

Rural Renaissance

Coromandel



Nature, is from where we derive our business philosophy - of constant renewal, of growth and dynamic resurgence. When we changed our name to Coromandel International Limited and went in for a new brand image, we were reinventing ourselves, to take our place in a changing global order. **Energy, vitality, positivity** - our new logo truly epitomizes our vision and direction for the future. A vision, to know, care and fulfill our commitment to employees, customers, stakeholders and society. A direction, of maximizing growth, prosperity and social value.



RURAL RENAISSANCE

Renaissance indicates rebirth, renewal and resurgence - attributes that are inherent in Nature. At Coromandel, working with nature and understanding her cycle of change and renewal is an integral part of our business. So too is the partnering we share with the farmer, as we participate in his toil and jubilate in his prosperity.

In a global economic downturn, Indian agriculture has shown resilience and a strong sense of renewal. Renewal, that has grown into a rural renaissance. We at Coromandel, decided it was as good a time as any, to renew ourselves and pledge our commitment to the farmer and his field. Our vibrant new

brand identity, denotes energy, vitality and positivity – elements that are part of a rebirth, a renaissance. Each of our business divisions reinvented themselves anew, keeping pace with the changing market dynamics and contributing to the rural resurgence. If the R&D focus was to develop different grades of fertilizers and new crop protection products, our Mana Gromor and Mitra outlets redefined the retail experience for the rural farmer. Restoring the depleted nutrients in the soil or producing compost from municipal waste, at Coromandel, everything was centered around renewal and growth. Renewal and partnering a rural renaissance.



MANUFACTURING EXCELLENCE

Coromandel's manufacturing plants played a pivotal role in the company's vision of partnering with the farmer and working towards rural growth.

Across locations, improved operational efficiencies and increase in throughput ensured timely availability of quality products for the farmers.

The company's fertiliser plants are strategically located in the highly irrigated southern states of India and the heart of fertiliser consumption market.



Spread over an area of 700 acres, Coromandel's manufacturing facility at Kakinada produces upto 1.5 mtpa of fertilizer. Located just 2.7 kms from the sea port in Andhra Pradesh and well connected by road and rail, the plant is one of the largest in Asia, equipped with adequate power, water and state-of-the-art infrastructure facilities.

To enhance its sustainable competitiveness at world-class levels in management systems and processes, Coromandel adopted the EFQM framework and participated in the CII-EXIM Bank Business Excellence Award-2009.

The Kakinada and Visakhapatnam plants earned the award for a 'Strong Commitment to Excellence', helping the company in its journey, towards becoming a global player of quality fertilisers.

Kakinada Plant



MANUFACTURING EXCELLENCE

Coromandel is the second largest player in phosphatic fertilisers in India and among the leading manufacturers of the product in the world.

Phosphoric acid is a critical intermediate in the production of fertilisers. The company's plants at Visakhapatnam and Ennore have backward integration facility to manufacture phosphoric acid from rock phosphate.



The Visak plant's state-of-the-art infrastructure facilities include a captive jetty with a screw-type ship unloader, pipe line systems for handling raw materials like ammonia, besides a molten sulphur terminal - the first of its kind in India.

Conferred the 'Best Operating Phosphoric Acid Plant' Award by the Fertiliser Association of India (FAI) more than nine times, Coromandel's fully integrated facility at Visakhapatnam, has the operational flexibility to manufacture products of various grades, ranging from Low P Nutrients to High P Nutrients. Highly energy efficient in its manufacturing process, the plant is also one of the low cost producers of phosphatic fertilizers in India.

Visakhapatnam Plant





Visakhapatnam Technology Centre

RESEARCH & DEVELOPMENT

The Visakhapatnam facility has a dedicated R&D technology centre with a pilot plant, to test the suitability of various grades of rock phosphates, for phosphoric acid production. The first of its kind in India and among the very few in the world, this technology centre is also equipped with a Mineral Beneficiation Laboratory to evaluate various low grade phosphate resources available in the world.

This facility will provide Coromandel with a competitive edge, helping the company in the context of diminishing reserves of high grade rock phosphate in the world.

The Company has also set up a Technology Centre at Ankleshwar, with pilot plant facility, to expand its range of crop protection products.



Ankleshwar Technology Centre

STRATEGIC ALLIANCES

Coromandel leverages its long term alliances with global manufacturers, for sourcing key raw materials, critical for its fertiliser operations.

These strategic tie-ups include Foskor, South Africa and Group Chimique Tunisien (GCT)

Tunisia, for phosphoric acid and Mitsui, Japan, for supply of ammonia and sulphur. The company has entered into a joint venture with the GCT Group for setting up a state-of-the-art phosphoric acid plant at Tunisia, 50% of the output of which, will be earmarked for Coromandel.

Work in progress at the project site at Tunisia



MARKETING EXCELLENCE

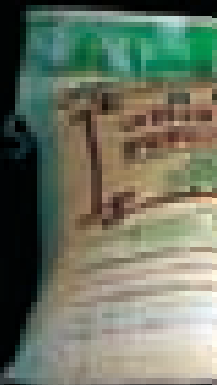
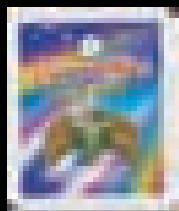
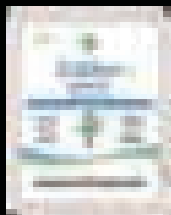
Coromandel has a strong dealer network of more than 10,000 dealers across India for supplying its agri products viz Fertilisers, Crop Protection and Speciality Nutrients to farmers in different states. The Company is a market leader in phosphatic fertilisers in Southern India and sells around 3 million MT of DAP and complex fertilisers. Crop protection and Speciality Nutrients businesses have a pan India presence and have established strong brand image in their respective product range.

Coromandel's strong and trusted brands have been created by intensive marketing efforts of a strong field force who are actively engaged in carrying out field promotion activities and imparting extensive training for farmers. In its home market, Andhra Pradesh, the Company has established direct contact with farmers through Mana Gromor Retail outlets, which serve the farmers by supplying both Agri Inputs and Life style products.

The Company has an efficient distribution system and moves major material by rail, besides effecting direct deliveries from the factory to meet customer requirements.

Coromandel has carried out various initiatives over the years to improve the farm productivity. While its toll free line facility helps in addressing the needs of the farmers in short time, the Company uses mobile soil testing vans to assess the nutrient content in the soil and suggest balanced use.

Coromandel strives to build, maintain and protect soil health, through right use of nutrients at the right time. Farmer prosperity and growth are the key drivers for the Company, in its quest for marketing excellence..



QUALITY AGRI PRODUCTS

Quality agri products for rural renaissance - that seemed the driving force as Coromandel expanded its product range of phosphatic fertilizers, soil nutrients and crop protection products to cater to a wider geographical spread of the farming community.

The company consolidated its market leadership with its leading product brands Gromor, Godavari, Paramfos, Parry Gold and Parry Super continuing to garner new markets, for new crop categories and contributing to the growth and productivity of the farmer.





SPECIALITY NUTRIENTS

The leading manufacturer of Speciality Nutrients in India, Coromandel is guided by its mission of promoting sustainable agriculture by providing 'holistic plant nutrition solutions' to the farmers.

Micro Nutrients, Water Soluble Fertilisers, Municipal Compost - the 3 segments of the Speciality Nutrient Business contributes to the rural renaissance by addressing the three key drivers of agricultural productivity

- improving soil health by increasing the organic content of the soils through organic compost viz. Godavari Gold and its variants
- improving the fertilizer use efficiency through Water Soluble Fertilizers
- replenishing the continuously mined secondary and micro nutrients through G-Sulfur, Zinc and Boron

Reputed for its innovative, 'First in the field', technologies, Coromandel has been continuously introducing best in class products, by adopting a two pronged strategy of in-house R&D (G-Sulfur, Sulfozinc, Insta & Superia) and strategic alliances with world leaders like SQM, Yara International and Rio-tinto. As part of its strategy to expand the product portfolio, the company has entered into a Joint Venture agreement with SQM, Chile, for setting up a manufacturing plant to produce water soluble fertilisers at Kakinada.

Leveraging its expertise in water soluble fertilisers, the company has launched two new grades, with exclusive manufacturing and marketing rights.

Innovative product offerings, strategic tie-ups, a robust distribution channel and brand driven marketing strategies—these have provided Coromandel with a competitive edge in the Speciality Nutrients sector. The company is poised to spearhead the rural renaissance in sustainable agriculture and reap rich benefits from this sunrise sector.



GODAVARI GOLD

Depletion of essential nutrients and organic carbon in soils is cited as the main reason for falling grain production and stagnated food grain productivity in India. According to studies, Indian soils are almost bereft of organic carbon, due to continuous agriculture, coupled with injudicious use of chemical fertilisers. In addition, depleted livestock numbers, non usage of green manure crops, and non availability of farmyard manure have also contributed to the fall in productivity. To address this problem to the country's food security and poor crop growth for the farmers, Coromandel developed an innovative organic fertiliser from municipal compost. Branded GODAVARI GOLD, this product not only turns waste into wealth, but also proves to be a farmer friendly soil rejuvenator.

Ankleshwar Plant





Formulation Plant at Ranipet

CROP PROTECTION

Coromandel is among the few in the fertiliser sector, to have a successful crop protection business. The company offers a wide range of crop protection products that help the farmer to control pest attacks on crops.

During the year, the division's formulation plant at Ranipet registered record production levels, catering to a growing market need. To further expand production capabilities, the company acquired a formulation plant at Jammu, in addition to the existing unit which is already in operation.

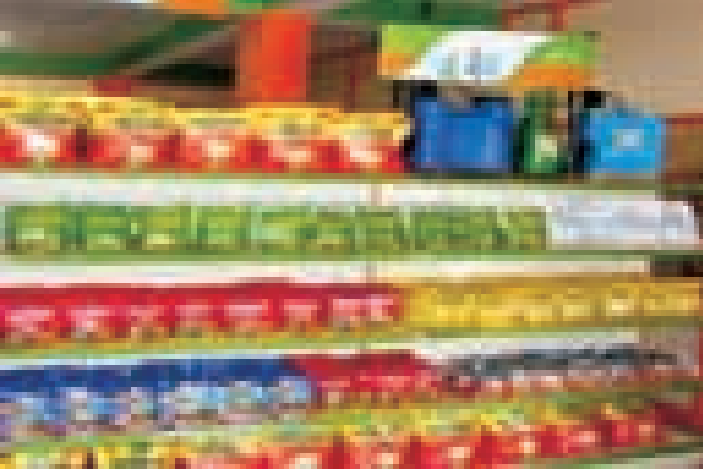
Strong brand driven demand and expansion of the formulation business through retail and channel marketing, has contributed to increased sales volumes. Growth was also driven through innovative co-marketing

strategies that helped the division to capture a significant space in the growing, high value product segments and source popular brands of products for the company's Mana Gromor retail outlets.

Coromandel made a successful foray into the public health segment, with an increase in sale of technicals like Malathion and Temephos, in the domestic market. During the year, the company expanded the production facility at Ankleshwar, for the manufacture of a wider range of technicals.

A new technology development centre has also been set up to focus on new molecules that would augment sales and grow market share. Growth is also slated through market expansion into Latin America, through the company's subsidiary, Coromandel Brasil Limitada, Brazil.

RURAL REACH



Mana Gromor Outlets

To establish a closer relationship with the farming community, by offering quality products at right time and providing marketing solutions within easy reach, Coromandel has set up more than 400 Mana Gromor retail centers in rural Andhra Pradesh. Located at Mandal headquarters, each center covers 30 to 40 villages catering to about 5,000 farm families within a radius of 20 kms. This direct farmer interface has

helped in understanding the customer needs better and reduced the dependence on intermediaries, thereby benefitting both the farmer and the Company.

The Mana Gromor, rural retail model has empowered the farmers and ushered in a rural renaissance with a range of value added products and services.

Coromandel
mitramart



To further provide the urban experience for the farmers, the company has transformed these rural retail outlets into life style centres called 'Mitramart'. With co-marketing tie-ups and product sourcing of popular brands, Mitramart not only enables easy purchase of essentials for the farmer, but also aims to provide the urban comfort to village and small market towns.

As part of its strategies to increase its rural reach and foster inclusive growth, the company plans to expand MGCs to other parts of the country, in the near future.

MANA GROMOR AGRI SERVICES

Rural transformation and prosperity for the farmer, form the business model of the Mana Gromor Centres. These retail outlets provide the farmer with a wide range of fertilisers, seeds, crop protection products, veterinary products, farm mechanisation services, soil testing facilities, and free training sessions on innovative cultivation practices.





ENVIRONMENT PROTECTION

In line with its environment friendly philosophy, Coromandel adheres to 'green and clean' production technologies which are energy efficient, conserve natural resources and have very low emission levels. The company's Safety, Health and Environment measures are on par with international quality standards, with many 'firsts' in the industry.

First in India (1975) to install a Sulphuric Acid Plant based on 'Double Conversion Double Absorption' (DCDA) technology to control sulphur-dioxide emission.

First in India (1987) to successfully implement modern anodically protected acid coolers in the Sulphuric Acid Plant, replacing conventional trombone serpentine coolers.

First in India (1988) to successfully implement total recycling of seawater for its effluent re-circulation system to the Phosphoric Acid Plant.

First in India (1997) to install a terminal for handling Molten Sulphur that is environmentally safe, conserves energy and minimises pollution.

First in Indian Fertiliser Industry (2006) to use steam-based air pre-heaters in the granulation plant, instead of fuel.

Voted one of the top 10 Greenest Companies in India by Tata Energy Research Institute (TERI)-Business Today, reflecting the Company's commitment to the environment and society



Pond at Kakinada Plant

PEOPLE EXCELLENCE

Fuelling the growth of Coromandel are over 7,000 direct and indirect employees who thrive in a work environment enriched with opportunities that provide a multitude of experience. Creating value for employees is one of the foremost objectives of the Company with the belief that this would propel them to continuously create value for Coromandel.

Coromandel is a brand which young intelligent minds want to be associated with. The Company enjoys the position of most preferred employer on the campuses it visits. Employment with Coromandel is regarded not only as financially rewarding but also professionally enriching. The Company is geared to reap the rewards of its investments over the years in the areas of capability enhancement, employee engagement,

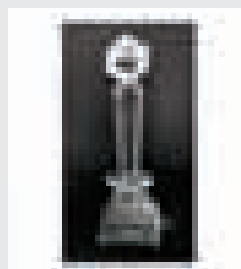
innovation management, succession planning, culture building, HR automation, TQM, Business & HR Excellence.

As the Company continues on its aggressive growth trajectory within and beyond the shores of India, Coromandel continues to invest in robust, scalable and replicable HR processes and systems.

Coromandel's strong emphasis on its values and beliefs enables employees to work ethically, promoting fairness and transparency, while upholding the highest principles of corporate governance for the benefit of all its stakeholders.

And, as Coromandel races into the future, the workforce is maintained in a constant state of readiness to race with the pace.

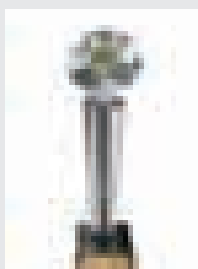
Some of the awards that Coromandel has received in the recent past include:



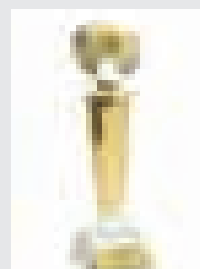
Dun & Bradstreet-Rolta Corporate Award 2009
in Fertiliser sector.



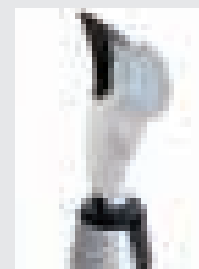
FAI Best Production Performance Award
for Complex (P_2O_5) Fertilisers, Kakinada



FAI Environment Protection Award
for Complex (P_2O_5) Plant, Vizag



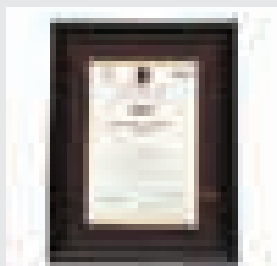
FAI Best Video Film Award
received for the 6th time.



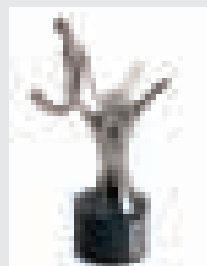
International Award
for The VOICE magazine



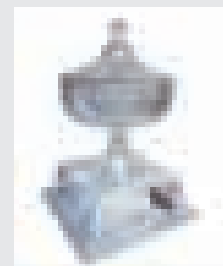
PRSI National Award
for The VOICE magazine received for the 4th time



'Strong Commitment to Excel'
for Vizag & Kakinada Plants.
CII EXIM-BANK Business Excellence Award



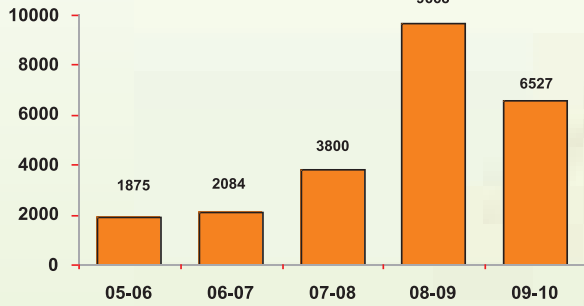
CNBC Award for
Most Engaged Workforce



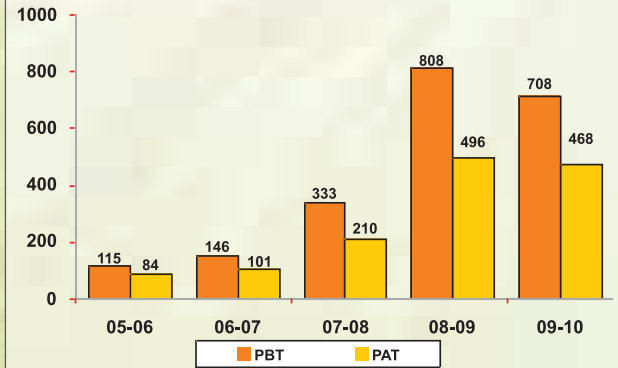
DMA-Erehwon National Award
for Innovation in HR

STRONG FUNDAMENTALS

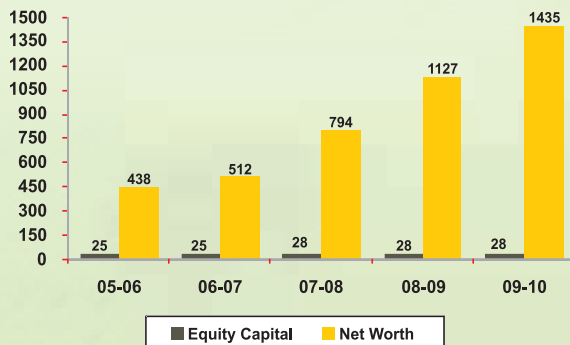
SALES AND OTHER INCOME
Rs. in Crore



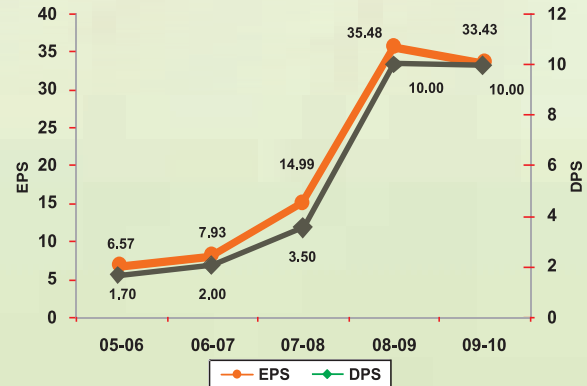
PROFIT BEFORE / AFTER TAX
Rs. in Crore



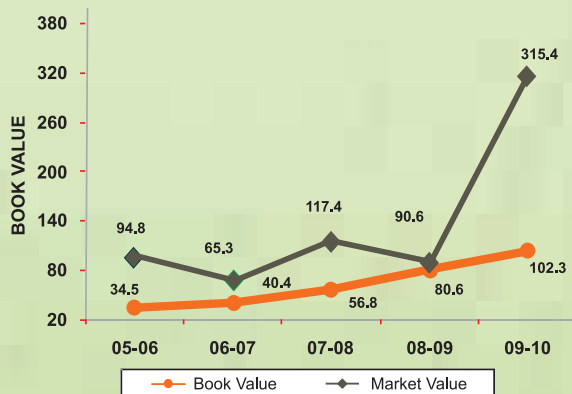
EQUITY CAPITAL & NET WORTH
Rs. in Crore



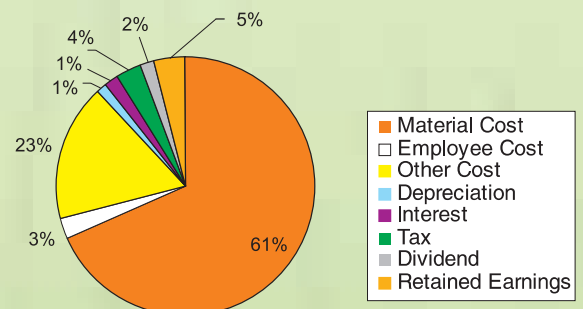
EPS & DPS



BOOK VALUE & MARKET VALUE PER SHARE



DISTRIBUTION OF INCOME : 2009-10



CORPORATE INFORMATION

BOARD OF DIRECTORS

A Vellayan

Chairman

K Balasubramanian

Director

B V R Mohan Reddy

Director

R A Savoor

Director

M K Tandon

Director

D E Udwadia

Director (upto 21.07.2009)

M M Venkatachalam

Director

Ranjana Kumar

Director (from 19.03.2010)

V Ravichandran

Managing Director

MANAGEMENT TEAM

V Ravichandran

Managing Director

P Nagarajan

Chief Financial Officer

G Ravi Prasad

Sr Vice President - Sales & Marketing (Fertilisers)

P Gopalakrishna

Sr Vice President - Retail

Harish Malhotra

Sr Vice President - Commercial

G Veera Bhadram

Sr Vice President - Pesticides SBU

Arun Leslie George

Sr Vice President & Head of HR

S Govindarajan

Sr Vice President & Head of Manufacturing

M R Rajaram

Company Secretary

BANKERS

State Bank of India

HDFC Bank Limited

IDBI Bank Limited

ICICI Bank Limited

Hongkong and Shanghai

Banking Corporation Limited

AUDITORS

Price Waterhouse

8-2-293/82/A/1131A

Road No. 36, Jubilee Hills

Hyderabad - 500 034

COST AUDITORS

Mr V Kalyanaraman

Mr Dantu Mitra

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

Plot No. 17-24, Vithal Rao Nagar

Madhapur

Hyderabad - 500 081

REGISTERED OFFICE

"Coromandel House"

1-2-10, Sardar Patel Road

Secunderabad - 500 003

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FINANCIAL HIGHLIGHTS - TEN YEARS' RECORD

Rupees in Lakhs

| | Year Ended 31st March | | | | | | | | | |
|------------------------------|-----------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Gross Income | 61282 | 67972 | 58977 | 122259 | 155417 | 187471 | 208423 | 380011 | 966781 | 652685 |
| Gross Profit | 10649 | 10801 | 7497 | 13213 | 14670 | 17645 | 21812 | 45537 | 94903 | 84304 |
| Depreciation | 1456 | 1724 | 1560 | 3264 | 3510 | 3708 | 3984 | 5213 | 5613 | 5923 |
| Interest | 2155 | 1769 | 1288 | 2872 | 1873 | 2401 | 3193 | 6983 | 8472 | 7537 |
| Profit Before Tax | 7038 | 7308 | 4649 | 7077 | 9287 | 11536 | 14635 | 33342 | 80818 | 70844 |
| Profit After Tax | 5288 | 4554 | 2703 | 4311 | 6919 | 8355 | 10074 | 20976 | 49638 | 46820 |
| Net fixed Assets @ | 25003 | 22269 | 21821 | 37757 | 37134 | 36367 | 38241 | 73539 | 79184 | 81731 |
| Investments | 63 | 298 | 1265 | 13617 | 13488 | 16181 | 17408 | 7231 | 16331 | 21105 |
| Net Current Assets | 18450 | 14693 | 22674 | 20006 | 22768 | 41393 | 57625 | 111208 | 197136 | 240989 |
| Total Capital Employed @ | 43516 | 37260 | 45760 | 71380 | 73390 | 93941 | 113274 | 191978 | 292651 | 343825 |
| Shareholders' Funds @ | 23654 | 21490 | 22954 | 33105 | 37906 | 43799 | 51244 | 79444 | 112714 | 143499 |
| Borrowings | 19862 | 11210 | 17785 | 29559 | 26791 | 42626 | 54896 | 104287 | 171990 | 191779 |
| Deferred Tax Liability (Net) | | 4560 | 5021 | 8716 | 8693 | 7516 | 7134 | 8247 | 7947 | 8547 |
| Total Capital Employed @ | 43516 | 37260 | 45760 | 71380 | 73390 | 93941 | 113274 | 191978 | 292651 | 343825 |
| Earnings Per Share (Rs.)* | 5.44 | 4.68 | 2.78 | 3.39 | 5.45 | 6.57 | 7.93 | 14.99 | 35.48 | 33.43 |
| Dividend on Equity (%) | 65 | 70 | 60 | 65 | 75 | 85 | 100 | 175 | 500 | 500 |
| Book Value per share (Rs.)* | 24.4 | 22.0 | 23.6 | 26.0 | 29.8 | 34.5 | 40.3 | 56.8 | 80.6 | 102.3 |

1. Financials from 2003-04 onwards include Farm Inputs Division (FIND) of E.I.D. - Parry (India) Limited which merged with Coromandel effective April 1, 2003
2. Financials from 2006-07 onwards include Ficom Organics Limited and its wholly owned subsidiary Rasilah Investments Limited which merged with Coromandel effective April 1, 2006.
3. Financials from 2007-08 onwards include Godavari Fertilisers and Chemicals Limited which merged with Coromandel effective April 1, 2007.

