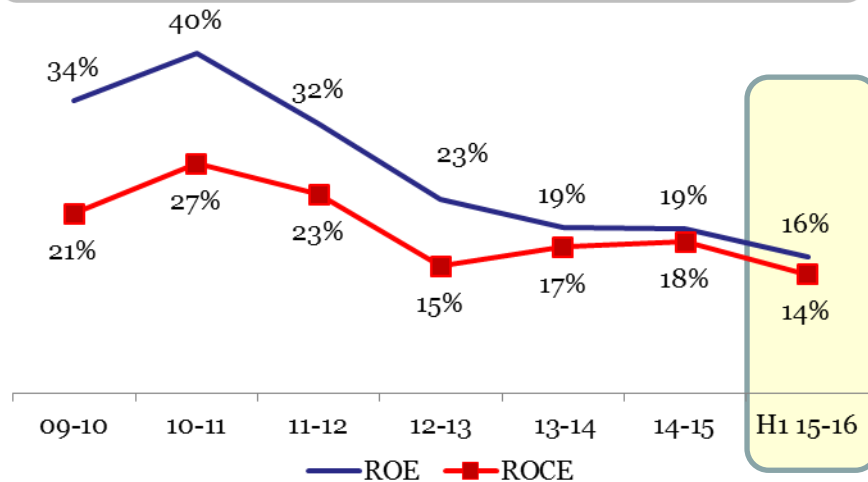
EBIDTA (Rs. Cr) & EBIDTA %



PAT (Rs. Cr) & PAT %



ROE & ROCE (%)



Income Statement - Consolidated

Amount in Rs. Cr	FY2010	FY2011	FY2012	FY2013	FY 2014	FY 2015	H1 FY 2016
Revenue before PY subsidy	6,191	7,410	9,855	8,925	10,018	11,306	5,746
<i>YoY (Growth)</i>	-34.29%	19.69%	33.00%	-9.44%	12.25%	12.86%	7.46%
EBITDA before PY Subsidy	507	829	1,008	659	770	853	406
<i>EBITDA %</i>	8.19%	11.18%	10.23%	7.38%	7.69%	7.55%	7.07%
PY Subsidy	262	227	46	109	35	-	-
EBITDA Reported	769	1,056	1,054	768	805	853	406
Extra-ordinary income / (expense)	-	-	(36)	-	(13)	(4)	-
PBT	709	986	911	557	517	592	282
PAT	468	694	639	432	357	402	188
EPS (Rs.)	16.7	24.6	24.2	15.3	12.6	13.8	6.5
Debt / Total Capital (%)	56.48%	44.41%	58.98%	63.04%	48.81%	50.96%	53.27%
LT Debt / Total Capital (%)	5.83%	9.57%	13.25%	25.15%	11.62%	5.54%	4.36%

Balance Sheet- Consolidated

Amount in Rs. Cr	FY2010	FY2011	FY2012	FY2013	FY 2014	FY 2015	H1 FY 2016
Equity	1,502	1,957	2,416	2,303	2,307	2,202	2,391
Debt and Other LT liabilities	2,047	1,664	2,977	2,976	1,873	2,318	2,742
Deferred Tax Liability	86	82	67	188	189	188	182
Sources of Funds	3,634	3,702	5,461	5,466	4,369	4,707	5,315
Non Current Assets (incl G/W)	958	1,143	1,823	2,276	1,808	1,426	1,407
Investments	169	171	149	160	342	352	359
Cash/ICD	961	961	1,254	920	757	788	725
Bonds	860	430	-	-	-	-	-
Inventory	926	1,514	1,922	1,478	1,753	2,259	2,854
Subsidy	508	969	1,626	1,376	1,112	1,789	1,416
Debtors	140	205	958	1,820	1,483	1,446	1,811
Other current assets	115	149	233	383	349	301	351
Current Liabilities	1,003	1,839	2,504	2,945	3,236	3,654	3,608
Net Current assets	2,508	2,389	3,489	3,030	2,219	2,929	3,549
Application of Funds	3,634	3,702	5,461	5,466	4,369	4,707	5,315

THANK YOU