@ Excluding Fixed Assets Revaluation Reserve

* Earnings per share and Book value per share upto the year 2005 recomputed based on split face value of Rs.2/- per share.

NOTICE

Notice is hereby given that the FORTY EIGHTH Annual General Meeting of the Members of Coromandel International Limited will be held on Thursday, July 22, 2010 at 10.30 AM at Hotel Minerva Grand, CMR Complex, beside Manju Theatre, Sarojini Devi Road, Secunderabad, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr A Vellayan, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr M K Tandon, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and in this connection, to consider and if deemed fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Price Waterhouse, Chartered Accountants, bearing Registration No. 007568S with the Institute of Chartered Accountants of India, be and they are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until

the conclusion of the next Annual General Meeting, on a remuneration of Rs.28.00 Lakhs (Rupees Twenty eight Lakhs) plus reimbursement of out of pocket expenses (excluding service tax)".

Special Business

6. To appoint a Director in place of Mrs Ranjana Kumar who was appointed as an Additional Director under Article 109 of the Articles of Association of the Company and holds office up to the date of this Annual General Meeting by reason of Section 260 of the Companies Act, 1956, but being eligible, offers herself for reappointment and in respect of whom a notice in writing has been left at the Registered Office of the Company by a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mrs Ranjana Kumar as a candidate for the office of the Director.

By Order of the Board
For **COROMANDEL INTERNATIONAL LIMITED**


M R RAJARAM
Company Secretary

Registered Office:
"Coromandel House"
1-2-10, Sardar Patel Road
Secunderabad 500 003
Andhra Pradesh
Dated: April 22, 2010

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.

An Explanatory Statement under Section 173 of the Companies Act, 1956, in respect of item 6 is appended hereto.

The Register of Members and the Share Transfer Books of the Company will remain closed from July 16 to July 22, 2010 (both days inclusive).

Members are requested to intimate at the earliest any change in their address registered with the Company.

Pursuant to the provisions of Section 205C of the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed upto the financial year 2001-2002 has been transferred to the Investors Education & Protection Fund.

Members/Proxies attending the Meeting are requested to complete and bring the attendance slip enclosed with the Annual Report and hand over the same at the entrance of the meeting hall, duly signed.

The Reserve Bank of India (RBI), has introduced a new electronic fund transfer platform called the National Electronic Clearing System (NECS) for disbursement of dividends. Earlier, Electronic Clearing Service (ECS) was used for payment of dividends directly to the bank accounts of shareholders. The advantages of NECS over ECS include faster credit of remittances to beneficiary's account, coverage of more bank branches and ease of operations for remitting agencies. NECS essentially operates on the new and unique bank account number (having not less than 10 digits) allotted by banks post implementation of the Core Banking Solutions (CBS).

This new (NECS compliant) account number is required to be intimated to your Depository Participant (in case your shares are in demat mode) or the Company's Registrar & Share transfer agents (M/s Karvy Computershare Pvt. Ltd, in case your shares are in physical mode) for us to effect the dividend payment through the NECS mode. For those shareholders, who have already registered their bank account numbers for receiving dividend through ECS but their bank/branch has not implemented CBS, dividend payment would continue through the ECS facility.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 (hereinafter referred to as "the Act").

ITEM NO 6

Mrs Ranjana Kumar (64) was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on March 19, 2010 pursuant to Article 109 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. In terms of the said Section, Mrs Ranjana Kumar holds office only upto the forthcoming Annual General Meeting of the Company.

Notice in writing under Section 257 of the Companies Act, 1956, has been received from a Member signifying his intention to propose Mrs Ranjana Kumar as a Director of the Company along with a deposit of Rs.500/- as required under the provisions of Section 257 of the Act, which will be refunded to the Member if Mrs Ranjana Kumar is elected as a Director.

Mrs Ranjana Kumar is interested in the Resolution at this item of the Notice since it relates to her own appointment. A brief resume,

as required pursuant to Clause 49(vi) of the Listing Agreement entered into between the Company and the Stock Exchanges, is set out in the Report on "Corporate Governance" appearing at page 22 of the Annual Report.

By Order of the Board
For **COROMANDEL INTERNATIONAL LIMITED**



M R RAJARAM
Company Secretary

Registered Office:
"Coromandel House"
1-2-10, Sardar Patel Road
Secunderabad 500 003
Andhra Pradesh

Dated: April 22, 2010

DIRECTORS' REPORT

Your Directors have pleasure in presenting their report together with the audited accounts for the financial year ended March 31, 2010.

SUMMARY OF FINANCIAL RESULTS:

| | Rupees in crore | |
|---|-----------------|----------------|
| | 2009-2010 | 2008-2009 |
| Income: | | |
| From Operations | 6394.73 | 9374.98 |
| Income from Business Assistance Agreement | — | 158.59 |
| Other | 132.12 | 134.23 |
| TOTAL | 6526.85 | 9667.80 |
| Profit: | | |
| Profit before Interest | 843.04 | 949.03 |
| Depreciation and Taxation | | |
| Less: Interest | 75.37 | 84.72 |
| Depreciation | 59.23 | 56.13 |
| Profit Before Tax | 708.44 | 808.18 |
| Less: Provision for Tax (including FBT and deferred tax credit) | 240.24 | 311.80 |
| Profit after Tax | 468.20 | 496.38 |
| Add: Surplus brought forward | 148.86 | 53.01 |
| Amount available for Appropriation | 617.06 | 549.39 |
| Appropriation: | | |
| - Interim Dividend (incl. dividend tax) | 98.45 | 98.20 |
| - Proposed Final Dividend (incl. dividend tax) | 65.43 | 65.47 |
| - Transfer from Debenture Redemption Reserve | — | (13.14) |
| - Transfer to General Reserve | 250.00 | 250.00 |
| - Surplus retained in the Profit and Loss Account | 203.18 | 148.86 |

Operations

Your Company's performance for the year under review has been quite satisfactory despite the monsoon playing truant during the Kharif season. All business units have significantly improved on operational performance over last year and the lower turnover is mainly on account of steep fall in the prices of fertiliser raw materials and traded fertilisers.

The Fertiliser Plants at Visak and Kakinada, continued to establish a number of new records including record daily DAP/Complex production. Sale volume of fertilisers has gone up by nearly 34%. During the year Pesticides formulation volumes improved significantly thanks to higher sales through "Mana Gromor" retail outlets. The operations at the new manufacturing facilities commissioned at Ankhleshwar Unit have been stabilized.

Speciality nutrients business comprising of Water Soluble Fertilisers, Secondary and Micro Nutrients and Municipal Compost achieved increased market share despite adverse weather condition and increased competition.

The Mana Gromor Centres (MGC), which started in the year 2007, currently have more than 400 Centres operating across Andhra

Pradesh. During the year under review, sale of Life Style Products (LSP) were introduced in some of these centres. These centres in addition to selling Fertilisers and Pesticides also provide a number of value added services such as Technical Training, Soil Testing Facilities etc. Consequent to members' approval, the Objects Clause was amended to provide for farm mechanization services being rendered to the farming community.

Coromandel International Limited - New Brand/New Image

During the year, the Company which is a flagship Company of the Murugappa Group, changed its name from 'Coromandel Fertilisers Limited' to 'Coromandel International Limited' (Coromandel) to reflect its growing business profile and its global presence. The Company also unveiled its new Brand identity through a new logo, vision statement and values reflecting its evolving persona. The new Brand building block 'Maximiser' is a step to portray Coromandel's entrepreneurial spirit going beyond just pure fertiliser business which manifests in its global scale of operations and its internal resources, people, technology and processes, all being world class. The brand focus continues to be on 'maximising' productivity, progress, protection and prosperity for the customers of Coromandel. It also gives a new dimension about maximizing internal progress for the new level of performance, employee engagement and governance.

Technical Assistance Agreement with Foskor (Pty) Limited (South Africa)

The relationship with Foskor continues to yield mutual benefits. Your Company along with its wholly owned subsidiary Company, CFL Mauritius Ltd. continues to hold 14.0% of equity of Foskor.

The two year Technical Assistance Agreement with Foskor (Pty) Limited, South Africa, came to an end in March 2010. The Company is in the process of renewing the Agreement for a further period of two years effective April 1, 2010.

Subsidiary Companies

CFL Mauritius Limited

The subsidiary Company earned a total income of US \$15.91 million (equivalent to Rs. 76.22 crore) and net profit of US \$ 14.70 million (equivalent to Rs.70.43 crore) during the year ended December 31, 2009 comprising mainly the dividend income received from Foskor against its investment in that Company.

Parry Chemicals Limited (PCL)

PCL which is a 100% subsidiary of your Company earned a total income of Rs. 0.57 crore for the year ended March 31, 2010 and the Profit after Tax was Rs. 0.02 crore.

Coromandel Brasil Limitada

Coromandel Brasil Limitada, the Limited Liability Company in Brazil incorporated last year commenced its operations and initiated product registration activities. The Company incurred net loss of Brazilian Reals 0.23 million (equivalent to Rs. 0.57 Crore) for the year ended December 31, 2009.

Joint Venture Companies

TIFERT

Tunisian Indian Fertilisers Company Limited (TIFERT) formed in Tunisia to set up a phosphoric acid plant has achieved technical and financial closure and work on the Project is progressing well. Your Company has invested a sum of about US \$ 29 Million towards 15% equity stake in TIFERT. The plant is expected to be commissioned by the first quarter of 2011. This strategic investment is aimed at securing uninterrupted supply of phosphoric acid for the Company's operations.

Coromandel Getax Phosphates Pte Ltd

The JV Company "Coromandel Getax Phosphates Pte Ltd" in Singapore formed for exploring the opportunities for rock phosphate mining/sourcing continued its effort during the year under review.

Coromandel SQM India Pvt Ltd

During the year under review, your Company along with SQM, Chile, world leaders in manufacturing Water Soluble Fertilisers (WSF) had formed a joint venture Company by name "Coromandel SQM India Pvt Ltd" to set up a WSF plant at Kakinada, Andhra Pradesh and is awaiting statutory approvals.

Safety, Health and Environment

Company's focus on Safety, Health and Environment (SHE) continued during the year under review across the locations. However during the year there was an unfortunate accident at the Kakinada Plant in which two operators lost their lives during ammonia ship unloading operations. The Company had immediately taken all necessary measures to provide necessary assistance to the affected families and to ensure that such incidents do not recur.

Dividend

Your Directors recommend a Final Dividend of Rs.4/- per equity share. With this the total dividend for the year would be Rs.10/- per equity share including an interim dividend of Rs. 6/- per equity share paid to the members. The Members may recall that a Dividend of Rs. 10.00 per equity share was paid last year.

Consolidated Financial Results

A Consolidated Financial Statement incorporating the operations of the Company, its subsidiaries, Joint Venture Companies and Associate Company has been appended.

The Ministry of Corporate Affairs, while exercising its powers under Section 212 (8) of the Companies Act, 1956 has exempted the Company from publishing the Annual Report of its subsidiary Companies since a Consolidated Statement has been appended. In view of this, the Annual Report of the Subsidiary Companies, i.e. Parry Chemicals Limited, CFL Mauritius Limited and Coromandel Brasil Limitada have not been annexed.

However, the Accounts of the Subsidiary Companies and the related information will be made available to the Members of Coromandel International Limited and its Subsidiary Companies on request and will also be kept for inspection in the Registered Office.

Awards/Recognition

Your Company continues to receive a number of awards/accolades from Industry associations. During this year your Company received the following awards/accolades:

- Fertiliser Association of India Award for Best Production performance for Complex Fertilisers received by Kakinada Plant
- Fertiliser Association of India - Environment Protection Award for Complex Plant at Visak
- Fertiliser Association of India Award for Best Video Film on Gromor NPK 19:19:19 Water Soluble Fertilisers
- Visak and Kakinada Plants received the commendation from CII for its strong commitment to excel in the CII-Exim Bank Business Excellence Award

Management Discussion & Analysis and Corporate Governance

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.

As per the requirements of the Listing Agreement with Stock Exchanges, a report on Corporate Governance duly audited is annexed for information of the Members.

Directors

In accordance with Article 121 of the Company's Articles of Association, read with Section 255, 256 and 262 of the Companies Act, 1956, Mr M K Tandon and Mr A Vellayan are retiring at the ensuing Annual General Meeting and are seeking re-election.

The Board of Directors appointed Mrs Ranjana Kumar as an Additional Director effective March 19, 2010. The Company has received notice from a Member proposing her nomination for Directorship.

Auditors

M/s Price Waterhouse, Chartered Accountants, Auditors retire at the ensuing Annual General Meeting and are eligible for reappointment.

Auditors Report

The Auditors in their report have observed that subsidy income estimation for the year is based on management's understanding/ estimates under the subsidy scheme in vogue for the year ended March 31, 2010.

The Board is of the view that the Company has consistently been following a prudent method of accrual/recognizing subsidy income based on management's understanding/estimate of the likely subsidy receivable under the prevalent Subsidy Scheme.

Disclosures

Additional information on conservation of energy, technology absorption and foreign exchange earnings/outgo, as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of this Report.

A statement concerning employees as required by Section 217(2A) of the Companies Act, 1956 is attached to this report.

As required by Section 217 (2AA) of the Companies (Amendment) Act, 2000, Director's Responsibility Statement is annexed hereto and forms part of this report.

The disclosures as required under clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 are annexed to this report for information of the Members.

Acknowledgement

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

The Directors also wish to acknowledge and record their appreciation of the continued support and assistance received by the Company from State Bank of India and other Banks, financial institutions, as well as from various Government bodies both at the Centre and the State.

On behalf of the Board


A Vellayan
Chairman

Place : Secunderabad
Date : April 22, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC SCENARIO:

The Indian economy achieved a significant growth during 2009-10, despite a global recession and a delayed and sub-normal monsoon in the first half of the year. As per the advance estimates of GDP for 2009-10, released by the Central Statistical Organization (CSO), the economy is estimated to have recorded growth at 7.2% in 2009-10, with the growth in industrial and service sectors reported at 8.2% and 8.7% respectively. This is despite a negative growth of 0.2% in agricultural sector as a consequence of sub-normal monsoon.

Deficiency in rainfall in the south west monsoon during 2009-10 severely affected Kharif crop, esp. Paddy. As per the first advance estimates, covering only the Kharif crop, production of food-grains is estimated at 98.83 million tonnes in 2009-10, as against 117.70 million estimated for the Kharif season of 2008-09 and a target of 125.15 million tonnes set for 2009-10. As against this, the total foodgrains production in 2008-09 was the highest at 233.88 million tonnes.

2. ORGANIZATION:

Coromandel is a flagship Company of Murugappa Group and is a subsidiary of EID Parry (India) Limited (EIDP) which holds 62.94% of the equity in the Company. The Company is engaged in the business of Farm Inputs comprising of Fertilisers, Pesticides and Speciality Nutrients. The Company is also engaged in rural retail business in Andhra Pradesh through its "Mana Gromor Centres" set up in various parts of the State. The Company has 8 manufacturing facilities located in the States of Andhra Pradesh, Tamil Nadu, Maharashtra, Gujarat and Jammu & Kashmir. The Company's products are marketed all over the Country through an extensive network of dealers and "Mana Gromor Centres" (MGCs).

The Company has following subsidiaries and joint ventures for its various business initiatives.

- Parry Chemicals Limited, India
- CFL Mauritius Limited, Mauritius
- Coromandel Getax Phosphates Pte Ltd, Singapore
- Coromandel Brasil Limitada, Brazil
- Coromandel SQM (India) Pvt Ltd, India.

The Company also holds 15% equity stake in Tunisia Indian Fertilisers Company Ltd, Tunisia and 14% (combined holding of Coromandel and CFL Mauritius Limited) equity stake in Foskor (Pty) Ltd, South Africa.

During the year, the Company had set up a Joint venture Company viz., Coromandel SQM Pvt Ltd along with SQM International Ltd, Chile for putting up a manufacturing facility in Kakinada for manufacture of Water Soluble Fertilisers. Coromandel holds 50% equity stake in this Joint Venture Company with the balance 50% equity being held by the overseas partner.

The Management Discussion and Analysis given below discusses the key issues concerning each of the Strategic Business Units (SBUs) forming part of the Farm Inputs business of the Company and of the Retail Business.

3. FARM INPUTS:

A. FERTILISERS SBU:

Coromandel with a production capacity of 3.26 million tonnes

of Phosphatic Fertilisers is one of the leading manufacturers in this business segment in India. The Company produces and sells Phosphatic Fertilisers of various grades ranging from Di Ammonium Phosphate (DAP), Complex Fertilisers with different composition of nutrients, to Single Super Phosphate (SSP). The Company also trades in imported Potash, a key Plant nutrient. The Company's fertilisers are sold under the well established brand names viz. 'Gromor', 'Godavari', 'Paramfos', 'Parry Gold' and 'Parry Super'. The manufacturing facilities are located at Visakhapatnam and Kakinada in Andhra Pradesh Ennore and Ranipet in Tamil Nadu.

(a) INDUSTRY SCENARIO:

India continues to be one of the largest consumers of fertilisers with the total consumption in 2009-10 being estimated at about 53.3 million tonnes in terms of various products as against 50.7 million tonnes in the previous year.

| | (in Million MT) | |
|---------------------|-----------------|---------|
| Products | 2009-10 | 2008-09 |
| Urea | 26.5 | 26.7 |
| DAP | 10.2 | 9.4 |
| Complex Fertilisers | 8.2 | 7.1 |
| Muriate of Potash | 4.7 | 4.1 |
| SSP & Others | 3.7 | 3.4 |
| Total | 53.3 | 50.7 |

Consumption of fertilisers in terms of nutrients crossed 26.3 million MT for the year comprising of 12.7 million MT in Kharif and 13.6 million MT in Rabi.

The total fertiliser production in the country for 2009-10 is estimated at 36.8 million tonnes comprising of 21.1 million tonnes of urea, 4.2 million tonnes of DAP and 11.5 million tonnes of complex fertilisers, SSP and others. This is higher than the previous year production of 33.2 million tonnes, comprising of 19.9 million tonnes of urea, 3.0 million tonnes of DAP and 10.3 million tonnes of complex fertilisers, SSP and others.

During 2009-10, the country imported nearly 5.8 million tonnes of Urea (2008-09 - 6 million MT), 5.8 million MT of DAP (2008-09 - 6.5 million MT) and 4.9 million MT of MOP (2008-09 - 5.7 million MT) aggregating to nearly 16.5 million tonnes of fertilisers. With a number of units in the country not producing phosphatic fertilisers to their full capacity for various reasons including tightness in availability of raw materials, the volume of DAP imports is expected to remain high in the year 2010-11 also.

Unlike in the previous year, in 2009-10 the prices of traded fertilisers and fertiliser raw materials generally remained stable except during the last quarter viz., January-March 2010, when the prices of DAP and other fertiliser inputs (except Muriate of Potash & Urea) started moving up significantly.

(b) GOVERNMENT POLICIES:

Effective April 1, 2010, the Government of India has notified a new Nutrient Based Subsidy (NBS) policy

providing for a fixed rate subsidy based on the nutrient content and floating price linked to market forces.

The subsidy will be fixed based on import parity price adjusted for MRP wherein the subsidy for 'P' will be based on import parity price of DAP, 'N' based on Urea, 'K' based on Potash and 'S' based on sulphur prices.

The prevailing MRP has been deducted from the import parity price to arrive at the subsidy payable per nutrient.

Consequent to the new policy, the price of Urea has been revised by Government by 10% over the price prevailing till March 2010.

The subsidy will continue to be disbursed through the industry in the first phase. It is expected that the NBS will benefit the industry as well as the farmers in the long run and will provide an opportunity to capture the brand premium and introduce new products to suit the specific requirement of soil and crops.

The new policy will be conducive to the introduction of new grades of fertilisers with different nutrients being made available to farmers at competitive prices. This will also enable the Government to maintain the subsidy level at a sustainable level over a period of time, thus creating a win-win situation for all stakeholders

The subsidy disbursement during the year 2009-10 was reasonably prompt and there were no further settlement in the form of fresh bonds during the year. It is expected that going forward, the Government will continue to settle the subsidy dues in 2010-11 promptly, although it is felt that the current budgetary support for fertiliser subsidy for 2010-11 is not adequate.

The Company continues to hold Fertiliser bonds of the face value of nearly Rs. 1000 crore allotted during 2008-09, in view of the increase in yield levels which resulted in the bonds trading at higher discount levels of 10-13%. The Company has provided for a loss of Rs.137 crore (including Rs. 117 crore provided for in the earlier financial year 2008-09) in respect of these bonds, due to 'Mark to Market' valuation. The industry has been continuously representing to the Government for compensation for the loss incurred in respect of these bonds.

(c) FERTILISER SBU PERFORMANCE:

The Company achieved a sale volume of 29.08 Lakh MT (including 2.51 Lakh MT of imported MOP) compared to 21.62 Lakh MT sold during the previous year. During the year, the Company marketed its fertilisers in 11 States, including Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu, etc.

The movements of fertilisers during the year were strictly governed by movement orders issued by Government of India and this necessitated movement to many states.

Coromandel continues to have a significant presence in Andhra Pradesh, Tamil Nadu, Karnataka, Chattisgarh, Maharashtra, West Bengal and Orissa.

Strategic tie ups for raw materials and adequate planning enabled the Company to maximise production in all its

units thereby increasing availability of fertilisers and timely supply to farmers.

Kakinada unit continues to achieve improved operational efficiencies and various initiatives have been taken up in Visakhapatnam Unit to increase throughput of granulation plants and also to improve operational flexibility of Phosphoric acid plant to handle various types of rocks.

The Company's Technology Development Centre at Visakhapatnam continues to focus on improving product efficiencies, development of new products including customized fertilisers and usage of various grades of rocks for phosphoric acid manufacture.

B. PESTICIDES-SBU:

(a) INDUSTRY SCENARIO:

Global Agro-chemicals industry has been registering a CAGR of more than 8% for the last 5 years. However, during 2009-10, global Agro-chemicals Industry has declined by 6% mainly due to financial crisis and carry forward inventory in Latin American countries. Acreages of Genetically Modified (GM) Soya, Maize and Cotton continued to grow and record production of Soya was witnessed in Latin American countries. Global cotton production witnessed a decline though Indian cotton production continues to rise.

Increase in regulatory pressure on generic molecules by European Union and other countries has led to ban of many molecules and China has withdrawn many highly toxic, high-residue products from the market.

Indian Industry witnessed moderation of prices due to increased availability from China and drought in key consuming states in Kharif 2009. Good rainfall in Rabi season has increased consumption of pesticides in the second half.

Continued higher MSP for cereals led to increased consumption in Paddy, making it the major crop for pesticides consumption followed by Cotton. Cotton sowing touched record acreage during 2009-10, with increased adoption of Bollguard II technology, which gives control against many larval pests.

Increased adoption of high value products by farmers was witnessed leading to drop in volumes of high dosage generics. This boosted the growth in turnover of Industry by 10% while there was a drop in volume of generics by nearly 20%.

(b) PESTICIDES SBU PERFORMANCE:

Pesticides SBU of the Company achieved a turnover of over Rs.350 crore (growth of 13%) boosted by strong formulations brands business and domestic technicals sales.

The Company successfully expanded the formulation business through its retail chain and also by increasing sale volume through its dealer network. Company could introduce new molecules required for private trade and source popular brands required for retail chain, through its co-marketing relationships. This helped the Company to capture significant share in growing segments of high value products.

Company's subsidiary, Coromandel Brasil Limitada, has begun operations during the year and initiated steps for registration of the Company's products.

During the year the Company made a successful entry into public health segment by increasing sale of technicals in the domestic market.

In Technicals business, while sale of Endosulfan and Profenophos has shown growth over last year, lack of demand for Malathion in the international market has affected exports. During the year the Company has commissioned its new facilities at Ankleshwar for manufacturing various technicals and also set up a Technology Development Centre for developmental work.

The Company continues to focus on stewardship activities for Endosulfan which is facing threat of ban in many countries. Various steps have already been initiated to augment the sales of other technicals.

Formulations plants in Ranipet and Jammu achieved record production levels and catered to the growing demand of formulations business.

C. SPECIALITY NUTRIENTS SBU:

The Company's Speciality Nutrient Business has a wide product range divided into 3 segments viz:

- Secondary and Micro-nutrients, (including sulphur based products)
- Water soluble Fertilisers (WSF)
- Municipal Compost - Godavari Gold

The products offered by Coromandel in the secondary & Micro-nutrients segment include Bentonite Sulphur, Zinc, Sulpho Zinc, and Boron. The Company continues to be a market leader in Bentonite Sulphur and registered a growth of 58% over last year in this segment.

As regards WSF, Coromandel has its presence in all the major WSF grades which are popular in the country. During the year, the Company received exclusive manufacturing and marketing permission from Government of India for two new grades and these products have already been launched.

Organic Carbon, an essential component of Indian agriculture is now depleted in most of the agricultural tracts of India. The depleting carbon content is impacting fertiliser use efficiency. Fertilisers to food grain productivity ratio has dwindled to 1:6 Kg during 2008 from a level of 1:15 Kg in 1948. Considering this situation, Coromandel has identified organic carbon through municipal solid waste as a good source of improving soil fertility and has entered this segment in 2008. The Company has initiated efforts to pack and market municipal compost in the brand name of 'Godavari Gold' and sold significant volume in the current year.

During the year, the Company enhanced its range of Speciality Nutrient Products.

The overall turnover/contribution of the Speciality Nutrients business doubled during the year and the business is expected to achieve significant growth in the years to come.

D. RETAIL SBU:

The Mana Gromor rural retail business which began in 2007 to provide "one stop solution" to farmers has now been expanded to over 400 centers operating across AP. The response from the farming community has been very positive and Company has been striving to provide urban shopping experience for the rural community by setting up spacious outlets with good ambience. Besides marketing its own products like Fertilisers, Pesticides, Speciality Nutrients the Company is also selling other Agri products like Seeds and other traded fertilisers, pesticides, organic manure and its variants. Some of the new products/services taken up by MGCs during the year included Water Soluble Fertilisers (WSF), Animal Feed, Farm implements like sprayers, Farm mechanization services, Cement and Life Insurance etc.

The Company is in the process of consolidating and stabilizing the operations of Retail SBU and will expand to neighbouring states like Tamil Nadu, Karnataka and Maharashtra over a period of time.

4. COMPANY'S PERFORMANCE:

The Company's overall financial results achieved for the financial year 2009-10 have been good, despite the failure of monsoon in the first half of the year. While Sales have grown by 31.3% due to improved sales performance across all SBUs, Government Subsidies have dropped from Rs 7219.69 crore in 2008-09 to Rs 3564.20 crore in 2009-10 - reduction of nearly 50.6% mainly due to steep fall in the international prices of all fertiliser raw materials and traded fertilisers.

The Company's profitability, with due adjustment for the one time income of Rs.158.59 crore earned during previous year under the Business Assistance Agreement with Foskor (Pty) Ltd, South Africa, has increased by 9% thanks to improved operational performance in all SBUs of the Farm Inputs Segment and lower interest burden.

5. STRENGTHS AND OPPORTUNITIES:

Coromandel continues to invest in infrastructural facilities including raw material godowns, bagging and distribution facilities. This will enable the Company to increase its capacity to handle higher volume of raw materials and finished goods in line with its production capacity. The Company also made investments at its Visak and Kakinada Plants to increase the instantaneous production capacity and improve operational efficiencies. Further, in order to increase its own Phosphoric Acid Capacity and develop flexibility for using low grade rocks, the Company has commissioned a new Belt filter system in its Phosphoric Acid Plant at Visak.

Besides, the R&D pilot plant set up at Visak has enabled the Company to carry out trials on different grades of Rock Phosphate and also develop new grades of fertilisers such as Fortified DAP (with Sulphur), 'NK' Fertilisers, new grades of Water Soluble Fertilisers, Sulpho Zinc, etc.

The tie-ups with M/s Foskor (Pty) Ltd, South Africa, M/s Groupe Chimique Tunisien, Tunisia and ICL. Israel has also enabled the Company to meet most of its Phosphoric acid requirement.

The setting up of Mana Gromor Centres across Andhra Pradesh has enabled the Company to sell its products directly

to the farmers reducing its dependence on intermediaries, which has benefited the Company as well as the farming community. The farmers data base being collected through these centres has been of immense benefit to the Company in developing new products to meet the farmers' requirements.

In the Pesticides business, the Company will leverage its co-marketing tie-ups to access new chemistry molecules. The upgraded R & D facility at Ankleshwar should enable the Company to bring out new products through reverse engineering of off-patent monopoly molecules.

The strong financial position of the Company and its healthy credit rating/credit worthiness with the bankers and vendors has enabled the Company to raise working capital finance at attractive interest rates.

6. OUTLOOK:

With the notification of the new Nutrient Based subsidy (NBS) policy, it is expected that there will be more certainty/stability on the subsidy front and this policy would also enable Company to capture the value of its brands. This policy would also enable the Company to introduce new products in line with the soil/crop requirements.

The Company will continue to leverage on its international tie-ups to ensure continued supply of all raw materials at the most competitive international prices. The Company is in the process of developing new vendors and new sources of raw materials especially for Phosphoric Acid and Rock Phosphate. The Tunisian Company viz. Tunisian Indian Fertiliser Company, Tunisia which has achieved technical and financial closure is expected to be commissioned by first quarter of 2011 and will supply additional phosphoric acid required by the Company.

The focus during 2010-11 will be on increasing the volume of fertilisers leveraging on the increased instantaneous capacity created in the various plants. Efforts will be made to further improve operating efficiencies.

Under the NBS policy, it is expected that settlement of subsidy dues will be faster and better. The Industry has taken up with Government of India for compensation for the loss suffered by them in respect of the bonds allotted to them during the previous years. The Govt. has indicated to the Industry that there will be no further allotment of bonds and all subsidy dues will be settled in cash.

As regards the pesticides business, the focus will be on stabilizing the operations at Ankleshwar Plant and introduce

new technicals. It is also proposed to strengthen the R&D activities at the Ankleshwar R&D facility. On the exports front, it is planned to increase the market presence in Latin America by completing the product registration formalities in Brazil through the Subsidiary Company.

In respect of formulations business, the Company will continue to focus on specialities to boost up the volume and profitability and leverage retail operations and improve sales in AP.

In the Speciality Nutrient Business, the Company has plans to expand its product portfolio especially in the WSF segment to cater to all customers and crop segments. The new subsidiary set up along with SQM, Chile will be commissioning the JV project at Kakinada during the year and this will enable the Company to introduce new products and increase the volume of business in this segment. The Company also proposes to develop additional vendors for sourcing Municipal compost, besides setting up own manufacturing facilities across the country to scale up the volume.

As regards the Rural Retail business, the Company expects to increase the volume of sales of various products - Agri, Non agri including life style products. The Company also plans to expand retail operations to some of the neighbouring States like Tamil Nadu, Karnataka and Maharashtra.

7. RISK MANAGEMENT:

Risk Management refers to the formal processes whereby risks associated with the enterprise are managed as a whole. Risk Management encompasses the following processes:

- Identification of Risks and Risk owners
- Evaluation of the Risks as to likelihood and consequences
- Assessment of options for mitigating the Risks
- Prioritizing the Risk Management efforts
- Development of Risk Management plans
- Authorization for the implementation of the Risk Management plans
- Implementation and review of the Risk Management efforts

The Company on an ongoing basis assesses different risks associated with its business and its mitigation plan.

A Risk Management policy document detailing the various risks associated with the business, the probability of their occurrence, their likely impact and plans to minimise or overcome the impact of the risk is circulated to the Senior Management team and Board of Directors periodically.

The key Risks associated with the Companies business, its likely impact and the mitigation mechanism evolved are discussed hereunder.

| Risk | Risk Impact | Mitigation Plan |
|--|---|--|
| Environmental/Economic/Regulatory Risks | | |
| Handling and storage of hazardous materials incl., Ammonia, SO ₂ etc. | <ul style="list-style-type: none"> - Impact on operations - Stoppage of production - Accidents resulting from release of the hazardous materials and consequent claims | <ul style="list-style-type: none"> • Strict PSMS Implementation • Strict adherence to maintenance/inspection schedules, training and emergency/disaster management plans • Public Liability Insurance Policy • ISO 14001 & OHSAS 18001 |

| Risk | Risk Impact | Mitigation Plan |
|--|--|--|
| Environmental/Economic/Regulatory Risks | | |
| Un-treated effluents causing pollution | <ul style="list-style-type: none"> - Revocation of Factory License - Civil/Criminal action | <ul style="list-style-type: none"> • Augmenting ETP facilities • Strict adherence to PC standards |
| Season/Monsoon failure | <ul style="list-style-type: none"> - Impact on Turnover/ Profitability - Delayed collection - Possible Bad debts | <ul style="list-style-type: none"> • Focus on irrigated areas • Secondary & Tertiary Markets • Retail Initiative |
| Absence of New Chemistry/Enzymes/ Fermented Products/ Monopoly Products | <ul style="list-style-type: none"> - Impact on Turnover/Profitability | <ul style="list-style-type: none"> • Upgraded R&D Centre & launch of New Products • Identification of new off-patented molecules. • Promotion of specialities • Co-marketing tie-ups |
| Non compliance with Legal/Regulatory/Tax Compliance -Including other Countries | <ul style="list-style-type: none"> - Disruption of operations - Legal proceedings against the Company and its officials. | <ul style="list-style-type: none"> • Understanding/awareness of regulations & statutes • Engagement/advice by renowned lawyers & experts • Monitoring regulatory changes; periodic audit of compliance action |
| Non compliance with FCO Standards & Specifications | <ul style="list-style-type: none"> - Civil/Criminal proceedings - Production Stoppages - Disallowance of subsidy claims | <ul style="list-style-type: none"> • Rigid quality checks at Plant • Test verification of bags • Reprocessing of non-standard materials • Better bags handling procedures |
| Change in Government Subsidy Policies | <ul style="list-style-type: none"> - Impact on Turnover/Working Capital - Change in Product Mix - Change in Distribution Pattern | <ul style="list-style-type: none"> • New NBS Policy - greater clarity/certainty • New grades/customized Fertilisers • Increased focus on non-subsidy Business • Optimisation of rail road transportation • Liaison with Govt |
| Restriction on sale/usage of some pesticide products in India/abroad | <ul style="list-style-type: none"> - Impact on Turnover/Profitability - Negative Publicity | <ul style="list-style-type: none"> • Development of newer & safer technicals; extension of product life-cycle • Public relations exercise through Industry body and Stewardship activity |
| Operational Risks | | |
| Non availability of critical Raw Materials | <ul style="list-style-type: none"> - Stoppage of production - Impact on Turnover/profitability | <ul style="list-style-type: none"> • Strategic alliances for major Raw Materials • Close monitoring of procurement plans • Augmenting own storage capacities • Trials with different grades of rocks • Flexibility in product mix |
| Volatility in the price of Key Fertiliser Raw Materials | <ul style="list-style-type: none"> - Impact on revenues. - Increased Cost of Production - Increase in Working Capital Requirement | <ul style="list-style-type: none"> • Close monitoring of international price of raw materials • Price contract for shorter duration • Increased stock levels when prices are low |
| Product Life-cycle Obsolescence | <ul style="list-style-type: none"> - Impact on Turnover/Profitability | <ul style="list-style-type: none"> • Identification of new off-patent molecules • R&D initiatives |
| Introduction of pest/ resistant BT crops or change in crop pattern | | <ul style="list-style-type: none"> • Identification of emerging pests & suitable molecules • Introduction of new products |
| Competition from importers | <ul style="list-style-type: none"> - Volume Shrinkage - Impact on Turnover/Profitability | <ul style="list-style-type: none"> • Continuous Brand Promotion • Continuous monitoring of global trends in raw material prices • Maintaining Flexibility in production planning, in tune with raw material availability/pricing scenario • Maintaining Low Inventory • Tie-up for expanded product range |
| Volatility in Pesticides Raw Material prices | | |

| Risk | Risk Impact | Mitigation Plan |
|--|---|---|
| Operational Risks | | |
| Difficulty in sourcing Municipal Compost | <ul style="list-style-type: none"> - Volume Shrinkage - Impact on Turnover/Profitability | <ul style="list-style-type: none"> • Tie-up with Govt agencies • Own manufacturing facilities for sourcing Municipal Compost |
| Government Intervention in Fertiliser allocation | <ul style="list-style-type: none"> - Lower foot fall & Drop in sale - Impact on Profitability | <ul style="list-style-type: none"> • Liaison with Govt Officials • Focus on Non-subsidy & Life Style products |
| Loss due to shrinkage at Rural Retail Centres | <ul style="list-style-type: none"> - Impact on Profitability - Financial Loss | <ul style="list-style-type: none"> • Close monitoring of Inventory, Regular Inspection / Audit • Daily MIS |
| Financial Risks | | |
| Currency & Exchange Fluctuation Risk | <ul style="list-style-type: none"> - Under recovery of Subsidy - Impact on Profitability | <ul style="list-style-type: none"> • Online monitoring of exchange trend & exposures • Forward covers at appropriate time & level • Review of paid rate Vs subsidy rate under subsidy policy |
| Interest Rate Risk | <ul style="list-style-type: none"> - Increase in Cost of Borrowing - Loss due to discount on bonds - Impact on Profitability | <ul style="list-style-type: none"> • Maximise buyer's credit • Healthy debt:equity and interest cover ratio • Sustain good credit rating • Sale of bonds at opportune time |
| Credit Risk | <ul style="list-style-type: none"> - Impact on Working Capital - Dues becoming bad - Loss of interest | <ul style="list-style-type: none"> • Maximise sale on cash basis through retail • Review of Credit evaluation & limits • Acceptance of Collaterals • Monitoring Receivables |
| Liquidity Risk - Delay in subsidy settlement | <ul style="list-style-type: none"> - Impact on Working Capital - Increase in cost of borrowing | <ul style="list-style-type: none"> • Close Liaison with Govt departments • Increased Working Capital Facilities • Securitization of subsidy dues |
| Valuation Risk - Market value of bonds | <ul style="list-style-type: none"> - Impact on profitability | <ul style="list-style-type: none"> • Monitoring Bonds Market • Liaison with Govt. for compensation |
| Legal & Human | | |
| Contractual Liability Risk | <ul style="list-style-type: none"> - Disruption of operations - Impact on Turnover & Profitability | <ul style="list-style-type: none"> • Review of material contracts by the In-house Legal team • Independent outside experts' services for important contracts |
| Attrition of skilled / trained manpower | <ul style="list-style-type: none"> - Disruption of operations - Knowledge dissipation | <ul style="list-style-type: none"> • Compensation revision inline with market • Succession Planning • Career planning & training |
| <p>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, authorization verification, regular training programs, regular purchase of licenses in line with the business requirement and other preventive measures.</p> <p>The Assets of the Company, including its Plant and Machinery, as well as work in process, inventory and finished stocks are adequately insured against loss or destruction by fire and allied perils.</p> | | |

8. INTERNAL CONTROLS:

Considering the nature of business and size of the operations, the Company has appropriate internal control systems 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 regularly reviewed and improved.

The Company has its own corporate Internal Audit Department to carry out the audit of all functions covering all locations. Deviations are reviewed periodically and due compliance ensured. Summary of key audit observations along with recommendations and its implementation are reviewed by the Audit Committee and the concerns, if any, are reported to the Board.

9. FINANCE:

During the year, the Company generated Rs.753.90 crore of cash surplus from its operations, before change in working capital. The Company's net worth has improved during the year from Rs.1127.14 crore as on March 31, 2009 to Rs.1434.99 crore as on March 31, 2010.

During the year the Company invested Rs.44.96 crore towards balance share of its equity in Tunisian Indian Fertilisers Company S.A (TIFERT), Tunisia, Rs.1.99 crore towards its share of equity into Coromandel SQM Pvt Ltd, Rs.0.04 crore being its balance share of equity into Coromandel Brasil Limitada, Brazil and Rs.0.73 crore towards acquiring 7% equity in Murugappa Management Services Ltd., which provides common facilities to the Murugappa Group Companies including Coromandel.

The Company has been resorting to prudent mix of rupee and foreign currency borrowings to finance its working capital requirements and achieved significant reduction in the financing cost. The unsold bonds of the face value of Rs.997.73 crore held as on March 31, 2010 will be liquidated at the appropriate time keeping in mind the market conditions. Pending liquidation of these bonds the Company has resorted to short term borrowings at competitive rates to finance the working capital.

The Company's long term debt:equity ratio continues to be very healthy and the Cash and Bank balance of Rs.720 crore at the year end represents temporary surplus invested in short term bank deposits. During the year, the Company has obtained reaffirmation of its credit ratings from "CRISIL" with a positive outlook.

10. HUMAN RESOURCES/INDUSTRIAL RELATIONS:

During the year the industrial relations across all the plants continued to remain cordial. A revised Productivity Linked

Incentive scheme was signed with the employees at Kakinada Plant. Employees at Ennore Plant raised conciliation proceedings on Long Term Settlement before the appropriate authority and the matter is pending for disposal.

To address competence and skill needs, a functional and behavioral competency framework was put in place and professional development plans were evolved for executives in Plants. Coromandel forged its commitment to improve employee engagement and based on the last employees survey, the Company has completed action planning sessions for its managers along with their teams based on the Manager scorecard.

The Company focused on Business Excellence and continual improvement journey (TQM) in its quest to improve the quality of its products, processes and systems and bagged 12 external recognitions. Coromandel was awarded 'Strong Commitment to Excellence' in the CII-EXIM Bank Business Excellence Award - 2009, for Visak and Kakinada Plants. Self assessment has also been done for Business Excellence for the Crop Protection SBU. Coromandel won 7 National Awards of INSSAN for the implementation of Idea Scheme. Coromandel's Visak, Kakinada & Ennore Plants bagged merit Award in AOTS - CUMI 5S competition - 2009 in recognition of Strong Commitment for implementation of 5S.

The in-house magazine 'Voice' won 4 awards (national & international).

- Public Relations Society of India National Award for the 4th time, International
- Academy of Visual Arts, New York, Communicator's Award of Distinction (Silver)
- Association of Business Communicators of India
 - Gold Award for Magazine Design
 - Silver Award for Special Features

ANNEXURE TO DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of Coromandel International Limited confirm that in the preparation of the Profit & Loss A/c for the year ended March 31, 2010 and the Balance Sheet as at that date ("financial statements") :

- the applicable accounting standards issued by the Institute of Chartered Accountants of India have been followed.
- appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud

and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations, subject to the inherent limitations that should be recognized in weighing the assurance provided by any such system of internal controls. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit Committee meets at regular intervals to review the internal audit function.

- The financial statements have been prepared on a going concern basis.

On behalf of the Board

Place: Secunderabad
Date : April 22, 2010


A Vellayan
Chairman

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

A. CONSERVATION OF ENERGY

- Modification of three way valve system in Nitrogen Generation Plant at Ankleshwar Plant resulted in reduction of power consumption.
- Coating Drum was replaced with Belt Conveyor in A&B trains at Visak Plant.
- Small Group Activity teams have been constituted to constantly look at the energy conservation and other improvement schemes.

B. TECHNOLOGY ABSORPTION

No new technology was adopted during the year. However, at the Visak Plant -

- in the Phosphoric Acid Plant, belt conveyor having higher filtration installed.
- Tail Gas Alkali Scrubber was installed in Sulfuric Acid Plant-I to reduce gaseous emission.

C. RESEARCH AND DEVELOPMENT

Trials conducted with new grades of rock at Phosphoric acid pilot plant. Developed new grades of customized fertiliser, which are soil and crop specific, at Complex Fertiliser Pilot Plant at Visak.

During the year the Company has set up Technology Development Centre at Ankleshwar for various developmental activities in the pesticides technical & formulations. The Company has spent a sum of Rs 478.91 Lakhs of Revenue expenditure and Rs. 58.93 Lakhs of Capital expenditure (other than Land & Building) on Research & Development at the approved In House R&D Units at Navi Mumbai, Ankleshwar and Visak.

D. FOREIGN EXCHANGE EARNINGS AND OUT GO

Total foreign exchange used and earned:

| | April'09-March'10 Current Year | April'08-March'09 Previous Year |
|--------|-----------------------------------|------------------------------------|
| Used | 374,703.46 | 712,564.82 |
| Earned | 6,531.99 | 23,944.60 |

FORM A

A. Power & Fuel Consumption

- Electricity
 - Purchased
 - Units (Lakh Units)
 - Amount (Rs Lakhs)
 - Rate/Unit (Rs/Kwh)
 - Own generation
 - Through DG Sets
 - Units (Lakh Units)
 - Units/litre of HSD
 - Rate/Unit (Rs/Kwh)
 - Through TG Set
 - Units (Lakh Units)
 - Units/litre LSHS
 - Rate/Unit (Rs/Kwh)
- Coal
- Fuel: Furnace oil/LSHS
 - Quantity (K. Litres)
 - Total cost (Rs Lakhs)
 - Rate/Unit (Rs/K. Litres)
 - Compressed Natural Gas
 - Quantity SM3 in Lakhs
 - Total amount (Rs. In Lakhs)
 - Average Rate per 1000 SM3 (Rs.)

B. Consumption per MT of Fertilisers produced

- Electricity (KWH)
- Fuel: Furnace Oil/LSHS (K.Litres)
- Compressed Natural Gas (SM3)

| | Current Year 2009-10 | Previous Year 2008-09 |
|--|-------------------------|--------------------------|
| | | |
| | 1,260.51 | 1,161.24 |
| | 4,016.89 | 3,688.58 |
| | 3.19 | 3.18 |
| | | |
| | 10.81 | 13.41 |
| | 3.21 | 2.97 |
| | 11.88 | 12.50 |
| | | |
| | 488.67 | 398.17 |
| | — | — |
| | 0.11 | 0.16 |
| | Not used | Not used |
| | | |
| | 2,767.27 | 2,980.99 |
| | 688.23 | 883.22 |
| | 24,870.00 | 29,628.00 |
| | | |
| | 67.02 | 64.24 |
| | 586.91 | 477.13 |
| | 8,757.19 | 7,427.74 |
| | | |
| | 63.80 | 71.49 |
| | 0.0012 | 0.0013 |
| | 3.50 | 3.87 |

Statement under Section 217(2A) of the Companies Act, 1956

a) Employed throughout the Financial Year and in receipt of remuneration aggregating Rs.24,00,000 or more

| Name, age and Qualification | Designation and nature of duties | Date of commencement of employment | Experience in years | Remuneration (Rs) | Last Employment |
|--|--|------------------------------------|---------------------|-------------------|---|
| V Ravichandran, 53 BE (Hons), AICWA, ACS, PGDM (IIMA) | Managing Director | 01.12.2003 | 30 | 1,79,51,911 | Vice President EID Parry (India) Limited |
| P Nagarajan, 59 @ B.Com., BGL. A.C.A. | Chief Financial Officer | 09.06.1997 | 35 | 96,06,203 | Sr. Vice President Visakha Industries Ltd. |
| P Gopalakrishna, 51 B.Sc (Ag), PGDM (IIMA) | Sr Vice President-Retail | 01.12.2003 | 27 | 64,55,141 | Deputy General Manager-Marketing EID Parry (India) Limited |
| G Veera Bhadram, 51 M.Sc.(Ag), PGDM (IIMA) | Sr Vice President-Pesticides SBU | 01.12.2003 | 26 | 58,16,650 | General Manager-Marketing EID Parry (India) Limited |
| Arun Leslie George, 43 M.A(SW), PMIR | Sr Vice President & Head of HR | 01.10.2003 | 20 | 63,93,668 | Deputy General Manager-HR EID Parry (India) Limited |
| Dr G Ravi Prasad, 54 Ph.D in Agricultural Chemicals | Sr Vice President - Sales & Marketing (Fertilisers) | 01.04.2007 | 27 | 61,55,664 | Vice President-Commercial Zuari Industries Limited |
| S Govindarajan, 47 B.Tech (Mech), GDMM (IIMM) | Sr Vice President & Head of Manufacturing | 26-09-1992 | 25 | 55,95,844 | Asst. Manager National Fertilisers Limited |
| Harish Malhotra, 56 B.Sc, M.Tech(Mech) | Sr Vice President-Commercial | 01.01.2005 | 33 | 41,61,514 | Sr Vice President Foskor, South Africa |
| N Seetaram, 57 B.Tech (Chem) | Vice President-Technical Services & Projects | 02-09-1977 | 33 | 39,60,374 | Joined Coromandel Fertilisers Ltd |
| Dr Amit Rastogi, 45 B.Tech (Chem), M.S.(Chem) Ph.D (Chem) | Vice President-Technology | 25-10-2005 | 19 | 40,55,653 | General Manager-Technology Hindalco Industries Limited |
| S Sankarasubramanian, 41 B.Sc, ICWA | Vice President-Business Finance & Treasury | 01.12.2003 | 19 | 44,34,141 | Dy General Manager-Finance EID Parry (India) Limited |
| M K Agarwal, 44 B.Com, C.A. | Vice President & Head-CSPD | 17.05.2007 | 20 | 38,21,561 | Business Head Glamourrooms Taps P Ltd |
| I R G Raju, 56 B.Tech.(Chem) | Vice President-Manufacturing | 10.05.1986 | 23 | 27,33,413 | Assistant Engineer Godavari Fertilisers & Chemicals Limited |
| S P Ramamohan, 48 B.Sc(Ag), MBA | Vice President-Speciality Nutrients & Fertilizers-Mktg. | 01.12.2003 | 27 | 26,30,898 | General Manager The Waterbase Ltd. |
| G S N Reddy, 55 B.Tech (Elec), PGDPM | Vice President-Manufacturing | 01.04.2007 | 33 | 25,28,593 | General Manager-Engineering Godavari Fertilisers & Chemicals Limited |
| Vikram Alwa, 52, B.Sc(Ag) | General Manager-IT | 25.09.1979 | 29 | 24,95,259 | Joined Coromandel Fertilisers Limited |
| A Ramachandra Rao, 51 B.Tech (Mech) | General Manager-Projects | 10.08.1992 | 28 | 24,56,879 | Manager-Projects Niraj Petro Chemicals Limited |

(Contd.)

Statement under Section 217(2A) of the Companies Act, 1956 (Contd.)

b) Employed for part of the Financial Year and in receipt of remuneration aggregating Rs.2,00,000 per month

| Name, age and Qualification | Designation and nature of duties | Date of commencement of employment | Experience in years | Remuneration (Rs) | Last Employment |
|--|--|------------------------------------|---------------------|-------------------|---|
| P L N Murthy, 58 M.Com | Vice President - Marketing Finance | 01.12.2003 | 31 | 47,75,842 | Asst. Manager EID Parry (India) Limited |
| Gautam Chatterjee, 50 B.Com, FCA | General Manager & Head of Management Audit | 01.06.2004 | 26 | 23,94,992 | Dy. General Manager (Audit) Ispact Industries Ltd. |
| Biswajeet Bhattacharya, 51 B.Chem.Engg. | Vice President-Manufacturing Ankleswar | 15.05.2007 | 29 | 15,95,663 | General Manager (Mfg.) Transpek Silox |
| M S Ramesh, 46 M.Sc(Ag), PGDMM | General Manager-Commercial (Pesticides) | 01.12.2003 | 20 | 15,77,345 | Sr. Manager (Marketing/Sales) EID Parry (India) Ltd. |
| R V V Sahvanarayana, 58 B.Com, ACA | Vice President-Taxation | 28.12.1994 | 33 | 13,92,240 | Senior Deputy Manager Godavari Fertilisers & Chemicals Limited |

1. Remuneration includes salary and allowances, commission where applicable, Company's contribution to Provident Fund, Superannuation Fund 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 all employees of the Company is of contractual nature.
 3. There are no employees in the service of the Company within the category covered by Sub-Section (2)(iii) of Section 217(2A) of the Companies Act, 1956.
 4. None of the above employees is a relative of any Director of the Company.
- @ Remuneration includes remuneration paid under full time contract post his retirement on June 30, 2009

On behalf of the Board


A Vellayan
 Chairman

Place : Secunderabad.
 Dated : April 22, 2010

Disclosure pursuant to Clause 12 of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999

| Nature of Disclosure | Particulars | |
|--|--|--|
| a. Options granted | No Options were granted during the year. The total options granted is 2775300. Each Option gives the grantee a right to subscribe to one equity share of Rs 2/- each of the Company | |
| b. The pricing formula | The Options carry a right to subscribe to equity shares at the closing price on the Stock Exchange in which there was highest trading volume, prior to the date of grant of the Options. | |
| c. Options vested | 435008 | |
| d. Options exercised | 376296 | |
| e. The total no of shares arising as a result of exercise of option | 376296 | |
| f. Options lapsed/surrendered | 415136 | |
| g. Variation of terms of Option | No variation has been done | |
| h. Money realised by exercise of Options | Rs.3,52,41,407.40 | |
| i. Total no of Options in force | 1983868 | |
| j. (i) Details of Options granted to Senior Management Personnel | Name and Designation | No of Options granted |
| | V Ravichandran Managing Director | 483500 |
| | P Nagarajan* Chief Financial Officer | 135200 |
| | P Gopalakrishna Sr Vice President-Retail | 135200 |
| | G Veerabhadram Sr Vice President- Pesticides SBU | 135200 |
| | Dr G Ravi Prasad Sr Vice President-Sales & Marketing (Fertilisers) | 135200 |
| | Arun Leslie George Sr Vice President & Head of HR | 135200 |
| | S Govindarajan Sr Vice President & Head of Manufacturing | 135200 |
| | Harish Malhotra Sr Vice President-Commercial | 227800 |
| (ii) Any other employee who received a grant in any one year of Option amounting to 5% or more of Options granted during the year - 2008-09 | C Hima Srinivas C Sitaram K Sankaranarayananamoorthy Harish Malhotra Manoj K Agarwal Parvez Shaikh R Vaidyanathan | 60000 72000 72000 227800 45700 40000 40000 |
| No options were granted to any employee during the year - 2009-10 | | |
| (iii) Employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant. | None | |

* All unvested options lapsed on 30.06.2009 upon his retirement.

| | | | | | | | | | | | | | | | | |
|--|--|---|----------------------|---------------------------|---------------------|-------------|--|----------|-------------|------------------|------------|--------|------------|--------|------------|-------|
| k. | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard AS-20. | Rs.32.91 per share | | | | | | | | | | | | | | |
| l. | (i) Method of calculation of employee compensation cost | The employee compensation cost has been calculated using the Intrinsic Value method of accounting to account for Options issued under the ESOP Scheme 2007. The stock based compensation cost as per the Intrinsic Value method for the financial year 2009-10 is Nil. | | | | | | | | | | | | | | |
| | (ii) Difference between the compensation cost using the intrinsic value of the stock Options (which is the method of accounting used by the Company) and the compensation cost that would have been recognized in the accounts if the fair value of Options had been used as the method of accounting. | Rs.3,457.49 lakhs | | | | | | | | | | | | | | |
| | (iii) Impact of the difference mentioned in (i) above on the profits of the Company | <table><tr><td>Net Income</td><td>Rs in lakhs</td></tr><tr><td>As reported</td><td>46,819.90</td></tr><tr><td>Less: fair value compensation cost (Black Scholes model)</td><td>3,457.49</td></tr><tr><td></td><td><u>43,362.41</u></td></tr></table> | Net Income | Rs in lakhs | As reported | 46,819.90 | Less: fair value compensation cost (Black Scholes model) | 3,457.49 | | <u>43,362.41</u> | | | | | | |
| Net Income | Rs in lakhs | | | | | | | | | | | | | | | |
| As reported | 46,819.90 | | | | | | | | | | | | | | | |
| Less: fair value compensation cost (Black Scholes model) | 3,457.49 | | | | | | | | | | | | | | | |
| | <u>43,362.41</u> | | | | | | | | | | | | | | | |
| | (iv) Impact of the difference mentioned in (i) above on the EPS of the Company | <table><tr><td></td><td>Basic (Rs)</td><td>Diluted (Rs)</td></tr><tr><td>As reported</td><td>33.43</td><td>33.08</td></tr><tr><td>As Adjusted</td><td>30.97</td><td>30.64</td></tr></table> | | Basic (Rs) | Diluted (Rs) | As reported | 33.43 | 33.08 | As Adjusted | 30.97 | 30.64 | | | | | |
| | Basic (Rs) | Diluted (Rs) | | | | | | | | | | | | | | |
| As reported | 33.43 | 33.08 | | | | | | | | | | | | | | |
| As Adjusted | 30.97 | 30.64 | | | | | | | | | | | | | | |
| m. | (i) Weighted Average exercise price of Options | Rs.97.06 per equity share | | | | | | | | | | | | | | |
| | (ii) Weighted Average fair value of Options | Rs. 199.71 per equity share | | | | | | | | | | | | | | |
| n. | (i) Method used to estimate the fair value of Options | Black Scholes Model | | | | | | | | | | | | | | |
| | (ii) Significant assumptions used (Weighted Average information relating to all grants):- | | | | | | | | | | | | | | | |
| | (a) Risk-free interest rate | 7.5% | | | | | | | | | | | | | | |
| | (b) Expected life of the Option | 3-4 years | | | | | | | | | | | | | | |
| | (c) Expected volatility | 0.54 | | | | | | | | | | | | | | |
| | (d) Expected dividend yields | 400% | | | | | | | | | | | | | | |
| | (e) Price of the underlying share in market at the time of option grant | | | | | | | | | | | | | | | |
| | | <table><tr><td>Date of grant</td><td>Market Price (Rs.)</td></tr><tr><td>31.08.2007</td><td>89.15</td></tr><tr><td>22.01.2008</td><td>112.15</td></tr><tr><td>22.04.2008</td><td>137.75</td></tr><tr><td>22.07.2008</td><td>119.90</td></tr><tr><td>22.10.2008</td><td>125.50</td></tr><tr><td>18.03.2009</td><td>90.20</td></tr></table> | Date of grant | Market Price (Rs.) | 31.08.2007 | 89.15 | 22.01.2008 | 112.15 | 22.04.2008 | 137.75 | 22.07.2008 | 119.90 | 22.10.2008 | 125.50 | 18.03.2009 | 90.20 |
| Date of grant | Market Price (Rs.) | | | | | | | | | | | | | | | |
| 31.08.2007 | 89.15 | | | | | | | | | | | | | | | |
| 22.01.2008 | 112.15 | | | | | | | | | | | | | | | |
| 22.04.2008 | 137.75 | | | | | | | | | | | | | | | |
| 22.07.2008 | 119.90 | | | | | | | | | | | | | | | |
| 22.10.2008 | 125.50 | | | | | | | | | | | | | | | |
| 18.03.2009 | 90.20 | | | | | | | | | | | | | | | |

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

Coromandel International Limited (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 CII Code and international studies. The entire process begins with the functioning of the Board of Directors, with leading professionals and experts serving as Independent Directors and represented in the various Board Committees. Systematic attempt is made to eliminate informational asymmetry between Executive and Non-Executive Directors.

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

The following is a report on the corporate governance.

I. Board of Directors

• Composition

The present strength of the Board is eight Directors of which the Managing Director is an Executive Director. Out of the seven Non-Executive Directors, five are Independent Directors and two Directors are Non Independent Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions.

• Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM) and details of other Directorships etc.

| Name of the Director | Category of Directorship | Attendance particulars | | No. of other directorships and committee memberships (other than Coromandel)@ | | |
|----------------------|--------------------------|------------------------|----------|---|-----------|---|
| | | Board Meetings | Last AGM | Other Directorships | Committee | |
| | | | | | M | C |
| Mr K Balasubramanian | NE/ID | 5 | Yes | 5 | – | 2 |
| Dr B V R Mohan Reddy | NE/ID | 5 | Yes | 6 | 2 | – |
| Mr V Ravichandran | MD/NID | 6 | Yes | 3 | 2 | – |
| Mr M K Tandon | NE/ID | 5 | Yes | 2 | 1 | 2 |
| Mr D E Udawadia* | NE/ID | – | No | – | – | – |
| Mr A Vellayan | NE/NID | 5 | Yes | 5 | – | – |
| Mr M M Venkatachalam | NE/NID | 5 | Yes | 8 | 1 | 1 |
| Mr R A Savoor | NE/ID | 5 | Yes | 5 | 2 | 4 |
| Mrs Ranjana Kumar** | NE/ID | 1 | No | 1 | 1 | – |

*Retired on July 21, 2009

**Appointed w.e.f March 19, 2010

@Represents Directorships/Memberships of Audit and Investors' Grievance Committee of Public Limited Companies governed by Companies Act, 1956.

M = Membership

C = Chairmanship

MD/NID = Managing Director/Non-Independent

NE/ID = Non-Executive/Independent

NE/NID = Non-Executive/Non-Independent

• Number of Board Meetings held and the dates on which held

Six Board Meetings were held during the year, as against the minimum requirement of 4 meetings. The dates on which the meetings were held are as follows: April 24, 2009, July 21, 2009, October 22, 2009, December 21, 2009, January 21, 2010 and March 19, 2010.

2. Audit Committee

• Terms of Reference/Powers & Composition, Names of Members and Chairman.

The Audit Committee presently comprises of Mr M K Tandon (Chairman), Mr K Balasubramanian, Dr B V R Mohan Reddy and Mr M M Venkatachalam, all being Non-Executive Directors. Company Secretary is the Secretary of the Committee. The

Managing Director, Chief Financial Officer, Sr Vice Presidents, General Manager-Head of Management Audit, along with the Statutory Auditors and the Cost Auditors are required to attend by invitation/when invited to the Meeting. The Terms of Reference/Powers of this Committee are wide enough covering all the matters specified for Audit Committee under the Listing Agreements with Stock Exchanges.

- **Meetings and attendance during the year.**

There were four meetings of the Audit Committee during the year 2009-10. The attendance of each Member of the Committee is given below:

| Name of the Director | No. of Meetings Attended |
|------------------------|--------------------------|
| Mr K Balasubramanian | 4 |
| Dr B V R Mohan Reddy | 3 |
| Mr M K Tandon | 4 |
| Mr A Vellayan* | 4 |
| Mr M M Venkatachalam** | — |

*Resigned from the Committee w.e.f March 19, 2010

**Appointed w.e.f March 19, 2010

3. **Subsidiary Companies**

The Minutes of the Meetings of the Board of Directors and the Financial Statements for the year ended March 31, 2010 of Parry Chemicals Limited and December 31, 2009 of CFL Mauritius Ltd, wholly owned Subsidiary Companies, are placed before the Board of Directors and Audit Committee, respectively, for review.

4. **Remuneration to Directors**

a) **Policy**

Executive Directors

- The compensation of the executive directors 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 directors are not paid sitting fees for any Board / Committee meetings attended by them.

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 the Companies Act, 1956, the commission paid to the directors is usually restricted to a fixed sum. This sum 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. The aggregate commission paid to all non-executive directors currently is well within the limit of 1% of net profits 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 meetings attended by them.

- **Shareholdings**

The details of Shareholdings of the Non Executive Directors as at March 31, 2010 is as follows:

| Name | No. of Shares |
|----------------------|---------------|
| Dr B V R Mohan Reddy | 24000 |
| Mr K Balasubramanian | 180 |
| Mr M K Tandon | Nil |
| Mr D E Udawadia* | Nil |
| Mr A Vellayan | 59255 |
| Mr M M Venkatachalam | 50080 |
| Mr R A Savoor | 1000 |
| Mrs Ranjana Kumar** | Nil |

*Retired on July 21, 2009

**Appointed w.e.f March 19, 2010

b) Remuneration & Nomination Committee

- The Remuneration & Nomination Committee presently comprises of 3 Non-Executive Directors, viz. Mr M K Tandon (Chairman), Mr M M Venkatachalam & Mr R A Savoor.
- The main scope of the Committee is to determine and recommend to the Board the persons to be appointed/reappointed as Executive Director/Non Executive Director.
- The Committee also determines and recommends to the Board on the financial component and the incentive/commission to the Executive Directors.
- The Committee has also been appointed for administration of the Employee Stock Option Scheme 2007.
- The Committee had met three times during the year. The details of the attendance of each member of the Committee is given below:

| Name of the Director | No. of Meetings Attended |
|----------------------|--------------------------|
| Mr M K Tandon | 3 |
| Mr R A Savoor | 3 |
| Mr M M Venkatachalam | 3 |

c) 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 March 31, 2010 is as follows:

Rupees in Lakhs

| Name | Salary | Contribution to Funds | Value of Perk & Allowances | Commission | Total |
|--|-----------|-----------------------|----------------------------|------------|-------------|
| Mr V Ravichandran Managing Director | 36,75,055 | 12,86,269 | 80,46,338 | 55,09,714 | 1,85,17,376 |

- 483500 options were granted to Mr V Ravichandran pursuant to Employee Stock Option Scheme 2007 at an exercise price of Rs.89.15 per equity share exercisable over a period of 3 years from the date of grant. The following is the summary of options granted to Mr V Ravichandran:

| | |
|-----------------------|--------|
| Total Options granted | 483500 |
| Options Vested | 193400 |
| Options Exercised | 40000 |
| Balance Outstanding | 443500 |

- The agreement with the Executive Director is for a period of five years (January 22, 2009 to January 21, 2014). Either party to the agreement is entitled to terminate the agreement by giving not less than 180 days notice in writing to the other party.
- The details of remuneration paid/payable to Non-Executive Directors for the financial year ended March 31, 2010:

| Non-Executive Directors | Sitting Fees (Rs) | Commission (Rs) |
|-------------------------|-------------------|-----------------|
| Mr K Balasubramanian | 1,35,000 | 3,00,000 |
| Dr B V R Mohan Reddy | 1,20,000 | 3,00,000 |
| Mr M K Tandon | 1,75,000 | 3,00,000 |
| Mr D E Udwardia* | - | 92,055 |
| Mr A Vellayan | 1,55,000 | 3,00,000 |
| Mr M M Venkatachalam | 95,000 | 3,00,000 |
| Mr R A Savoor | 1,05,000 | 3,00,000 |
| Mrs Ranjana Kumar** | 15,000 | 10,685 |

*Retired on July 21, 2009

**Appointed w.e.f.March 19, 2010

5. Share Transfer & Investors' Grievance Committee

- Details of the Members, Compliance Officer, number of complaints received and pending, and share transfers pending as on close of the financial year.

- The Share Transfer & Investors' Grievance Committee presently comprises of Mr M K Tandon (Chairman), Mr A Vellayan, Non-Executive Directors and Mr V Ravichandran, Managing Director. The Company Secretary is the Compliance Officer of the Company. During the year the Company had received 2387 letters/complaints from the shareholders and all of them were resolved satisfactorily by furnishing the requisite information/documents to the shareholders. There were no transfers pending at the close 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". Investors' and shareholders may lodge their query/complaints addressed to this email ID which would be attended to immediately.

The Committee had met twice during the year. The details of the attendance of each member of the Committee is given below:

| Name of the Director | No. of Meetings Attended |
|----------------------|--------------------------|
| Mr M K Tandon | 2 |
| Mr Mr A Vellayan | 2 |
| Mr V Ravichandran | 2 |

6. General Body Meetings:

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

| Year | Location | Date | Time |
|-----------|---|------------|----------|
| 2006-2007 | Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, Sarojini Devi Road, Secunderabad | 24/07/2007 | 10.30 AM |
| 2007-2008 | Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, Sarojini Devi Road, Secunderabad | 22/07/2008 | 10.30 AM |
| 2008-2009 | Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, Sarojini Devi Road, Secunderabad | 21/07/2009 | 10.30 AM |

- Special Resolutions relating to Employees Stock Option Scheme, Payment of Commission to Non-Wholetime Directors and change of name of the Company from 'Coromandel Fertilisers Limited' to 'Coromandel International Limited' were passed in the above Annual General Meetings.
- A Court Convened Meeting of the Members was held at Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, Sarojini Devi Road, Secunderabad 500 003 on October 8, 2007 at 2.00 PM to approve the Scheme of Amalgamation of M/s Godavari Fertilisers and Chemicals Limited with the Company.
- One Postal Ballot was conducted in the year 2007-08 seeking Members' approval for amending the Objects Clause of the Memorandum of Association of the Company. Mr S Anand S S Rao, Practicing Company Secretary was appointed as Scrutinizer to conduct the Postal Ballot. In all 2,094 Postal Ballot forms were received, out of which, 168 were invalid. 1,904 members holding 89835999 equity shares representing 70.26% of the equity capital approved the Special Resolution and 22 members holding 3,989 equity shares representing 0.004% of the equity capital dissented to the resolution. The Chairman announced the result of the Postal Ballot on August 6, 2007.
- Whether Special Resolutions were put through postal Ballot last year: YES
One Postal Ballot was conducted during the year seeking Members' approval for amending clause 3 of the Memorandum of Association of the Company. Mr S Anand S S Rao, Practicing Company Secretary was appointed as Scrutinizer to conduct the Postal Ballot. In all 2032 Postal Ballot forms were received, out of which, 72 were invalid. 1960 members holding 90662762 equity shares representing 64.78% of the equity capital approved the Special Resolution and 46 members holding 14832 equity shares representing 0.01% of the equity capital dissented to the resolution. The Chairman announced the result of the Postal Ballot on October 19, 2009.
- Whether any Special Resolutions proposed to be put through Postal Ballot this year: NO

a. Notes on Directors seeking appointment / re-appointment

Mrs Ranjana Kumar (64) Bachelor of Arts, a Gold Medalist, had an illustrious career in Indian banking industry spanning over four decades. She had started her career with Bank of India in the year 1966 as a probationary officer and held several senior positions in the Bank. She was CEO of US operations of Bank of India based in New York. She moved to Canara Bank as its Executive Director holding concurrent charge as Chairperson of Canara bank. Thereafter she became the Chairperson of Indian Bank and continued for a period of three and half years. She is also credited with turning around the ailing Indian Bank as its Chairperson within a period of 3 years and has authored a book on the turnaround of Indian Bank. She also headed the National Bank of Agriculture and Rural Development (NABARD). Mrs Ranjana Kumar retired as Vigilance Commissioner, Central Vigilance Commission, Government of India.

Mr A Vellayan (57) holds a Diploma in Industrial Administration from Aston University, Birmingham, UK and Masters in Business Studies from the University of Warwick, Business School, UK.

He is a Director in many companies. He is on the Board of Governors, Doon School, Dehra Dun. He has held position such as Vice President, Federation of Indian Export Organisation (FIECO) and member of National Export Committee - Confederation of Indian Industry (CII). He was the Managing Director of Tube Investments of India Limited and TI Diamond Chain Limited. He is presently the Chairman of Coromandel International Limited and EID Parry (India) Limited. He has got work experience of about 27 years.

Mr M K Tandon (68) has been associated with the Indian Insurance Industry for more than 37 years. He had, after completing his Masters Degree in Commerce and Degree in Law both from Lucknow University, started his career with LIC of India. Thereafter, he had held various senior positions and became Managing Director of General Insurance Corporation of India. He retired as Chairman & Managing Director of National Insurance Company Limited.

b. Other Directorships

The details of Other Directorships and Committee Memberships of the above-referred Director are as follows:

| Name of the Company | Chairmanship/ Directorship | Committee | Chairman/ Member |
|---|-------------------------------|---|----------------------|
| Mrs Ranjana Kumar Tata Tea Limited | Director | Audit Committee | Member |
| Mr A Vellayan E I D Parry (India) Limited | Chairman | – | – |
| Parry Infrastructure Company Pvt.Ltd. | Chairman | – | – |
| Cholamandalam MS General Insurance Company Limited | Director | – | – |
| Kanoria Chemicals & Industries Limited | Director | – | – |
| Indian Potash Limited | Director | – | – |
| Mr M K Tandon GIC Housing Finance Limited | Director | Audit Committee Investors' Grievance Committee | Chairman Chairman |
| Welspun Syntex Limited | Director | Audit Committee | Member |

Includes Public Limited Companies governed by Companies Act, 1956 and excludes directorships in Private Limited Companies, Foreign Companies, Mutual Funds and Associations as well as Alternate Directorships.

- c.** Mrs Ranjana Kumar and Mr M K Tandon hold "nil" shares in the Company and Mr A Vellayan holds 59255 shares in the Company.
- None of the Directors are inter-se related as per definition of the term "Relative" under the Companies Act, 1956. Mr A Vellayan, Chairman and Mr MM Venkatachalam, Director belong to the promoter group.

7. Disclosures

• CEO and CFO Certification

The Managing Director and Chief Financial Officer have given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

• Related Party Transactions

There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with the Related Parties are disclosed in note no 13 of Schedule 17 to the Accounts in the Annual Report.

• Compliance

A Statement of Compliance with all Laws and Regulations as certified by the Managing Director and the Company Secretary is placed at periodic intervals for review by the Board. The Board considers materially important 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 have laid-down a "Code of Conduct" (Code) for all the Board Members and the senior management 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 detailed note on the risk identification and mitigation is included in Management Discussion and Analysis annexed to the Directors Report.

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

There were no pecuniary transactions with any of the Non Executive Directors.

During the last three 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.

8. Means of Communication

Quarterly results are published in The Business Line (all editions) and Andhra Prabha (Hyderabad Edition). In addition, the first half yearly report of the financial results are being mailed to all the shareholders. The results are also posted on the Company's Website: www.coromandel.biz and SEBI's Website: www.sebidifar.nic.in. Presentation made to the Analysts is posted on the Company's Website.

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

9. General Shareholder Information

- Date, Time & Venue of AGM
July 22, 2010 at 10.30 AM at
Hotel Minerva Grand
CMR Complex, Beside Manju Theatre
Sarojini Devi Road
Secunderabad 500 003
- Financial Calendar
i) Financial Year - April to March
ii) First Quarter Results - last week of July 2010*
iii) Half-yearly Results - last week of October 2010*
iv) Third Quarter Results - last week of January 2011*
v) Results for the year ending March 31, 2011 -
last week of June 2011*
*provisional
- Date of Book Closure
July 16, 2010 to July 22, 2010 (both days inclusive)
- Dividend 2009-2010
Proposed final Dividend 200% (subject to approval by members at the AGM)
- Dividend Payment date (s)
On or after July 22, 2010
- Dividend declared in earlier years
2005-2006 - 85%
2006-2007 - 100%
2007-2008 - 175%
2008-2009 - 300% (Interim)
2008-2009 - 200% (Final)
2009-2010 - 300% (Interim)
- Listing of Shares
Company's shares are listed at:
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051
Listing fees for the year have been paid to all the above Stock Exchanges.
- Stock Code:
- The Bombay Stock Exchange Limited
Physical Scrip Code No.6395
Demat Scrip Code No.506395
- National Stock Exchange of India Ltd
COROMANDEL

- ISIN for (shares) of NSDL & CDSL
INE 169A01023
- Market Price Data:
High, Low during each month in last
Financial year/Performance in comparison
to BSE Sensex and S&P CNX Nifty
Please see Annexure 'A'
- Registrar and Transfer Agents
Karvy Computershare Pvt. Ltd
Plot No.17-24, Vithal Rao Nagar
Madhapur, Hyderabad 500 081
Tel.No.(040) 23420815 - 828
Fax No.(040) 23420814
- Share Transfer System
All the transfers received are processed and approved by the Share
Transfer & Investors' Grievance Committee at its meetings or by circular
resolutions.
- Employee Stock Option Scheme
The Company has earmarked 6392988 equity shares under the
Employee Stock Option Scheme 2007. Each Option is convertible into
an equity share of Rs.2/- each. As on March 31, 2010, 1983868 Options
are outstanding. The vesting period and the exercise period of the Stock
Options shall be determined by the Remuneration & Nomination
Committee subject to the minimum vesting period being one year.
Please see Annexure 'B'
- Distribution of Shareholding and
Shareholding pattern as on 31.3.2010
94.67% of the shareholding has been dematerialized as on 31.03.2010.
- Dematerialisation of shares and Liquidity
The Company's plants are located at
- Plant Locations
 - a) Malkapuram, Visakhapatnam, A.P.
 - b) Beach Road, Kakinada, A.P.
 - c) Ennore, Chennai, Tamil Nadu
 - d) Ranipet, North Arcot, Tamil Nadu
 - e) Ghansoli, Navi Mumbai
 - f) Ankleshwar, Gujarat
 - g) Baribrahmana, Jammu & Kashmir
- Registered Office / Address for
Correspondence
Coromandel International Limited
Coromandel House
1-2-10, Sardar Patel Road
Secunderabad 500 003
Tel.No.040 27842034
Fax: 040 27844117
email: rajarammr@coromandel.murugappa.com
parvathikr@coromandel.murugappa.com
- Nomination Facility
The Companies (Amendment) Act, 1999 has introduced through Section
109A, 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.
Investors are advised to avail of this facility, especially investors holding
securities in single name.
The nomination form may be had on request from the Company's
Registrars & Transfer Agents for the shares held in physical form. For the
shares held in dematerialized form, the nomination has to be conveyed
by the shareholders to their respective Depository Participant directly, as
per the format prescribed by them.

A. NON-MANDATORY REQUIREMENT

a. Remuneration & Nomination Committee

The Board has constituted a Remuneration & Nomination Committee with three Non-Executive Directors. The Committee reviews and recommends to the Board on appointment / reappointment of Directors and recommends to the Board the remuneration package and incentive/commission on profits to the Executive Directors.

b. Shareholder Rights

Quarterly financial results are published in leading newspapers, viz. The Business Line and vernacular - Andhra Prabha. In addition, the first half yearly report of the financial results are being mailed to all the shareholders. 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. Whistle Blower Policy

The Company has established a whistle blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of employees who avail of it and also for appointment of an Ombudsperson 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 Chairperson of the Audit Committee. We further affirm that during the year, no employee has been denied access to the Audit Committee.

d. Other Non-Mandatory Requirements

Other non mandatory requirements have not been adopted by the Company for the present.

e. Voluntary guidelines on Corporate Governance

The Ministry of Corporate Affairs recently announced a set of voluntary guidelines on Corporate Governance. The Company, in line with its stated policy of being committed to the principles and practices of good corporate governance, is in compliance with many of these guidelines, as reported in the earlier paragraphs. As regards the remaining guidelines, the Company is in the process of evaluating the feasibility for implementation progressively.

f. The list of promoters belonging to the Murugappa Group is given in

Annexure 'C'

On behalf of the Board


A Vellayan
Chairman

Dated : April 22, 2010

Place : Secunderabad

AUDITORS' CERTIFICATE

Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of
Coromandel International Limited
(formerly Coromandel Fertilisers Limited)

We have examined the compliance of conditions of Corporate Governance by Coromandel International Limited ('the Company') (formerly Coromandel Fertilisers Limited), for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.


The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and

implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 **Price Waterhouse**
Firm Registration Number 007568S
Chartered Accountants


Anupam Dhawan
Partner
Membership No. F-84451

Place : Hyderabad

Date : April 22, 2010

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 March 31, 2010 as envisaged in clause 49 of the listing agreement with stock exchanges.

Place : Secunderabad
Dated : April 22, 2010

V. Ravichandran
V Ravichandran
Managing Director

Annexure 'A'

Monthly High/Low of market price of the Company's shares traded on The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), Mumbai, and performance in comparison to BSE Sensex and S&P CNX Nifty during the period from April 1, 2009 to March 31, 2010 is furnished below:

| Period | The Bombay Stock Exchange Ltd., (Rs) | | Sensex Index | | National Stock Exchange of India Ltd., (Rs) | | S&P CNX Nifty Index | |
|----------|--------------------------------------|--------|--------------|----------|---|--------|---------------------|---------|
| | High | Low | High | Low | High | Low | High | Low |
| Apr 2009 | 129.00 | 91.80 | 11492.10 | 9546.29 | 129.50 | 88.30 | 4290.96 | 3769.02 |
| May 2009 | 190.85 | 121.55 | 14930.54 | 11621.30 | 192.50 | 121.00 | 5480.11 | 4377.93 |
| Jun 2009 | 231.70 | 172.55 | 15600.30 | 14016.95 | 232.00 | 173.00 | 5739.53 | 5226.95 |
| Jul 2009 | 206.70 | 156.60 | 15732.81 | 13219.99 | 206.20 | 157.00 | 5737.09 | 4914.79 |
| Aug 2009 | 188.00 | 160.00 | 16002.46 | 14684.45 | 189.00 | 159.00 | 5861.96 | 5430.95 |
| Sep 2009 | 212.50 | 169.65 | 17142.52 | 15356.72 | 212.90 | 169.60 | 6302.19 | 5690.74 |
| Oct 2009 | 228.00 | 202.50 | 17493.17 | 15805.20 | 222.95 | 200.60 | 6379.50 | 5846.03 |
| Nov 2009 | 232.00 | 200.30 | 17290.48 | 15330.56 | 230.00 | 195.00 | 6339.11 | 5662.60 |
| Dec 2009 | 243.00 | 219.05 | 17530.94 | 16577.78 | 242.95 | 219.25 | 6456.97 | 6146.13 |
| Jan 2010 | 292.00 | 235.95 | 17790.33 | 15982.08 | 293.00 | 231.10 | 6557.20 | 6025.64 |
| Feb 2010 | 289.40 | 254.30 | 16669.25 | 15651.99 | 289.00 | 255.00 | 6123.81 | 5860.40 |
| Mar 2010 | 337.00 | 278.00 | 17793.01 | 16438.45 | 335.00 | 266.45 | 6588.34 | 6231.89 |

Annexure 'B'

DISTRIBUTION OF HOLDINGS AS ON 31.03.2010

| No. of equity shares held | No. of shares | % | No. of shareholders | % |
|---------------------------|------------------|---------------|---------------------|---------------|
| 1 - 5000 | 12855745 | 9.16 | 48946 | 99.10 |
| 5001 - 10000 | 1392649 | 0.99 | 189 | 0.38 |
| 10001 - 20000 | 1305308 | 0.93 | 96 | 0.19 |
| 20001 - 30000 | 769143 | 0.55 | 30 | 0.06 |
| 30001 - 40000 | 475279 | 0.34 | 13 | 0.03 |
| 40001 - 50000 | 599924 | 0.43 | 13 | 0.03 |
| 50001 - 100000 | 2772895 | 1.98 | 39 | 0.08 |
| 100001 and above | 120102301 | 85.62 | 65 | 0.13 |
| Total | 140273244 | 100.00 | 49391 | 100.00 |
| Physical mode | 7471380 | 5.33 | 27942 | 56.57 |
| Demat mode | 132801864 | 94.67 | 21449 | 43.43 |

SHAREHOLDING PATTERN AS ON 31.03.2010

| Sl.No. | Category | No. of shares | % |
|--------|---|------------------|---------------|
| 1 | Promoters | 90245319 | 64.34 |
| 2 | UTI & Mutual Funds | 9542888 | 6.80 |
| 3 | Banks, Financial Institutions & Insurance Companies | 5110245 | 3.64 |
| 4 | Foreign Institutional Investors | 4982338 | 3.55 |
| 5 | Private Corporate Bodies | 2341848 | 1.67 |
| 6 | Indian Public | 21592111 | 15.39 |
| 7 | NRI's | 1328922 | 0.95 |
| 8 | Foreign Nationals | 47905 | 0.03 |
| 9 | Foreign Company | 250 | 0.00 |
| 10 | Foreign Bank | 920 | 0.00 |
| 11 | Foreign Corporate Bodies | 4969530 | 3.54 |
| 12 | Trusts | 23796 | 0.02 |
| 13 | Clearing Members | 87172 | 0.06 |
| | TOTAL | 140273244 | 100.00 |

Annexure 'C'

List of Promoters of the Company belonging to the Murugappa Group pursuant to Regulation 3(1)(e)(i) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997

| Sl No. | Names of the Promoters | Sl No. | Names of the Promoters |
|--------|--|--------|---|
| 1 | EID Parry (India) Ltd.& its subsidiaries | 17 | Kadamane Estates Company |
| 2 | Silkroad Sugars Pvt. Ltd. | 18 | MM Muthiah Research Foundation |
| 3 | New Ambadi Estates Pvt. Ltd.& its subsidiaries | 19 | A R Lakshmi Achi Trust |
| 4 | Ambadi Enterprises Ltd.& its subsidiaries | 20 | AMM Foundation |
| 5 | Tube Investments of India Ltd.& its subsidiaries | 21 | M V Murugappan & family |
| 6 | TII Shareholding Trust | 22 | M V Subbiah & family |
| 7 | Presmet Pvt Ltd | 23 | S Vellayan & family |
| 8 | Carborundum Universal Ltd.& its subsidiaries | 24 | A Vellayan & family |
| 9 | Laserwords Private Ltd & its subsidiaries | 25 | A Venkatachalam & family |
| 10 | Coromandel Engineering Company Limited | 26 | M M Murugappan & family |
| 11 | Murugappa Educational and Medical Foundation | 27 | M M Venkatachalam & family |
| 12 | AMM Arunachalam & Sons P Ltd. | 28 | M A Alagappan & family |
| 13 | AMM Vellayan Sons P Ltd. | 29 | Arun Alagappan & family |
| 14 | MM Muthiah Sons P Ltd. | 30 | M A M Arunachalam & family |
| 15 | Murugappa & Sons | 31 | Samvit Education Services Pvt. Ltd. |
| 16 | Yelnoorkhan Group Estates | 32 | Any Company/entity promoted by any of the above |

Note: Family for this purpose include spouse, dependent children and parents.

AUDITORS' REPORT

To the Members of Coromandel International Limited
(formerly Coromandel Fertilisers Limited)

1. We have audited the attached Balance Sheet of Coromandel International Limited (formerly Coromandel Fertilisers Limited) ('the Company'), as at March 31, 2010, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Subsidy income for the year includes an amount of Rs.264,712.00 Lakhs recognised based on management understanding of the prevailing concession scheme in respect of certain elements which have been notified and based on their estimates in respect of the period where the final notification has not been issued. Necessary adjustments to such accrual and consequential impact, if any, on net profits and net assets, will be accounted for by the management on final announcement/determination of the subsidy receivable. (Refer Note XIX on Schedule 18.)*
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner the information required by the Act and *subject to our comments in paragraph 4 above, the impact of which cannot be ascertained at this stage*, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Price Waterhouse**
Firm Registration Number 007568S
Chartered Accountants



Anupam Dhawan

Partner

Membership No. F-84451

Place : Hyderabad
Date : April 22, 2010

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Coromandel International Limited (formerly Coromandel Fertilisers Limited) on the financial statements for the year ended March 31, 2010]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted in earlier years from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of sales-tax, service tax, excise duty and cess as at March 31, 2010 which have not been deposited on account of dispute are as follows:

| Name of the Statute | Nature of Dues | Amount (Rs. in Lakhs) | Years to which they relate | Forum where the dispute is pending |
|--|---|-----------------------|----------------------------|--|
| Karnataka Sales tax Act, 1957 | Turnover Tax on chemical mixture fertilizers | 8.33 | 1993-1994 to 1996-1997 | Sales Tax Appellate Tribunal |
| Andhra Pradesh General Sales Tax Act, 1957 | Sales tax on scrap sales, Taxable turnover/Tax on stock transfer/Tax on Government of India Subsidy/ Lease rentals/Set-offs | 133.68 | 1995-1996 to 2005-2006 | Appellate Deputy commissioner Sales Tax, Sales Tax Appellate Tribunal/Joint Commissioner of Commercial Taxes/ Commercial tax Officer/Assistant Commissioner (CT) |

| Name of the Statute | Nature of Dues | Amount (Rs. in Lakhs) | Years to which they relate | Forum where the dispute is pending |
|--|---|-----------------------|----------------------------|---|
| West Bengal Sales Tax Act, 1994 | Disallowance of tax adjustment, surcharge and penalties | 3.90 | 2002-2003 | Assistant Commissioner (Appeals), West Bengal |
| Gujarat Sales Tax Act, 1969 | Tax on Stock Transfers, Tax on non-submission of forms | 4.28 | 2001-02 to 2003-04 | Appellate Deputy commissioner Sales Tax, Sales Tax Appellate Tribunal |
| Bombay Sales Tax Act, 1959 | Tax on non-submission of forms | 2.57 | 2003-04 | Appellate Deputy commissioner Sales Tax, Sales Tax Appellate Tribunal |
| Tamil Nadu General Sales Tax Act, 1959 | Disallowance on Stock Transfers | 0.98 | 2001-02 | Sales Tax Appellate Tribunal |
| Electricity Supply Act, 1948 | Cess on generation of electricity | 152.66 | 2003-2004 to 2008-2009 | Hon'ble High Courts of Madras and Andhra Pradesh |
| Central Excise Act, 1944 | Disallowance/demands relating to excise duty | 481.36 | 1999-2003 | Commissioner (Appeals)/Customs, Excise, Service Tax Appellate Tribunal and Hon'ble High Courts of Andhra Pradesh and Mumbai |
| The Customs Act, 1962 | Penalty on customs duty | 10.84 | 1998-1999 | Customs, Excise, Service Tax Appellate Tribunal, Mumbai |

10. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained. However, as at March 31, 2010, short term loans amounting to Rs. 25,500 Lakhs have been temporarily placed in fixed deposits pending utilisation for the purpose for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not raised any money by public issues during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
21. The other clauses, (iii)(b), (iii)(c), (iii)(d), (iii)(f), (iii)(g), (v)(b) and (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported upon under the aforesaid order.

For **Price Waterhouse**
Firm Registration Number 007568S
Chartered Accountants



Anupam Dhawan

Partner

Membership No. F-84451

Place : Hyderabad
Date : April 22, 2010

BALANCE SHEET AS AT MARCH 31, 2010

Rupees in Lakhs

I. SOURCES OF FUNDS

1. Shareholders' Funds

- (a) Capital
- (b) Reserves and Surplus

2. Loan Funds

- (a) Secured Loans
- (b) Unsecured Loans

3. Deferred Tax Liability (net)

(Refer Note XI on Schedule 18)

TOTAL

II. APPLICATION OF FUNDS

1. Fixed Assets

- (a) Gross Block
- (b) Less : Depreciation
- (c) Net Block
- (d) Capital Work-in-Progress
(including capital advances)

2. Investments

3. Current Assets, Loans and Advances

- (a) Inventories
- (b) Sundry Debtors
- (c) Cash and Bank Balances
- (d) Other Current Assets
- (e) Loans and Advances

Less: Current Liabilities and Provisions

- (a) Liabilities
- (b) Provisions

Net Current Assets

TOTAL

Notes to the Accounts

| Schedule | March 31, 2010 | March 31, 2009 |
|----------|----------------|----------------|
| 1 | 2,805.46 | 2,797.94 |
| 2 | 140,693.35 | 109,916.11 |
| | 143,498.81 | 112,714.05 |
| 3 | 46,559.85 | 29,705.28 |
| 4 | 145,219.54 | 142,284.71 |
| | 191,779.39 | 171,989.99 |
| | 8,546.71 | 7,946.71 |
| | 343,824.91 | 292,650.75 |
| 5 | 129,959.79 | 120,497.69 |
| | 49,555.88 | 44,094.27 |
| | 80,403.91 | 76,403.42 |
| | 1,327.55 | 2,780.18 |
| | 81,731.46 | 79,183.60 |
| 6 | 21,104.61 | 16,331.04 |
| 7 | 92,642.27 | 134,751.05 |
| 8 | 14,271.30 | 10,433.30 |
| 9 | 80,985.86 | 34,149.28 |
| 10 | 85,995.73 | 88,028.85 |
| 11 | 62,328.72 | 105,276.14 |
| | 336,223.88 | 372,638.62 |
| 12 | 85,796.12 | 163,306.67 |
| 13 | 9,438.92 | 12,195.84 |
| | 95,235.04 | 175,502.51 |
| | 240,988.84 | 197,136.11 |
| | 343,824.91 | 292,650.75 |
| 17&18 | | |

The schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For **Price Waterhouse**

Firm Registration No. 007568S

Chartered Accountants



ANUPAM DHAWAN

Partner

Membership No. F-84451

Hyderabad: April 22, 2010

For and on behalf of the Board



V. RAVICHANDRAN

Managing Director



P. NAGARAJAN

Chief Financial Officer



A. VELLAYAN

Chairman



M.R. RAJARAM

Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Rupees in Lakhs

| | Schedule | Year ended March 31, 2010 | Year ended March 31, 2009 |
|---|----------|------------------------------|------------------------------|
| I. Income | | | |
| Sales (Gross) | | 286,641.29 | 220,195.70 |
| Less: Excise Duty | | 3,588.69 | 4,666.92 |
| Sales (net) | | 283,052.60 | 215,528.78 |
| Government Subsidies | | 356,420.43 | 721,969.27 |
| Income from Business Assistance Agreement (Refer Note XX (h) on Schedule 18) | | — | 15,859.41 |
| Other Income | 14 | 13,211.54 | 13,423.08 |
| | | 652,684.57 | 966,780.54 |
| II. Expenditure | | | |
| Manufacturing and Other Expenses | 15 | 568,380.39 | 871,877.26 |
| Interest | 16 | 7,537.13 | 8,472.30 |
| Depreciation | | 5,923.16 | 5,613.18 |
| | | 581,840.68 | 885,962.74 |
| III. Profit before tax | | 70,843.89 | 80,817.80 |
| Provision for Taxation | | | |
| - Current (Refer Note XIX on Schedule 18) | | 23,424.00 | 31,300.00 |
| - Deferred (Refer Note XI on Schedule 18) | | 600.00 | (300.00) |
| - Fringe Benefits Tax | | — | 180.00 |
| IV. Profit after taxation | | 46,819.89 | 49,637.80 |
| Balance brought forward | | 14,885.92 | 5,301.50 |
| V. Available for Appropriation | | 61,705.81 | 54,939.30 |
| Transfer to General Reserve | | 25,000.00 | 25,000.00 |
| Transfer from Debenture Redemption Reserve | | — | (1,313.87) |
| Interim Dividend | | 8,414.64 | 8,393.82 |
| Proposed Dividend | | 5,610.93 | 5,595.88 |
| Dividend Tax | | 2,361.97 | 2,377.55 |
| VI. Balance carried to Balance Sheet | | 20,318.27 | 14,885.92 |
| Earnings per share - Basic (Rs.) | | 33.43 | 35.48 |
| Earnings per share - Diluted (Rs.) | | 33.08 | 35.42 |
| (Refer Note XII on Schedule 18) | | | |
| Notes to the Accounts | 17&18 | | |

The schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board

For **Price Waterhouse**
Firm Registration No. 007568S
Chartered Accountants



ANUPAM DHAWAN

Partner

Membership No. F-84451

Hyderabad: April 22, 2010


V. RAVICHANDRAN
Managing Director


P. NAGARAJAN
Chief Financial Officer


A. VELLAYAN
Chairman


M.R. RAJARAM
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Rupees in Lakhs

| | 2009-2010 | 2008-2009 |
|--|--------------------|--------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 70,843.89 | 80,817.80 |
| Adjustments for: | | |
| Depreciation | 5,923.16 | 5,613.18 |
| Interest expense | 7,537.13 | 8,472.30 |
| Loss on sale of fixed assets | 524.74 | 351.15 |
| Loss on sale of Fertiliser Special Bonds | — | 2,369.31 |
| Profit on sale of current investments | (4.15) | — |
| Interest income | (6,814.52) | (7,405.31) |
| Dividend income | (655.25) | (2,758.70) |
| Foreign exchange fluctuation | (1,805.13) | 1,600.86 |
| Mark to Market of Fertiliser Special Bonds | 2,033.12 | 10,452.34 |
| Provision for doubtful debts no longer required, written back | (54.10) | (44.02) |
| Other Provisions no longer required written back | (2,898.24) | (713.02) |
| Provision for doubtful debts and advances | 704.37 | 99.40 |
| Bad debts written off | 55.04 | 75.51 |
| Operating Profit Before Working Capital Changes | 75,390.06 | 98,930.80 |
| Adjustments for: | | |
| (Increase)/Decrease in trade and other receivables | 38,436.79 | (45,296.79) |
| (Increase)/Decrease in inventories | 42,108.78 | (48,264.22) |
| Increase/(Decrease) in trade payables | (76,001.65) | 92,841.28 |
| Receipt of Fertiliser Companies' Government of India Special Bonds in lieu of subsidy receivable | — | (199,273.00) |
| Proceeds from sale of Fertiliser companies' Govt of India Special Bonds | — | 126,325.00 |
| Cash Generated From Operations | 79,933.98 | 25,263.07 |
| Interest received | 6,781.84 | 6,510.87 |
| Direct Taxes paid (net of refunds) | (24,350.76) | (32,382.39) |
| Net Cash from Operating Activities | 62,365.06 | (608.45) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (9,027.96) | (11,652.53) |
| Sale of fixed assets | 32.20 | 43.33 |
| Purchase of long term investments - others | (4,773.02) | (14,270.31) |
| Sale of long term investments - others | — | 2,670.09 |
| Sale of current investments | 3.60 | — |
| Purchase of investments - mutual funds | (456,700.00) | (458,900.00) |
| Sale of investments - mutual funds | 456,700.00 | 461,400.00 |
| Dividends received - trade investments | 2.56 | 1,418.49 |
| Dividends received - others | 652.69 | 1,340.21 |
| Net Cash used in Investing Activities | (13,109.93) | (17,950.72) |

CASH FLOW STATEMENT (Contd.)

Rupees in Lakhs

| | 2009-2010 | 2008-2009 |
|---|-------------------|------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issue of equity shares on exercise of Employee stock Options (including share premium) | 352.41 | — |
| Proceeds from long term borrowings | 4,656.28 | — |
| Repayment of long term borrowings | (9,605.18) | (14,779.27) |
| Increase/(Decrease) in working capital finance | 26,026.83 | 80,520.96 |
| Dividends paid (including tax thereon) | (16,190.17) | (15,287.09) |
| Interest paid | (7,658.72) | (8,467.60) |
| Net Cash from Financing Activities | (2,418.55) | 41,987.00 |
| Net Increase/(Decrease) in Cash And Cash Equivalents | 46,836.58 | 23,427.83 |
| Cash and Cash Equivalents at the beginning of the year | 34,149.28 | 10,721.45 |
| Cash and Cash Equivalents at the end of the year (Refer Note 2 below) | 80,985.86 | 34,149.28 |

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements notified under section 211 (3C) of the Act.
- Cash and Cash Equivalents as at March 31, 2010 include Rs. 34.77 Lakhs (2009: Rs. 54.57 Lakhs) given as margin money which are restricted cash and cash equivalents.

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For **Price Waterhouse**
Firm Registration No. 007568S
Chartered Accountants



ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 22, 2010


V. RAVICHANDRAN
Managing Director


P. NAGARAJAN
Chief Financial Officer


A. VELLAYAN
Chairman


M.R. RAJARAM
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET

Rupees in Lakhs

| | March 31, 2010 | March 31, 2009 |
|---|-----------------|-----------------|
| 1. CAPITAL | | |
| Authorised 175,000,000 Equity Shares of Rs. 2/- each | 3,500.00 | 3,500.00 |
| Issued and Subscribed* 140,273,244 (2009: 139,896,948) Equity Shares of Rs. 2/- each fully paid-up | 2,805.46 | 2,797.94 |
| *Notes: | | |
| (A) Of the above, since inception: | | |
| (i) 5,806,100 Equity Shares of Rs. 2/- each fully paid-up have been allotted pursuant to contracts without payments being received in cash. | | |
| (ii) 69,278,790 Equity Shares of Rs. 2/- each fully paid-up have been issued as Bonus Shares by capitalisation of a part of General Reserve. | | |
| (iii) 4,409,440 Equity Shares of Rs. 2/- each fully paid-up have been issued at a premium of Rs. 2/- per share to the Debenture Holders and Public Financial Institutions pursuant to the right exercised by them for converting a part of their Debentures/Loan amounts into fully paid-up Equity Shares. | | |
| (B) 4,864,000 Equity Shares of Rs. 10/- each fully paid-up have been bought back at a price of Rs. 65/- per share from the shareholders pursuant to the offer for buy back of equity shares made during the year ended March 31, 2000. | | |
| (C) 29,749,505 Equity Shares of Rs. 2/- each fully paid-up have been allotted to the shareholders of E.I.D. Parry (India) Limited in the ratio of one share of the Company for every three shares of E.I.D. Parry (India) Limited, pursuant to the scheme of arrangement (demerger) between E.I.D. Parry (India) Limited and the Company for the acquisition of Farm Inputs Division of E.I.D. Parry (India) Limited. | | |
| (D) 831,981 Equity Shares of Rs.2/- each fully paid up have been allotted to the shareholders of Ficom Organics Limited in the ratio of 3 shares of the Company for every 11 shares of Ficom Organics Limited pursuant to the Scheme of Amalgamation between Ficom Organics Limited and Rasilah Investments Limited and the Company. | | |
| (E) 12,037,182 Equity Shares of Rs.2/- each fully paid up have been allotted to the shareholders of Godavari Fertilisers and Chemicals Limited in the ratio of 3 shares of the Company for every 2 shares of Godavari Fertilisers and Chemicals Limited pursuant to the Scheme of Amalgamation between Godavari Fertilisers and Chemicals Limited and the Company. | | |
| (F) Of the total Equity Share Capital as at March 31, 2010, E.I.D. Parry (India) Limited (Holding Company) holds 88,284,290 (2009: 87,947,790) Equity Shares of Rs. 2/- each fully paid-up. | | |
| (G) 376,296 (2009: Nil) Equity Shares of Rs. 2 each have been allotted pursuant to exercise of stock options under 'ESOP 2007' scheme during the year. | | |
| Total | 2,805.46 | 2,797.94 |

...SCHEDULES

Rupees in Lakhs

| | | March 31, 2010 | March 31, 2009 |
|---|---------------|----------------|----------------|
| 2. RESERVES AND SURPLUS | | | |
| Capital Reserve (on Amalgamation) | (A) | 13,564.83 | 13,564.83 |
| Capital Reserve | | 14.97 | 14.97 |
| Capital Redemption Reserve | | 486.40 | 486.40 |
| Securities Premium Account | | | |
| Per last Balance Sheet | | 6,006.01 | 6,006.01 |
| Add: Received on exercise of employee stock options | | 344.89 | — |
| | | 6,350.90 | 6,006.01 |
| Central Subsidy | | 11.25 | 11.25 |
| | (B) | 6,863.52 | 6,518.63 |
| Debenture Redemption Reserve | | | |
| Per last Balance Sheet | | — | 1,313.87 |
| Less: Transfer to Profit and Loss Account | | — | 1,313.87 |
| | (C) | — | — |
| Investment Allowance Reserve (Utilised) Account | | | |
| Per last Balance Sheet | | — | 1,428.42 |
| Less: Transfer to Amalgamation Adjustment Account* | | — | 1,428.42 |
| | (D) | — | — |
| General Reserve | | | |
| Per last Balance Sheet | | 74,961.70 | 49,961.70 |
| Add: Transfer from Profit and Loss Account | | 25,000.00 | 25,000.00 |
| | (E) | 99,961.70 | 74,961.70 |
| Profit and Loss Account | (F) | 20,318.27 | 14,885.92 |
| | {A+B+C+D+E+F} | 140,708.32 | 109,931.08 |
| Less: Amalgamation Adjustment Account | | | |
| Per last Balance Sheet | | 14.97 | 1,443.39 |
| Less: Transfer from Investment Allowance Reserve (Utilised) Account | | — | 1,428.42 |
| | | 14.97 | 14.97 |
| | Total | 140,693.35 | 109,916.11 |
| * Adjusted against Amalgamation Adjustment Account on completion of the statutory period of ten years under the Income Tax Act, 1961. | | | |
| 3. SECURED LOANS | | | |
| (Refer Note VIII on Schedule 18) | | | |
| (a) Term Loans | | | |
| - Banks | | | |
| - Foreign Currency Loans | | 5,868.74 | 4,471.85 |
| - Rupee Loans | | — | 5,666.67 |
| - Others | | 1,358.22 | 2,037.34 |
| (b) Banks - Cash Credit and Working Capital Demand Loans | | | |
| - Foreign Currency Loans | | — | 1,014.80 |
| - Rupee Loans | | 39,332.89 | 16,514.62 |
| | Total | 46,559.85 | 29,705.28 |
| 4. UNSECURED LOANS | | | |
| (a) Short Term Loans | | | |
| - From Banks | | | |
| - Foreign Currency Loans | | 65,410.29 | 87,992.07 |
| - Rupee Loans | | 70,000.00 | 45,000.00 |
| (b) From other than banks, other than short term | | | |
| - Sales Tax Deferral | | 2.78 | 2.78 |
| - Security/Trade and Other Deposits | | 9,806.47 | 9,289.86 |
| | Total | 145,219.54 | 142,284.71 |

5. FIXED ASSETS

| Description | COST or VALUATION | | | DEPRECIATION | | | | NET BOOK VALUE | |
|---|----------------------|-----------|-------------------------|----------------------|---------------------|--------------|----------------------------|----------------------|----------------------|
| | As at 1st April 2009 | Additions | Deductions/ Adjustments | As at March 31, 2010 | Upto March 31, 2009 | For the year | On Deductions/ Adjustments | As at March 31, 2010 | As at March 31, 2009 |
| Land | | | | | | | | | |
| - Freehold | 26,067.98 | - | - | 26,067.98 | - | - | - | 26,067.98 | 26,067.98 |
| - Leasehold | 1,287.51 | - | - | 1,287.51 | 138.68 | 18.58 | - | 1,130.25 | 1,148.83 |
| Buildings | 7,628.10 | 1,769.63 | 5.96 | 9,391.77 | 1,651.68 | 230.56 | 4.60 | 7,514.13 | 5,976.42 |
| Roads | 767.39 | 62.09 | - | 829.48 | 94.01 | 14.80 | - | 720.67 | 673.38 |
| Railway Siding | 662.78 | 42.96 | 5.47 | 700.27 | 277.42 | 31.12 | 5.20 | 396.93 | 385.36 |
| Plant and Machinery | 78,907.98 | 7,324.25 | 849.71 | 85,382.52 | 40,075.54 | 4,613.00 | 334.36 | 41,028.34 | 38,832.44 |
| Office Equipment, Furniture and Fittings | 4,042.94 | 938.34 | 42.37 | 4,938.91 | 1,411.35 | 794.73 | 36.89 | 2,769.72 | 2,631.59 |
| Vehicles | 1,122.03 | 343.32 | 114.98 | 1,350.37 | 434.61 | 220.37 | 80.50 | 775.89 | 687.42 |
| Technical Know-how | 10.98 | - | - | 10.98 | 10.98 | - | - | - | - |
| Total | 120,497.69 | 10,480.59 | 1,018.49 | 129,959.79 | 44,094.27 | 5,923.16 | 461.55 | 80,403.91 | 76,403.42 |
| Previous Year | 112,592.91 | 9,956.28 | 2,051.50 | 120,497.69 | 40,138.11 | 5,613.18 | 1,657.02 | 76,403.42 | - |
| Capital work in Progress (Including capital advances) | | | | | | | | 1,327.55 | 2,780.18 |

Notes:

1. Land taken over from erstwhile Godavari Fertilisers and Chemicals Limited, pursuant to the Amalgamation is pending mutation in the name of the Company.
2. Additions to Plant and Machinery and Buildings for the year include interest capitalised amounting to Rs. 45.04 Lakhs (2009 : Rs. 111.34 Lakhs).
3. Additions to fixed assets during the year include Rs. 58.93 Lakhs (2009: Rs. 41.47 Lakhs), being assets used for research and development.

...SCHEDULES

Rupees in Lakhs

6. INVESTMENTS - LONG TERM - AT COST

I. TRADE INVESTMENTS

UNQUOTED

Prathyusha Chemicals and Fertilisers Limited

1,430,000 Equity Shares of Rs. 10/- each, fully paid-up

Less: Provision for diminution in value

Indian Potash Limited

90,000 Equity Shares of Rs. 10/- each, fully paid-up

Foskor (Pty) Limited, South Africa

199,590 Ordinary shares of
South African Rand 1 each fully paid-up

Murugappa Management Services Limited

16,139 (2009: Nil) Equity Shares of
Rs. 450/- each fully paid up

Bharuch Enviro Infrastructure Limited

16,100 Equity Shares of Rs. 10/- each, fully paid-up

Bharuch Eco Aqua Infrastructure Limited

275,000 Equity Shares of Rs. 10/- each, fully paid-up

A.P. Gas Power Corporation Limited

1,340,000 Equity shares of Rs.10 each fully paid

(A)

II. OTHER THAN TRADE INVESTMENTS - UNQUOTED

IDBI Flexibonds

Nil (2009: 40) bonds of Rs. 5,000/- each, fully paid-up

(B)

III. SUBSIDIARY COMPANIES - UNQUOTED

Parry Chemicals Limited

500,000 Equity Shares of Rs.10/- each, fully paid-up

CFL Mauritius Limited, Mauritius

18,025,000 Ordinary Shares of USD 1 each, fully paid -up.

IV. LIMITED LIABILITY PARTNERSHIP - WHOLLY OWNED, UNQUOTED

Coromandel Brasil Limitada , Sau Paulo, Brasil

5,000 (2009: 4,950) Ordinary Shares of
Brazilian Real 100 each, fully paid -up.

V. JOINT VENTURE COMPANIES - TRADE, UNQUOTED

Tunisian Indian Fertilisers S.A., Tunisia

3,375,000 (2009:1,350,000 ordinary shares fully paid up
and 2,025,000 ordinary shares TND 3.70 paid up)
ordinary shares of Tunisian Dinars (TND) 10 each fully paid up
(Refer note XX(g) on Schedule 18.)

Coromandel Getax Phosphates Pte Limited, Singapore

500,000 Ordinary Shares of USD 1 each, fully paid -up.

Coromandel SQM India Private Limited, India

1,997,300 (2009 : Nil) Ordinary Shares of
Rs.10 each, fully paid -up.

(C)

| March 31, 2010 | March 31, 2009 |
|----------------|----------------|
| | |
| 143.00 | 143.00 |
| 141.00 | 141.00 |
| 2.00 | 2.00 |
| 4.50 | 4.50 |
| 23.02 | 23.02 |
| 72.63 | — |
| 1.61 | 1.61 |
| 27.50 | 27.50 |
| 753.75 | 753.75 |
| 885.01 | 812.38 |
| — | 2.00 |
| — | 2.00 |
| 50.00 | 50.00 |
| 7,774.09 | 7,774.09 |
| 108.98 | 104.66 |
| 11,862.17 | 7,365.83 |
| 218.90 | 218.90 |
| 199.73 | — |
| 20,213.87 | 15,513.48 |

...SCHEDULES

Rupees in Lakhs

CURRENT INVESTMENTS - AT COST OR BELOW* (Contd...)

QUOTED

Glaxo Smithkline Pharmaceuticals Limited

Nil (2009: 38) Equity Shares of Rs. 10/- each, fully paid-up

Peninsula Land Limited

Nil (2009:245) Equity Shares of Rs. 2/- each, fully paid-up
(formerly Morarjee Realities Ltd.)

Tata Motors Limited

Nil (2009: 28) equity shares of Rs.10/- each , fully paid up.

Alpha Laval Limited

Nil (2009: 47) Equity Shares of Rs. 10/- each, fully paid-up

Corporation Bank Limited

Nil (2009: 500) Equity Shares of Rs. 10/- each, fully paid-up

Aditya Birla Nuvo Limited

Nil (2009: 11) Equity Shares of Rs. 10/- each, fully paid-up,
(formerly Birla Global Finance Limited)

PH Capital Limited

Nil (2009: 2900) Equity Shares of Rs. 10/- each, fully paid-up

Ashnoor Textile Mills Limited

238 Equity Shares of Rs. 10/- each, fully paid-up,
(formerly Gupta Carpet Udyog Limited)

ISMT Limited

Reconstructed to 425 equity Shares of Rs. 5/- each, fully paid-up,
(formerly Indian Seamless Metal Tubes Limited)

I G Petrochemicals Limited

13,000 Equity Shares of Rs. 10/- each, fully paid-up

UTI Master Shares

1,000 Equity Shares of Rs. 10/- each, fully paid-up

Super Sales India Limited

Nil (2009: 80) Equity Shares of Rs. 10/- each, fully paid-up,
(formerly Super Sales Agencies Ltd.)

Tata Steel Limited

Nil (2009: 49) Equity Shares of Rs. 10/- each, fully paid-up,
(formerly Tata Iron and Steel Company Ltd).

Tata Power Company Limited

Nil (2009: 120) Equity Shares of Rs. 10/- each, fully paid-up

Less: Provision for diminution in value

(D)

Total

{A+B+C+D}

| March 31, 2010 | March 31, 2009 |
|----------------|----------------|
| — | 0.16 |
| — | 0.14 |
| — | 0.10 |
| — | 0.24 |
| — | 0.40 |
| — | 0.01 |
| — | 0.29 |
| 0.05 | 0.05 |
| — | 0.07 |
| 12.64 | 12.64 |
| 0.15 | 0.15 |
| — | 0.04 |
| — | 0.10 |
| — | 0.16 |
| 12.84 | 14.55 |
| 7.11 | 11.37 |
| 5.73 | 3.18 |
| 21,104.61 | 16,331.04 |

* (Aggregate Market Value of quoted investments - Rs. 5.73 Lakhs (2009: Rs. 5.02 Lakhs)

(Aggregate Value of quoted investments - Rs. 5.73 Lakhs (2009: Rs. 3.18 Lakhs)

(Aggregate Value of Unquoted investments - Rs. 21,098.88 Lakhs (2009: Rs. 16,327.86 Lakhs)

For quantitative details of investments purchased and sold during the year, refer Note XV(b) on Schedule 18.

...SCHEDULES

Rupees in Lakhs

7. INVENTORIES

Stores and Spare Parts*
Raw Materials**
Work-in-process**
Finished Goods**

Total

*At cost or under

**At cost or net realisable value, whichever is lower Raw Materials include Materials in Transit of Rs. 23,952.34 Lakhs (2009: Rs. 8,494.52 Lakhs).

8. SUNDRY DEBTORS

(Considered good, unless otherwise stated)

Debts outstanding for a period exceeding six months

Secured
Unsecured
Unsecured - Considered Doubtful

Less: Provision for Doubtful Debts

(A)

Other Debts

Secured
Unsecured*

(B)

{A+B}

Total

*Includes due from Parry Chemicals Limited, a Subsidiary Company: Rs. 290.34 Lakhs (2009: Rs. 285.84 Lakhs)

9. CASH AND BANK BALANCES

Cash on Hand
Balances with Scheduled Banks:

- On Current Accounts
- On Deposit Accounts
- On Margin Money Accounts

Balances with non-Scheduled Banks:

- On Current Account - Ned Bank, South Africa*

Total

* Maximum balance outstanding during the year - Rs. 8.09 Lakhs (2009: Rs. 2,610.17 Lakhs)

10. OTHER CURRENT ASSETS

7.00% Fertiliser Companies' Government of India
Special Bonds 2022
(15,251,000 bonds of Rs.100 each)

6.20% Fertiliser Companies' Government of India
Special Bonds 2022*
(38,931,200 bonds of Rs.100 each)

6.65% Fertiliser Companies' Government of India
Special Bonds 2023
(45,590,700 bonds of Rs.100 each)

Less: Mark to Market write down

Total

*Out of these, 37,500,000 (2009: Nil) bonds of Rs.100 each have been marked as lien in favour of a lender.

| March 31, 2010 | March 31, 2009 |
|------------------|-------------------|
| 3,274.06 | 2,980.68 |
| 54,443.80 | 81,477.50 |
| 1,707.25 | 1,518.60 |
| 33,217.16 | 48,774.27 |
| 92,642.27 | 134,751.05 |
| | |
| | |
| 133.80 | 143.74 |
| 653.73 | 507.99 |
| 486.68 | 493.16 |
| 1,274.21 | 1,144.89 |
| 486.68 | 493.16 |
| 787.53 | 651.73 |
| | |
| 1,765.49 | 1,302.56 |
| 11,718.28 | 8,479.01 |
| 13,483.77 | 9,781.57 |
| 14,271.30 | 10,433.30 |
| | |
| | |
| 16.26 | 16.34 |
| 8,928.02 | 34,072.29 |
| 72,000.20 | - |
| 34.77 | 54.57 |
| | |
| 6.61 | 6.08 |
| 80,985.86 | 34,149.28 |
| | |
| | |
| 15,251.00 | 15,251.00 |
| | |
| 38,931.20 | 38,931.20 |
| | |
| 45,590.70 | 45,590.70 |
| 99,772.90 | 99,772.90 |
| 13,777.17 | 11,744.05 |
| 85,995.73 | 88,028.85 |
| | |
| | |

...SCHEDULES

Rupees in Lakhs

11. LOANS AND ADVANCES

(Unsecured and considered good unless otherwise stated)

Interest accrued but not due on deposits/loans/

Fertilisers special bonds

Advances recoverable in cash or in kind or for value to be received

Considered Good*

Considered Doubtful

Government Subsidies Receivable

Deposits with Government Bodies

Balances with Excise, Customs, Port Trust etc.,

Less: Provision for Doubtful Advances

Total

*Includes due from Companies under the same management : Rs. 6.12 Lakhs (2009: Rs. Nil)

12. LIABILITIES

Acceptances

Sundry Creditors

- Outstanding dues of Micro and Small Enterprises

- Outstanding dues of other than Micro and Small Enterprises

Unclaimed dividends*

Cheques issued but not encashed

- Fixed Deposit Refunds*

Advances from customers

Other Liabilities

Interest accrued but not due on loans/security deposits

Total

*There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

13. PROVISIONS

Taxation (net of advance tax)

Dividend

Tax on Dividend

Employee Benefits

Others (Refer Note XX(i) on Schedule 18)

Total

| March 31, 2010 | March 31, 2009 |
|----------------|----------------|
| 1,535.94 | 1,503.26 |
| 7,474.93 | 6,472.63 |
| 662.78 | 6.08 |
| 50,824.55 | 94,686.68 |
| 1,876.67 | 1,445.84 |
| 616.63 | 1,167.73 |
| 62,991.50 | 105,282.22 |
| 662.78 | 6.08 |
| 62,328.72 | 105,276.14 |
| 4,456.82 | 29,660.69 |
| — | — |
| 71,124.28 | 127,426.20 |
| 572.29 | 370.85 |
| 0.35 | 0.45 |
| 8,092.06 | 4,708.85 |
| 853.24 | 320.96 |
| 697.08 | 818.67 |
| 85,796.12 | 163,306.67 |
| 1,263.61 | 2,190.37 |
| 5,610.93 | 5,595.88 |
| 931.91 | 951.02 |
| 1,632.47 | 1,461.04 |
| — | 1,997.53 |
| 9,438.92 | 12,195.84 |

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Rupees in Lakhs

| | Year ended March 31, 2010 | Year ended March 31, 2009 |
|---|------------------------------|------------------------------|
| 14. OTHER INCOME | | |
| Interest on loans/deposits, Fertiliser Special bonds, income tax refunds, etc. (Gross) | 6,814.52 | 7,405.31 |
| [Tax deducted at source Rs.10.17 Lakhs (2009: Rs. 937.78 Lakhs)] | | |
| Dividend (Gross) | | |
| - On trade investments | 2.56 | 1,418.49 |
| [Tax deducted at source Rs. Nil (2009: Rs. Nil)] | | |
| - On other investments | 652.69 | 1,340.21 |
| [Tax deducted at source Rs. Nil (2009: Rs. Nil)] | | |
| Profit on sale of current investments | 4.15 | – |
| Provision for doubtful debts no longer required, written back | 54.10 | 44.02 |
| Other provisions no longer required, written back | 2,898.24 | 713.02 |
| Service Income | 370.23 | 543.77 |
| DEPB Income/Excise Benefits | 816.75 | 617.86 |
| Miscellaneous Income | 1,598.30 | 1,340.40 |
| Total | 13,211.54 | 13,423.08 |
| 15. MANUFACTURING AND OTHER EXPENSES | | |
| Raw Materials Consumed | 400,197.95 | 722,918.69 |
| Stores Consumed | 10,458.88 | 9,247.19 |
| Power, Fuel and Water | 6,683.55 | 6,304.76 |
| Purchase of Goods for Resale | 70,359.49 | 100,491.48 |
| Salaries, Wages and Bonus | 14,097.58 | 10,413.44 |
| Contribution to Provident Fund and Other Funds | 1,058.32 | 1,427.08 |
| Staff Welfare | 1,523.08 | 1,498.04 |
| Rent | 1,409.68 | 833.94 |
| Repairs to: | | |
| Plant and Machinery | 3,596.28 | 3,713.97 |
| Buildings | 156.30 | 215.15 |
| Others | 612.04 | 2,336.62 |
| Insurance | 232.14 | 271.56 |
| Rates and Taxes | 598.30 | 822.40 |
| Travel | 1,414.99 | 1,436.08 |
| Communication | 464.80 | 364.26 |
| Freight and Distribution | 30,690.64 | 19,241.58 |
| Commission to other Selling Agents | 290.27 | 236.20 |
| Directors' Fees | 8.20 | 9.85 |
| Loss/(Profit) on Sale/Scrap of Fixed Assets (net) | 524.74 | 351.15 |
| Provision for Doubtful Debts and Advances | 704.37 | 99.40 |
| Loss on Sale of Fertiliser Special Bonds | – | 2,369.31 |
| Mark to Market of Fertiliser Special Bonds | 2,033.12 | 10,452.34 |
| Bad Debts Written Off | 55.04 | 75.51 |
| Miscellaneous Expenses | 5,842.17 | 7,281.44 |
| (Increase)/Decrease in Stock: | | |
| Stock as at April 1, | | |
| – Work-in-Process | 1,518.60 | 934.57 |
| – Finished Goods | 48,774.27 | 18,824.12 |
| | 50,292.87 | 19,758.69 |
| Less: Stock as at March 31, | | |
| – Work-in-process | 1,707.25 | 1,518.60 |
| – Finished Goods | 33,217.16 | 48,774.27 |
| | 34,924.41 | 50,292.87 |
| (Increase)/Decrease in Stock | 15,368.46 | (30,534.18) |
| Total | 568,380.39 | 871,877.26 |
| 16. INTEREST | | |
| On Debentures/Term Loans | 524.92 | 1,552.82 |
| Others | 7,012.21 | 6,919.48 |
| Total | 7,537.13 | 8,472.30 |

...SCHEDULES

17. Capacity, Production, Purchase of goods for resale, Sales, Consumption and Stock

Quantitative information in respect of goods manufactured/purchased

(A) Licensed, Installed Capacity and Production per annum

| Particulars | Year ended March 31, 2010 | | | Year ended March 31, 2009 | | |
|--|---------------------------|---------------------|------------|---------------------------|---------------------|------------|
| | Licensed Capacity | Installed Capacity* | Production | Licensed Capacity | Installed Capacity* | Production |
| | (in MT) | (in MT) | (in MT) | (in MT) | (in MT) | (in MT) |
| (i) Fertilisers | | | | | | |
| Ammonium Phosphatic Fertilisers | 2,310,000 | 1,815,000 | 2,011,217 | 2,310,000 | 1,360,000 | 1,475,845 |
| Di- Ammonium Phosphate (DAP) | 815,000 | 815,000 | **514,564 | 815,000 | 815,000 | **518,217 |
| Single Super Phosphate | 132,000 | 132,000 | 100,102 | 132,000 | 132,000 | 89,853 |
| In terms of plant nutrients | | | | | | |
| N (Nitrogen) | 572,600 | 507,900 | 442,422 | 572,600 | 411,100 | 344,047 |
| P ₂ O ₅ (Phosphorus Pentoxide) | 1,035,770 | 859,520 | 795,042 | 1,035,770 | 758,520 | 615,807 |
| (ii) Plant Protection Products *** | | | | | | |
| Technicals | NA | 13,916 | 4,625 | NA | 14,580 | 5,914 |
| Formulations Liquids (in KL) | NA | 10,900 | 5,695 | NA | 10,900 | 5,718 |
| Formulations - Others | NA | 5,600 | 5,011 | NA | 5,600 | 3,282 |

Note

* Installed capacities are as certified by the management and not verified by the auditors, being a technical matter.

** Includes 2,150 MTs (2009: 2,046 MTs) of Di-Ammonium Phosphate (DAP) converted subsequently in to Ammonium Phosphatic Fertilisers.

*** Plant Protection Products are not covered by the list of industries in respect of which industrial licensing is compulsory.

...SCHEDULES

| | Year ended March 31, 2010 | | Year ended March 31, 2009 | |
|---|------------------------------|--------------------|------------------------------|--------------------|
| | Metric Tonnes | Rupees in Lakhs | Metric Tonnes | Rupees in Lakhs |
| (B) Purchase of goods for resale | | | | |
| Di-Ammonium Phosphate (DAP) | — | — | 119,527 | 77,732.56 |
| Muriate of Potash* | 255,769 | 50,314.84 | 43,041 | 14,776.62 |
| Ammonia | 5,514 | 890.12 | 4,831 | 1,142.43 |
| Plant Protection Chemicals | | 6,009.17 | | 2,008.08 |
| Others | | 13,145.36 | | 4,831.79 |
| | | <u>70,359.49</u> | | <u>100,491.48</u> |
| * do not include those meant for captive consumption. | | | | |
| (C) Sales - Produced/Purchased* | | | | |
| (i) Fertilisers | | | | |
| Di-Ammonium Phosphate (DAP) | 602,508 | 55,292.98 | 558,931 | 51,075.45 |
| Ammonium Phosphatic Fertilisers | 1,962,579 | 137,640.53 | 1,459,776 | 100,472.25 |
| Single Super Phosphate | 92,140 | 3,369.88 | 88,271 | 2,929.91 |
| Muriate of Potash | 251,280 | 10,396.09 | 55,366 | 2,323.04 |
| (ii) Plant Protection Products | | | | |
| Technicals | 4,428 | 9,679.03 | 4,023 | 9,643.67 |
| Formulations -Liquids (in KL) | 5,451 | 16,678.95 | 5,306 | 15,118.92 |
| Formulations - Others | 5,930 | 10,975.58 | 4,425 | 7,578.54 |
| (iii) Ammonia | 5,514 | 1,054.40 | 4,831 | 1,326.12 |
| (iv) Others | | 37,965.16 | | 25,060.88 |
| | | <u>283,052.60</u> | | <u>215,528.78</u> |
| * Sales are net of excise duty. | | | | |
| (D) Raw Materials Consumed | | | | |
| Ammonia | 475,691 | 68,966.65 | 370,057 | 98,342.97 |
| Rock Phosphate | 653,242 | 45,564.22 | 592,017 | 79,824.32 |
| Urea | 134,345 | 19,688.93 | 104,696 | 27,533.44 |
| Sulphur | 252,755 | 7,867.40 | 238,917 | 69,901.21 |
| Muriate of Potash | 280,694 | 61,000.79 | 240,552 | 70,662.78 |
| Mono Ammonium Phosphate | 8,453 | 1,478.52 | 4,021 | 1,393.58 |
| Phosphoric Acid | 617,046 | 174,290.84 | 449,927 | 348,066.25 |
| Plant Protection Chemicals | | 17,875.65 | | 18,685.20 |
| Others | | 3,464.95 | | 8,508.94 |
| | | <u>400,197.95</u> | | <u>722,918.69</u> |

...SCHEDULES

| | Year ended March 31, 2010 | | Year ended March 31, 2009 | |
|---|------------------------------|--------------------|------------------------------|--------------------|
| | Metric Tonnes | Rupees in Lakhs | Metric Tonnes | Rupees in Lakhs |
| (E) Stock Particulars of goods - | | | | |
| Produced/Purchased | | | | |
| Opening Stock: | | | | |
| (i) Fertilisers | | | | |
| Ammonium Phosphatic Fertilisers | 45,611 | 5,895.81 | 28,284 | 3,112.55 |
| Di-Ammonium Phosphate (DAP) | 124,512 | 26,250.67 | 47,788 | 7,046.78 |
| Single Super Phosphate | 2,159 | 107.43 | 583 | 20.99 |
| Muriate of Potash | 32,077 | 6,457.62 | 44,708 | 4,658.72 |
| (ii) Plant Protection Products | | | | |
| Technicals | 1,156 | 2,153.50 | 743 | 1,018.41 |
| Formulations - Liquids (in KL) | 1,070 | 2,269.19 | 711 | 1,523.67 |
| Formulations - Others | 725 | 981.07 | 866 | 825.05 |
| (iii) Others | | 4,658.98 | | 617.95 |
| | | <u>48,774.27</u> | | <u>18,824.12</u> |
| Closing Stock:* | | | | |
| (i) Fertilisers | | | | |
| Ammonium Phosphatic Fertilisers | 93,804 | 13,370.35 | 45,611 | 5,895.81 |
| Di-Ammonium Phosphate (DAP) | 35,349 | 6,129.37 | 124,512 | 26,250.67 |
| Single Super Phosphate | 9,150 | 437.00 | 2,159 | 107.43 |
| Muriate of Potash | 5,737 | 1,365.17 | 32,077 | 6,457.62 |
| (ii) Plant Protection Products | | | | |
| Technicals | 472 | 885.93 | 1,156 | 2,153.50 |
| Formulations - Liquids (in KL) | 1,133 | 2,585.28 | 1,070 | 2,269.19 |
| Formulations - Others | 1,137 | 1,644.44 | 725 | 981.07 |
| (iii) Others | | 6,799.62 | | 4,658.98 |
| | | <u>33,217.16</u> | | <u>48,774.27</u> |

*Net of shortages/in-transit-losses/captive consumption/samples.

...SCHEDULES

18. Notes forming part of the accounts for the year ended March 31, 2010

I. Significant Accounting Policies:

Basis of preparation of accounts

The financial statements have been prepared on the basis of going concern, under the historic cost convention, to comply in all material aspects with applicable accounting principles in India, the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 ("the Act") and the relevant provisions of the Act.

Fixed Assets

Fixed assets are shown at cost or valuation less depreciation. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Depreciation on Fixed assets

Depreciation is provided on the straight-line method. Depreciation on all assets (except certain Plant and Machinery, Vehicles and Computers and related equipment) has been provided over the useful life of the assets as determined by the management or derived from the rates prescribed in Schedule - XIV to the Companies Act 1956, whichever is higher. The useful life of such assets is periodically reviewed and re-determined and the unamortised depreciable amount is charged over the remaining useful life of such assets. Leasehold land is being amortised over the lease period.

The estimated useful lives of assets which are lower than those prescribed in Schedule XIV to the Companies Act, 1956 are as under:

| Asset | Useful lives (in years) |
|--|-------------------------|
| Plant and Machinery | 5 - 14 |
| Vehicles | 5 - 7 |
| Office Equipment, Furniture and Fittings | 3 - 5 |
| Computers and related equipments | 3 - 5 |

Foreign Currency Transactions

Transactions made during the year in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end are translated at the exchange rate prevalent at the date of Balance Sheet. Exchange differences arising on actual payment/realisation and year end reinstatement referred to above are recognised in the Profit and Loss Account.

In respect of forward contracts entered into to hedge risks associated with foreign currency fluctuation, the premium or discount at the inception of the contract is amortised as income or expense over the period of the contract. Currency options/other swap contracts outstanding as at the Balance Sheet date are marked to market and the resultant gain/loss is recognised in the Profit and Loss Account. Any profit or loss arising on cancellation of such contracts is recognized as income or expense in the Profit and Loss Account of the year.

Investments

Long term investments are valued at cost. The diminution in the market value of such investments is not recognised unless it is considered permanent in nature. Current investments are valued at cost or market value, whichever is lower.

Inventories

Raw Materials and Stores and spares are valued at or below cost. Other inventories are valued at lower of cost and net realisable value. The method of determination of cost of various categories of inventories is as follows:

- Stores and Spares - Weighted Average Cost.
- Raw Material - First-in-First-out basis. Cost includes purchase cost and other attributable expenses.
- Finished Goods and Work-in-process - Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
- Goods purchased for resale - Weighted Average Cost

Sundry Debtors and Loans & Advances

Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively. Subsidy receivable is disclosed under "Loans and Advances".

...SCHEDULES

Schedule 18 (Contd.)

Fertiliser Companies' Government of India Special Bonds

Fertiliser Companies' Government of India Special Bonds issued by Government of India in lieu of subsidy dues are intended to be kept for short term and are valued at lower of Cost and Market value and are shown as 'Other Current Assets'.

Revenue Recognition

- a) Sale of goods is recognized at the point of despatch to customers. Sales include amounts recovered towards excise duty and exclude sales tax.
- b) Dividend income from investments is accounted for in the year in which the right to receive the payment is established.
- c) Subsidy is recognized on the basis of the concession schemes announced by the Government of India from time to time on the quantity of fertilisers sold by the Company at the final rates notified by the Government for the period for which notification has been issued and for the remaining period, based on management estimates.
- d) Export benefits under DEPB license and excise benefits are accounted for on accrual basis.

Employee Benefits

a) 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 and Loss Account each year.

The Company makes contributions to three 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 in accordance with the revised Accounting Standard 15 (revised 2005) on 'Employee Benefits' notified under Sec 211 (3C) of the Act ('revised AS 15') as at the end of the year.

b) Defined Benefit Plans

Gratuity for certain employees is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognised in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

The Company makes contributions for Superannuation and Gratuity (for employees not covered under the LIC Scheme) to Trusts, which are recognised in the Profit and Loss Account. The Company's liability as at the Balance Sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised AS 15 as at the end of the year.

c) Other long term employee benefits

Other long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

d) 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.

Leases

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals paid under such agreements are charged to the Profit and Loss Account.

Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reported period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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. Contingent liabilities 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 recognized nor disclosed in the financial statements.

...SCHEDULES

Schedule 18 (Contd.)

Taxes on Income

- Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.
- Deferred tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in subsequent periods, subject to consideration of prudence.

Earnings per Share

The earnings considered for ascertaining the Company's Earnings Per Share comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises the weighted average shares considered for deriving basic EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares. In case of dilutive options, the difference between the number of shares issuable and the number of shares that would be issued at fair value are treated as dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

Employee Stock Option Scheme

Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognized as deferred employee compensation and is charged to the Profit and Loss Account on graded vesting basis over the vesting period of the options. The unamortized portion of the deferred employee compensation if any, is shown under Reserves and Surplus.

II. Employee Stock Option Plan - ESOP 2007

- Pursuant to the decision of the shareholders, at their meeting held on July 24, 2007, the Company has established an 'Employee Stock Option Scheme 2007' ('ESOP 2007' or 'the Scheme') to be administered by the Remuneration and Nomination Committee of the Board of Directors.
- Under the Scheme, options not exceeding 6,392,988 have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year and not more than five years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of three years from the date of vesting.
- The exercise price of the option is equal to the latest available closing market price of the shares on the stock exchange where there is highest trading volume as on the date prior to the date of the Remuneration and Nomination Committee resolution approving the grant.
- Pursuant to the above mentioned scheme, the Company has granted options in earlier years which vest over a period of four years commencing from the respective dates of grant. The exercise price being equal to the closing market price prevailing on the date prior to the date of grant, there is no deferred compensation cost to be amortised in this regard.
- The following are the number of options outstanding during the year:

| | Year ended March 31, 2010 | | Year ended March 31, 2009 | |
|------------------------------|------------------------------|--|------------------------------|--|
| | No. of Options | Weighted average Exercise price (Rs.) | No. of Options | Weighted average Exercise price (Rs.) |
| No of Options | | | | |
| At the beginning of the Year | 2,694,756 | 96.05 | 2,217,800 | 89.94 |
| Granted | — | — | 557,500 | 119.39 |
| Exercised | 376,296 | 93.65 | — | — |
| Cancelled | 334,592 | 92.09 | 80,544 | 89.59 |
| At the end of the Year | 1,983,868 | 97.06 | 2,694,756 | 96.05 |

...SCHEDULES

Schedule 18 (Contd.)

- f) The above outstanding options have been granted in various tranches, at exercise price being equal to the closing market price prevailing on the date prior to the date of grant.
- g) In accordance with the requirements of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on "Accounting for Employee Share Based Payments" issued by the Institute of Chartered Accountants of India, had the compensation cost for the employee stock option plan been recognized based on the fair value at the date of grant in accordance with the Black Scholes' model, the proforma amounts of the Company's Net Profit and Earnings Per Share would have been as follows:

Profit after Taxation (Rs. in Lakhs)

- As reported
- Proforma

Earnings Per Share

Basic

- No. of Shares
- EPS as reported (Rs.)
- Proforma EPS (Rs.)

Diluted

- No. of shares
- EPS as reported (Rs.)
- Proforma EPS (Rs.)

The following assumptions were used for calculation of fair value of grants:

- Dividend Yield (%)
- Expected Volatility (%)
- Risk free interest rate (%)
- Expected term (in years)

| Year ended March 31, 2010 | Year ended March 31, 2009 |
|------------------------------|------------------------------|
| 46,819.89 | 49,637.80 |
| 43,362.40 | 49,072.44 |
| 140,036,725 | 139,896,948 |
| 33.43 | 35.48 |
| 30.97 | 35.08 |
| 141,527,015 | 140,154,139 |
| 33.08 | 35.42 |
| 30.64 | 35.01 |
| 400 | 175 |
| 0.54 | 0.50-0.52 |
| 7.5 | 7.5 |
| 3-4 | 4-5 |

III. Managerial Remuneration

Rupees in Lakhs

A. To the Directors of the Company

- (i) Remuneration to Whole-time director
 - Salary and Allowances
 - Commission/Incentive
 - Contribution to Provident and other Funds
 - Valuation of Perquisites
- (ii) Commission to non Whole-time Directors
- (iii) Sitting Fee

Total

| Year ended March 31, 2010 | Year ended March 31, 2009 |
|------------------------------|------------------------------|
| 116.12 | 88.05 |
| 55.10 | 32.63 |
| 12.86 | 10.88 |
| 1.09 | 8.09 |
| 19.03 | 20.30 |
| 8.20 | 9.85 |
| 212.40 | 169.80 |

Note:

Managerial Remuneration above does not include leave encashment benefit, since the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.

...SCHEDULES

Schedule 18 (Contd.)

Rupees in Lakhs

| Year ended March 31, 2010 | Year ended March 31, 2009 |
|------------------------------|------------------------------|
| 70,843.89 | 80,817.80 |
| 5,923.16 | 5,613.18 |
| 8.20 | 9.85 |
| 204.20 | 159.95 |
| 524.74 | 351.15 |
| 77,504.19 | 86,951.93 |
| 5,923.16 | 5,613.18 |
| 524.74 | 351.15 |
| 71,056.29 | 80,987.60 |
| 36.75 | 32.63 |
| 19.03 | 20.30 |
| 24.00 | 24.00 |
| 3.50 | 3.50 |
| 7.50 | 7.50 |
| 27.10 | 15.50 |
| 0.94 | 0.97 |
| 63.04 | 51.47 |
| 165.32 | 80.19 |
| 1,505.20 | 3,863.02 |
| 602.17 | 589.87 |

Computation of net profit under Section 309(5) of the Companies Act, 1956 ('the Act')

Profit before tax

Add:

Depreciation as per books

Directors' sitting fee

Directors' remuneration

Loss/(Profit) on sale/scrap of fixed assets (net)

as per the books of account

Less:

Depreciation as per Section 350 of the Act

Loss/(Profit) on sale/scrap of fixed assets (net) as per

Section 349 of the Act

Net Profit as per Section 309(5) of the Act

Commission/Incentive to Whole-time director,

as per the resolution of the Board of Directors (Maximum)

1% Commission to non-Whole time directors - restricted to

IV. Payment to Auditors*

Audit fees

Tax Audit fees

Limited Reviews

Certifications

Reimbursement of expenses

Total

*Excludes service tax

V. Expenditure in Foreign Currency

(a) Expenditure in foreign currency (on payment basis)

Export Commission

Interest

Others

(b) Amount remitted in foreign currency on account of dividend

| Financial Year | Relating to | No. of shares held (Rs. 2/- each) | No. of Non-Resident Shareholders | Amount (Rs. in lakhs) |
|----------------|-------------|--------------------------------------|-------------------------------------|--------------------------|
| 2009-2010 | 2009-2010 | 5,067,460 | 57 | 304.05 |
| 2009-2010 | 2008-2009 | 5,067,460 | 57 | 202.70 |
| 2008-2009 | 2008-2009 | 5,067,460 | 57 | 304.05 |
| 2008-2009 | 2007-2008 | 5,067,460 | 57 | 177.36 |

...SCHEDULES

Schedule 18 (Contd.)

Rupees in Lakhs

| | Year ended March 31, 2010 | Year ended March 31, 2009 |
|--|------------------------------|------------------------------|
| VI. (A) Value of imports on C.I.F. basis | | |
| Raw Materials (net) | 317,551.05 | 618,033.95 |
| Stores and Spare Parts | 12.94 | 310.34 |
| Components and Spare Parts incorporated in the goods produced | — | — |
| Capital goods | 77.51 | 370.46 |
| Traded goods | 54,282.52 | 88,835.58 |
| (B) Earnings in Foreign Exchange | | |
| F.O.B. value of exports of goods | 5,919.67 | 5,975.17 |
| Service Income | 216.27 | 16,113.01 |
| Dividend Income | — | 1,416.75 |
| Others | 396.05 | 439.67 |

Rupees in Lakhs

| | Year ended March 31, 2010 | | Year ended March 31, 2009 | |
|---|------------------------------|--------|------------------------------|--------|
| | Amount | % | Amount | % |
| VII. Consumption of Raw materials | | | | |
| a) Raw Materials | | | | |
| - Imported (includes acquired through canalizing agents) | 376,672.32 | 94.12 | 662,260.30 | 90.89 |
| - Indigenous | 23,525.63 | 5.88 | 60,658.39 | 9.11 |
| | 400,197.95 | 100.00 | 722,918.69 | 100.00 |
| (b) Components and Spare Parts | — | — | — | — |

Note: In furnishing information under VI (A) and VII above, Components and spare parts referred to in paragraph 4D(c) of Part II of Schedule VI to the Companies Act, 1956 are assumed to be those incorporated in the goods produced and not those used for maintenance of plant and machinery.

VIII. Secured Loans (Schedule 3)

Loans

- The term loans from banks and others are secured by an exclusive first charge on the specific assets.
- The working capital facilities from banks are secured by a hypothecation of stock of raw materials, work-in-process, finished goods, stores and spare parts and book debts of the Company. These are further secured by a second charge on the movable fixed assets of the Company. Working capital borrowings include a loan amounting to Rs. 30,000 Lakhs (2009: Rs. Nil) which is secured by way of a lien marked on 37,500,000, 6.2% Fertiliser Companies' Government of India Special Bonds 2022 of Rs. 100 each held by the Company (Refer Schedule 10).

IX. Contingent Liabilities

a) Guarantees :

- The Company has provided guarantee to third parties on behalf of its subsidiary CFL Mauritius Limited - Rs.5,963.76 Lakhs (2009 : Rs. 6,697.68 Lakhs.)
- The Company has provided a guarantee towards the borrowing of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT), a joint venture Company, up to Rs. 23,380.65 Lakhs (2009 : Rs. 26,257.95 Lakhs).

...SCHEDULES

Schedule 18 (Contd.)

Rupees in Lakhs

b) Others

In respect of matters under dispute:

Excise Duty

Sales Tax

Others

| Year ended March 31, 2010 | Year ended March 31, 2009 |
|------------------------------|------------------------------|
| 317.94 | 258.39 |
| 3.94 | 9.13 |
| 647.73 | 1,017.89 |

- c) **Land:** Liability for additional compensation payable in respect of land purchased from M/s. Nagarjuna Fertilisers and Chemicals Limited has not been provided for, pending court orders and determination of the amount payable.

The amounts shown in the item (a) represent guarantees given in the normal course of business and not expected to result in any loss to the Company on the basis of the beneficiaries fulfilling their obligations. The amounts in items (b) and (c) represent best estimates and the uncertainties are dependent on the outcome of the legal processes initiated by the Company or the claimant as the case may be.

Rupees in Lakhs

X. Capital Commitments

Capital expenditure commitments

Commitment towards investments

XI. Deferred Tax

a) Deferred Tax Asset:

- On Employees separation and retirement costs

- Other timing differences mainly relating to statutory dues allowable on payment basis

b) Deferred Tax Liability

- On account of depreciation

Deferred Tax Liability (net)

XII. Earnings per Share

- i) Profit after tax as per the Profit and Loss Account - (Rs. in Lakhs) [a]

Basic

- ii) Weighted average number of Equity Shares of Rs. 2/- each outstanding during the year [b]

Dilution

- iii) Effect of Potential Equity Shares on employees stock options outstanding
- iv) Weighted average number of equity shares of Rs. 2/- each outstanding during the year [c]

Earnings Per Share

- vi) Basic - [a]/[b] - (Rs.)

- vii) Diluted - [a]/[c] - (Rs.)

| Year ended March 31, 2010 | Year ended March 31, 2009 |
|------------------------------|------------------------------|
| 1,803.82 | 3,369.46 |
| 300.00 | 4,622.28 |
| 506.84 | 522.26 |
| 572.80 | 1,131.06 |
| 1,079.64 | 1,653.32 |
| 9,626.35 | 9,600.03 |
| 8,546.71 | 7,946.71 |
| 46,819.89 | 49,637.80 |
| 140,036,725 | 139,896,948 |
| 1,490,290 | 257,191 |
| 141,527,015 | 140,154,139 |
| 33.43 | 35.48 |
| 33.08 | 35.42 |

...SCHEDULES

Schedule 18 (Contd.)

XIII. Segment Reporting

a) Business Segment

The Company has considered business segment as the primary segment for disclosure. The Company is primarily engaged in the manufacture and trading of Farm Inputs, which in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India is considered the only business segment. In respect of retail business of the Company, since this is not material, disclosure of business segment information is not considered necessary at this stage.

b) Geographical Segment

The Company sells its products mainly within India where the conditions prevailing are uniform. Since the sales outside India are below the threshold limit, no separate geographical segment disclosure is considered necessary.

XIV. During the year, the Company has changed its name from 'Coromandel Fertilisers Limited' to 'Coromandel International Limited'. The fresh certificate of incorporation dated September 23, 2009 has been received from the Registrar of Companies, Andhra Pradesh.

XV. Investments

a) The Company has formed a 50:50 joint venture, Coromandel SQM India Private Limited in India. The Company has invested Rs.199.73 Lakhs towards 1,997,300 equity shares of Rs.10 each in the Equity Share Capital of Coromandel SQM India Private Limited.

b) The following investments in mutual funds were purchased and sold during the year:

| Particulars | No of Units Purchased | | No. of Units Sold | |
|-------------------------------------|-----------------------|-------------|-------------------|-------------|
| | 2009-10 | 2008-09 | 2009-10 | 2008-09 |
| ABN Amro Mutual Fund | — | 100,031,719 | — | 100,437,651 |
| BIRLA Mutual Fund | 599,433,545 | 883,276,255 | 599,969,235 | 884,605,210 |
| TATA Mutual Fund | 367,919,682 | 172,791,544 | 368,202,608 | 173,217,317 |
| DSP Merrill Lynch Mutual Fund | — | 1,049,702 | — | 1,050,341 |
| IDFC Mutual Fund | 750,489,271 | 159,972,735 | 750,967,525 | 160,102,631 |
| Sundaram BNP Paribas Mutual Fund | 351,515,928 | 264,528,277 | 351,657,483 | 264,724,741 |
| DWS Mutual Fund | — | 219,838,936 | — | 220,067,433 |
| HSBC Mutual Fund | — | 189,857,337 | — | 189,939,559 |
| FRANKLIN Templeton Mutual Fund | — | 148,694,986 | — | 149,304,330 |
| HDFC Mutual Fund | 601,298,709 | 624,595,806 | 602,123,709 | 625,481,019 |
| J.M. Financial Mutual Fund | 304,657,201 | 139,869,097 | 304,942,048 | 140,414,172 |
| ING Mutual Fund | — | 189,951,739 | — | 190,209,325 |
| LIC Mutual Fund | 952,463,331 | 767,642,503 | 953,529,851 | 769,208,434 |
| PRINCIPAL Mutual Fund | 284,870,201 | 447,102,917 | 284,961,031 | 447,539,946 |
| UTI Mutual Fund | 8,544,960 | 30,879,194 | 8,550,588 | 30,886,690 |
| SBI Mutual Fund | — | 226,551,020 | — | 226,834,965 |
| RELIANCE Mutual Fund | 869,467,328 | 488,799,060 | 869,913,198 | 489,028,854 |
| ICICI Prudential Mutual Fund | 536,886,335 | 306,517,230 | 537,145,157 | 307,161,296 |
| DBS Chola Mutual Fund | 295,99,567 | 323,153,879 | 29,618,256 | 323,704,666 |
| KOTAK Mutual Fund | 870,030,679 | 245,892,774 | 870,734,951 | 246,151,987 |

...SCHEDULES

Schedule 18 (Contd.)

XVI. Leases

The Company has entered into certain operating lease agreements and an amount of Rs.1,409.68 Lakhs (2009: Rs.833.94 Lakhs) paid under such agreements has been charged to the Profit and Loss Account. These agreements are cancelable in nature.

XVII. Related Party Disclosures

Information relating to Related Party Transactions as per Accounting Standard 18 notified under Section 211 (3C) of the Act.

(A) Names of the Related Parties and their relationship:

| Name of the Related Party | Relationship |
|--|---------------------------|
| E.I.D. Parry (India) Limited | Holding Company |
| Parry Chemicals Limited (PCL) | Subsidiary Company |
| CFL Mauritius Limited (CML) | Subsidiary Company |
| Coromandel Brasil Limitada (CBL) | Subsidiary Company |
| Parry Investments Limited | Fellow Subsidiary Company |
| Parry Infrastructure Company Private Limited (PICPL) | Fellow Subsidiary Company |
| Sadashiva Sugars Limited (SSL) | Fellow Subsidiary Company |
| Coromandel Getax Phosphates Pte Ltd. (CGPL) | Joint Venture |
| Coromandel SQM India Pvt Limited (CSQM) | Joint Venture |
| Tunisian Indian Fertilisers. SA (TIFERT) | Joint Venture |
| Prathyusha Chemicals and Fertilisers Limited (PCFL) | Associate |
| Mr.V.Ravichandran, Managing Director | Key Management Personnel |

Rupees in Lakhs

B) Transactions during the year in the ordinary course of business

- i) Sale of finished goods/raw materials/services (net of discounts)
 - a) Holding Company
 - b) Fellow Subsidiary Company - SSL
- ii) Interest received from
 - Subsidiary Company - PCL
- iii) Rent received
 - Fellow Subsidiary Company - PICPL
- iv) Expenses reimbursed by
 - a) Holding Company
 - b) Subsidiary Company - CML
 - c) Joint Venture - CSQM
- v) Purchase of finished goods and services
 - Holding Company
- vi) Commission on sales to Subsidiary Company - PCL
- vii) Expenses reimbursed to
 - a) Holding Company
 - b) Subsidiary Company - PCL
- viii) Advance given
 - a) Subsidiary Company - CBL
 - b) Joint Venture - CSQM
- ix) Advance received
 - Fellow Subsidiary Company - SSL

| 2009-2010 | 2008-2009 |
|-----------|-----------|
| 118.05 | 16.86 |
| 20.87 | — |
| 20.06 | 19.02 |
| 175.00 | 175.00 |
| 2.32 | 3.58 |
| — | 85.86 |
| 14.10 | — |
| — | 0.08 |
| 36.12 | 29.68 |
| 332.98 | 330.86 |
| 2.40 | 2.40 |
| 3.39 | — |
| 0.27 | — |
| 2.98 | — |

...SCHEDULES

Schedule 18 (Contd.)

Rupees in Lakhs

| | 2009-2010 | 2008-2009 |
|--|-----------|-----------|
| x) Investment made in Equity Shares of | | |
| a) Subsidiary Company - CBL | 4.32 | 104.66 |
| b) Joint Venture - TIFERT | 4,496.34 | 6,172.66 |
| xi) Dividend Paid | | |
| Holding Company | 8,814.97 | 8,333.31 |
| xii) Outstanding balances as at the year end : | | |
| a) Debtors/Receivables | | |
| - Subsidiary Company - PCL | 290.34 | 285.84 |
| - Subsidiary Company - CBL | 3.39 | — |
| - Joint Venture - CSQM | 2.73 | — |
| b) Creditors/Payables | | |
| - Holding Company | 72.94 | 101.16 |
| - Fellow Subsidiary - PICPL | 3,000.00 | 3,000.00 |

Notes: 1) Details of remuneration to Directors are disclosed in note III above.

2) The Company has extended guarantees on behalf of its subsidiary and Joint Venture (Refer note IX (a))

XVIII. Employee benefits

a. Defined benefit plans

The following table sets forth the status of the Gratuity Plan and the Superannuation and other Pension Plans of the Company and the amounts recognized in the Balance Sheet and Profit and Loss Account:

Rupees in Lakhs

| Particulars | Gratuity Plan | | Superannuation and other Pension Plans | |
|--|---------------|-----------|--|-----------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Projected benefit obligation at the beginning of the period | 713.05 | 649.70 | 146.24 | 151.01 |
| Current service cost | 71.08 | 40.10 | 3.26 | 4.50 |
| Interest cost | 46.37 | 42.61 | 10.86 | 11.33 |
| Actuarial loss/(gain) | 121.02 | 62.64 | (44.99) | (20.60) |
| Benefits paid | (101.35) | (82.00) | — | — |
| Projected benefit obligation at the end of the period | 850.17 | 713.05 | 115.37 | 146.24 |
| Amounts recognised in the balance sheet | | | | |
| Projected benefit obligation at the end of the period | 850.17 | 713.05 | 115.37 | 146.24 |
| Fair value of plan assets at end of the period | 746.85 | 714.64 | — | — |
| Funded status of the plans – (asset)/liability | 103.32 | (1.59) | 115.37 | 146.24 |
| Liability recognized in the balance sheet | 103.32 | — | — | — |
| Cost for the period | | | | |
| Current service cost | 71.08 | 40.10 | 3.26 | 4.50 |
| Interest cost | 46.37 | 42.61 | 10.86 | 11.33 |
| Expected return on plan assets | (51.15) | (48.56) | — | — |
| Net actuarial (gain)/loss recognised in the period | 109.27 | 55.92 | (44.99) | (20.60) |
| Past service cost | (1.59) | — | — | — |
| Net Cost recognized in Profit and Loss Account | 173.98 | 90.07 | (30.87) | (4.77) |

...SCHEDULES

Schedule 18 (Contd.)

Rupees in Lakhs

| Particulars | Gratuity Plan | | Superannuation and other Pension Plans | |
|---|---------------|-----------|--|-----------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Nature and extent of investment details of the plan assets * | | | | |
| State and Central Securities | 24.29% | 26.46% | — | — |
| Bonds | 32.30% | 36.49% | — | — |
| Special Deposits | 43.40% | 37.06% | — | — |
| Actual Return on Plan Assets* | 62.90 | 55.28 | — | — |
| Assumptions | | | | |
| Discount rate | 7.00% | 7.00% | 7.00% | 7.00% |
| Estimated rate of return on plan assets | 7.00% | 7.00% | 7.00% | 7.00% |
| Expected rate of salary increase | 3.50% | 3.50% | 3.50% | 3.50% |

*include details of trusts other than those covered under a scheme of Life Insurance Corporation of India.

Notes:

- The above table does not include information in respect of gratuity plans covered under schemes administered by Life Insurance Corporation of India.
- Defined contribution plans
In respect of the defined contribution plans, an amount of Rs.608.31 Lakhs (2009: Rs. 719.90 Lakhs) has been recognised in the Profit and Loss Account during the year.

XIX. The Government of India grants price concession on sale of fertilizers and income from such concession is shown under "Government Subsidies" in the Profit and Loss Account. The subsidy income for the year includes Rs. 264,712.00 Lakhs [including deferred subsidy income relating to earlier periods of Rs. 23,617.00 Lakhs (corresponding income tax has been charged to the Profit and Loss Account - Rs.8,027.00 Lakhs)] being income accrued/recognized based on the management's understanding of the prevalent subsidy scheme for the period for which notification has been issued and based on management estimates for the remaining period. Necessary adjustments to such estimates will be made on announcement of final notification/determination.

XX. Other Matters

- Based on the information available with the Company, there are no dues/interest outstanding to Small and Micro Enterprises as at March 31, 2010.
- Sales are net of discounts, other than usual trade discounts, Rs. 5,804.59 Lakhs (2009: Rs. 4,406.74 Lakhs).
- The net difference in foreign exchange (i.e., difference between the spot rate on the dates of the transactions and the actual rate at which the transactions are settled/appropriate rates applicable at the year end) credited to the respective heads of account in the Profit and Loss Account is Rs. 8,915.14 Lakhs (2009: Rs. 36,922.30 Lakhs debit).
- Exchange difference in respect of forward exchange contracts to be recognised in the Profit and Loss Account in the subsequent accounting period is Rs. 153.03 Lakhs debit (2009: Rs. 285.23 Lakhs debit).
- Research and Development expenses included under Schedule 14 - Rs. 478.91 Lakhs (2009: Rs.197.66 Lakhs).
- Land - Lease deed in respect of land admeasuring 9.80 acres taken on lease from Visakhapatnam Port Trust by the erstwhile GFCL, is pending execution.
- The Ordinary shares of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT) held by the Company and included under Investments (Schedule 6) have been pledged to secure the obligations of TIFERT to their lenders.
- During the year ended March 31, 2009, the Company had accounted for Rs.15,859.41 Lakhs received from Foskor (Pty) Limited, South Africa (Foskor) towards services rendered as per the terms of the Business Assistance Agreement entered into with Foskor in 2005.
- During the year, the Company has made political donations of Rs. 25.00 Lakhs to Telugu Desam Party and Rs 15.00 Lakhs to Prajaraajyam Party (2009: Rs. 50.00 Lakhs to Andhra Pradesh Congress Committee).
- Provisions - Others represents provisions made by the management towards certain disputed tax matters in earlier years. Based on further developments, the Company has reversed these provisions in the books of account. The following are the details of such provision:

...SCHEDULES

Schedule 18 (Contd.)

Rupees in Lakhs

| Opening balance | Provided during the year | Reversed/Utilized during the year | Closing balance |
|-----------------|--------------------------|-----------------------------------|-----------------|
| 1,997.53 | — | 1,997.53 | — |

- k) The proportionate share of Assets, Liabilities, Income and Expenditure of Joint venture Companies, Coromandel Getax Phosphates Pte Ltd (Coromandel Getax), Coromandel SQM India Private Limited (Coromandel SQM) and Tunisian Indian Fertilisers SA (TIFERT) are given below:

Rupees in Lakhs

| | Year ended March 31, 2010 | | Year ended March 31, 2009 | |
|----------------------------------|------------------------------|-------------------|------------------------------|---------------------|
| Name of the entity | Coromandel Getax | Coromandel SQM | TIFERT* | Coromandel Getax |
| Country of Incorporation | Singapore | India | Tunisia | Singapore |
| Percentage of Ownership interest | 50% | 50% | 15% | 50% |
| Assets | | | | |
| Current Assets | 174.69 | 133.82 | 12,372.07 | 243.51 |
| Fixed Assets | — | 63.80 | 13,496.61 | — |
| Liabilities | | | | |
| Current Liabilities | 4.18 | 1.85 | 13,960.51 | 44.25 |
| Income | — | 1.62 | 325.54 | — |
| Expenditure | | | | |
| Manufacturing and Other expenses | 7.23 | 5.72 | 202.91 | 49.33 |
| Contingent Liabilities | — | — | — | — |
| Capital Commitments | — | 19.85 | — | — |

* All figures relating to TIFERT are as per the unaudited financial statements for the year ended December 31, 2009 and information has been furnished to the extent available with the Company.

XXI. Disclosures as per Clause 32 of the listing agreement

Rupees in Lakhs

| Particulars | Name of the Company | As at March 31, 2010 | Maximum amount outstanding during the year |
|--|----------------------------|-------------------------|---|
| Amounts receivable from subsidiary Company | Parry Chemicals Limited | 290.34 (285.84) | 290.34 (285.84) |
| Amounts receivable from subsidiary Company | Coromandel Brasil Limitada | 3.39 (-) | 3.39 (-) |

Figures in brackets relate to those of the previous year.

XXII. Previous year's figures have been regrouped/reclassified wherever necessary to conform to the classification adopted for the current year.

For and on behalf of the Board

For **Price Waterhouse**
Firm Registration No. 007568S
Chartered Accountants



ANUPAM DHAWAN
Partner
Membership No. F-84451
Hyderabad: April 22, 2010


V. RAVICHANDRAN
Managing Director


P. NAGARAJAN
Chief Financial Officer


A. VELLAYAN
Chairman


M.R. RAJARAM
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

[As per Schedule VI, Part (iv) of the Companies Act, 1956]

I REGISTRATION DETAILS

Registration No.

State Code

Balance Sheet Date

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 0 | 1 | - | 0 | 0 | 8 | 9 | 2 |
| | | | | | | 0 | 1 |
| 3 | 1 | - | 0 | 3 | - | 1 | 0 |

II CAPITAL RAISED DURING THE YEAR

(AMOUNT IN Rs. THOUSANDS)

Public Issue

Right Issue

Bonus Issue

Private Placement

| | | | | | | | |
|--|--|--|---|---|---|--|--|
| | | | N | I | L | | |
| | | | N | I | L | | |
| | | | N | I | L | | |
| | | | N | I | L | | |

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(AMOUNT IN Rs. THOUSANDS)

Total Liabilities

Total Assets

SOURCES OF FUNDS

Paid-up Capital

Reserves and Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

APPLICATION OF FUNDS

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4 | 3 | 9 | 0 | 5 | 9 | 9 | 5 |
| 4 | 3 | 9 | 0 | 5 | 9 | 9 | 5 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2 | 8 | 0 | 5 | 4 | 6 |
| 1 | 4 | 0 | 6 | 9 | 3 | 3 | 5 |
| | 4 | 6 | 5 | 5 | 9 | 8 | 5 |
| 1 | 4 | 5 | 2 | 1 | 9 | 5 | 4 |
| | | 8 | 5 | 4 | 6 | 7 | 1 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 8 | 1 | 7 | 3 | 1 | 4 | 6 |
| | 2 | 1 | 1 | 0 | 4 | 6 | 1 |
| 2 | 4 | 0 | 9 | 8 | 8 | 8 | 4 |
| | | | N | I | L | | |
| | | | N | I | L | | |

IV PERFORMANCE OF COMPANY

(AMOUNT IN Rs. THOUSANDS)

Turnover

Total Expenditure

Profit Before Tax

Profit After Tax

Earnings per share (Rs.) - Diluted

Dividend Rate (%)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 6 | 5 | 2 | 6 | 8 | 4 | 5 | 7 |
| 5 | 8 | 1 | 8 | 4 | 0 | 6 | 8 |
| | 7 | 0 | 8 | 4 | 3 | 8 | 9 |
| | 4 | 6 | 8 | 1 | 9 | 8 | 9 |
| | | | 3 | 3 | . | 0 | 8 |
| | | | | | 5 | 0 | 0 |

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY (as per monetary terms)

Item Code No. (ITC Code)

Product Description

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|--|-----------------------|---|----|---|----|---|---|
| 3 | 1 | 0 | 5 | 3 | 0 | . | 0 | 0 | | Di-Ammonium Phosphate | - | 18 | : | 46 | : | 0 |
| 3 | 1 | 0 | 5 | 4 | 0 | . | 0 | 0 | | Complex Fertilisers | - | 28 | : | 28 | : | 0 |
| 3 | 1 | 0 | 5 | 4 | 0 | . | 0 | 0 | | Complex Fertilisers | - | 20 | : | 20 | : | 0 |

CONSOLIDATED FINANCIAL STATEMENTS

Coromandel International Limited, its Subsidiary, Joint Venture
and Associate Companies

CONSOLIDATED AUDITORS' REPORT

Coromandel International Limited
(formerly Coromandel Fertilisers Limited)

The Board of Directors of Coromandel International Limited

1. We have audited the attached consolidated balance sheet of Coromandel International Limited (the "Company") and its subsidiaries, its jointly controlled entities and associate Company; hereinafter referred to as the "Group" (refer Note I on Schedule 17 to the attached consolidated financial statements) as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of (i) three subsidiaries and three jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs 45,155.36 Lakhs and net assets of Rs 26,871.15 Lakhs as at March 31, 2010, total revenue of Rs. 464.16 Lakhs, net loss of Rs. 52.19 Lakhs and net cash inflows amounting to Rs. 6,680.52 Lakhs for the year then ended; and (ii) one associate Company which constitute net profit/net loss of Rs Nil for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. Attention is drawn to the following:
 - a. *Subsidy income for the year includes an amount of Rs.264,712.00 Lakhs recognised based on management understanding of the prevailing concession scheme in respect of certain elements which have been notified and based on their estimates in respect of the period where the final notification has not been issued. Necessary adjustments to such accrual and consequential impact, if any, on net profits and net assets, will be accounted for by the management on final announcement/determination of the subsidy receivable. (Refer Note XVII on Schedule 17)*
 - b. *In preparation of the consolidated financial statements, the Company has used unaudited financial statements of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT), a joint*

venture Company, for the period up to December 31, 2009, (since, as explained to us, the audited financial statements of TIFERT as at and for the year ended December 31, 2009 and the unaudited financials as at and for the three months ended March 31, 2010 were not available). The unaudited financial statements of TIFERT for the period up to December 31, 2009 constitute total assets of Rs. 25,868.68 Lakhs, net assets of Rs.11908.16 Lakhs, total liabilities of Rs.13,960.51 Lakhs, revenues of Rs.325.54 Lakhs and profit after tax of Rs.48.68 Lakhs and net cash inflows of Rs.8,702.45 Lakhs of the consolidated financial statements of the Group as at and for the year ended March 31, 2010. (Refer Note III (d) on Schedule 17.)

- c. Note III(b) on Schedule 17, regarding discontinuance of recognition of further losses in reporting of an investment in an associate, Prathyusha Chemicals and Fertilisers Limited, under the equity method, based on the last available audited financial statements for the year ended March 31, 2009, audited by another auditor.
5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us and *except for the impact of adjustments, if any, that are not ascertainable at this stage in respect of matters referred to in paragraph 4(a) and (b) above*, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Price Waterhouse**
Firm Registration Number 007568S
Chartered Accountants



Anupam Dhawan
Partner

Place : Hyderabad
Date : April 22, 2010

Membership No. F-84451

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

Rupees in Lakhs

| | Schedule | March 31, 2010 | March 31, 2009 |
|--|----------|----------------|----------------|
| I. SOURCES OF FUNDS | | | |
| 1. Shareholders' Funds | | | |
| (a) Capital | 1 | 2,805.46 | 2,797.94 |
| (b) Reserves and Surplus | 2 | 147,347.69 | 118,397.70 |
| | | 150,153.15 | 121,195.64 |
| 2. Loan Funds | | | |
| (a) Secured Loans | 3 | 59,463.75 | 34,779.28 |
| (b) Unsecured Loans | 4 | 145,234.14 | 142,300.85 |
| | | 204,697.89 | 177,080.13 |
| | | 8,546.71 | 7,946.71 |
| 3. Deferred Tax Liability (net) (Refer Note X on Schedule 17) | | | |
| TOTAL | | 363,397.75 | 306,222.48 |
| II. APPLICATION OF FUNDS | | | |
| 1. Fixed Assets | | | |
| (a) Gross Block | 5 | 130,742.67 | 121,014.50 |
| (b) Less: Depreciation | | 49,619.49 | 44,135.07 |
| (c) Net Block | | 81,123.18 | 76,879.43 |
| (d) Capital Work-in-Progress (including capital advances and expenditure incurred during construction period, pending allocation) | | 14,639.16 | 2,780.18 |
| | | 95,762.34 | 79,659.61 |
| 2. Investments | 6 | 16,928.32 | 22,083.03 |
| 3. Current Assets, Loans and Advances | | | |
| (a) Inventories | 7 | 92,642.27 | 134,751.05 |
| (b) Sundry Debtors | 8 | 13,979.59 | 10,148.00 |
| (c) Cash and Bank Balances | 9 | 96,047.43 | 42,530.35 |
| (d) Other Current Assets | 10 | 85,995.73 | 88,028.85 |
| (e) Loans and Advances | 11 | 62,347.73 | 105,278.20 |
| | | 351,012.75 | 380,736.45 |
| Less: Current Liabilities and Provisions | | | |
| (a) Liabilities | 12 | 90,690.82 | 163,837.42 |
| (b) Provisions | 13 | 9,614.84 | 12,419.19 |
| | | 100,305.66 | 176,256.61 |
| Net Current Assets | | 250,707.09 | 204,479.84 |
| TOTAL | | 363,397.75 | 306,222.48 |
| Notes to the Consolidated Accounts | 17 | | |

The schedules referred to above form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date.

For and on behalf of the Board

For **Price Waterhouse**
Firm Registration No. 007568S
Chartered Accountants



ANUPAM DHAWAN

Partner

Membership No. F-84451

Hyderabad: April 22, 2010



V. RAVICHANDRAN

Managing Director



P. NAGARAJAN

Chief Financial Officer



A. VELLAYAN

Chairman



M.R. RAJARAM

Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Rupees in Lakhs

| | Schedule | Year ended March 31, 2010 | Year ended March 31, 2009 |
|--|----------|------------------------------|------------------------------|
| I. Income | | | |
| Sales (Gross) | | 286,641.29 | 220,195.70 |
| Less: Excise duty | | 3,588.69 | 4,666.92 |
| Sales (net) | | 283,052.60 | 215,528.78 |
| Government Subsidies | | 356,420.43 | 721,969.27 |
| Income from Business Assistance Agreement (Refer Note XVIII (g) on Schedule 17) | | — | 15,859.41 |
| Other income | 14 | 13,617.12 | 20,662.26 |
| | | 653,090.15 | 974,019.72 |
| II. Expenditure | | | |
| Manufacturing and Other Expenses | 15 | 568,471.24 | 872,289.34 |
| Interest | 16 | 7,818.75 | 8,762.77 |
| Depreciation | | 5,941.50 | 5,621.33 |
| | | 582,231.49 | 886,673.44 |
| III. Profit before tax | | 70,858.66 | 87,346.28 |
| Provision for Taxation | | | |
| - Current (Refer Note XVII on Schedule 17) | | 23,490.97 | 31,515.65 |
| - Deferred (Refer Note X on Schedule 17) | | 600.00 | (300.00) |
| - Fringe Benefits Tax | | — | 180.00 |
| IV. Profit after taxation | | 46,767.69 | 55,950.63 |
| Balance brought forward | | 21,268.93 | 5,371.68 |
| Add: On Consolidation of a Joint Venture (Refer Note III(d) on Schedule 17) | | 6.16 | — |
| V. Available for Appropriation | | 68,042.78 | 61,322.31 |
| Transfer to General Reserve | | 25,000.00 | 25,000.00 |
| Transfer (from)/to Debenture Redemption Reserve | | — | (1,313.87) |
| Interim Dividend | | 8,414.64 | 8,393.82 |
| Proposed Dividend | | 5,610.93 | 5,595.88 |
| Dividend Tax | | 2,361.97 | 2,377.55 |
| VI. Balance carried to Balance Sheet | | 26,655.24 | 21,268.93 |
| Earnings per share - Basic (Rs.) | | 33.40 | 39.99 |
| Earnings per share - Diluted (Rs.) (Refer Note XI on Schedule 17) | | 33.05 | 39.92 |
| Notes to the Consolidated Accounts | 17 | | |

The schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

This is the Consolidated Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board

For **Price Waterhouse**
Firm Registration No. 007568S
Chartered Accountants


ANUPAM DHAWAN
Partner

Membership No. F-84451
Hyderabad: April 22, 2010


V. RAVICHANDRAN
Managing Director


P. NAGARAJAN
Chief Financial Officer


A. VELLAYAN
Chairman


M.R. RAJARAM
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Rupees in Lakhs

A. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit Before Tax

Adjustments for:

| | | |
|---|------------|------------|
| Depreciation | 5,941.50 | 5,621.33 |
| Interest expense | 7,818.75 | 8,762.77 |
| Loss on sale of fixed assets | 524.74 | 351.15 |
| Loss on sale of Fertiliser Special Bonds | — | 2,369.31 |
| Profit on sale of current investments | (4.15) | — |
| Interest income | (7,065.70) | (7,476.54) |
| Dividend income | (655.24) | (9,907.68) |
| Foreign Currency Translation reserve | (822.63) | 2,061.97 |
| Foreign exchange fluctuation | (1,805.14) | 1,600.86 |
| Mark to Market of Fertiliser Special Bonds | 2,033.12 | 10,452.34 |
| Provision for doubtful debts no longer required, written back | (60.52) | (62.99) |
| Other Provisions no longer required written back | (2,898.24) | (713.02) |
| Provision for doubtful debts and advances | 704.37 | 99.40 |
| Bad debts written off | 60.71 | 82.15 |

Operating Profit Before Working Capital Changes

Adjustments for:

| | | |
|--|-------------|--------------|
| (Increase)/Decrease in trade and other receivables | 42,137.86 | (45,267.80) |
| (Increase)/Decrease in inventories | 42,108.78 | (48,264.22) |
| Increase/(Decrease) in trade payables | (72,201.16) | 93,274.42 |
| Receipt of Fertiliser Companies' Government of India Special Bonds in lieu of subsidy receivable | — | (199,273.00) |
| Proceeds from sale of Fertiliser companies' Govt of India Special Bonds | — | 126,325.00 |

Cash Generated From Operations

| | | |
|------------------------------------|-------------|-------------|
| Interest received | 7,028.45 | 6,582.11 |
| Direct Taxes paid (net of refunds) | (24,422.12) | (32,377.79) |

Net Cash from Operating Activities

B. CASH FLOW FROM INVESTING ACTIVITIES

| | | |
|--|--------------|--------------|
| Purchase of fixed assets | (22,182.15) | (11,652.51) |
| Sale of fixed assets | 32.20 | 43.33 |
| Purchase of Long term investments - others | (72.63) | (20,074.30) |
| Sale of Long term investments - others | — | 2,670.09 |
| Sale of Current investments | 143.73 | — |
| Purchase of investments - mutual funds | (456,700.00) | (458,900.00) |
| Sale of investments - mutual funds | 456,700.00 | 461,400.00 |
| Dividends received - Trade investments | 2.56 | 8,567.47 |
| Dividends received - others | 652.69 | 1,340.21 |

Net Cash used in Investing Activities

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

Rupees in Lakhs

C. CASH FLOW FROM FINANCING ACTIVITIES

Issue of equity shares on exercise of
Employee stock Options (including share premium)
Proceeds from long term borrowings
Repayment of long term borrowings
Increase/(Decrease) in working capital finance
Dividends paid (including tax thereon)
Interest paid

Net Cash from Financing Activities

Net Increase/(Decrease) in Cash And Cash Equivalents

Cash and Cash Equivalents at the beginning of the year

Add: On consolidation of a joint venture

Cash and Cash Equivalents at the end of the year

(Refer Note 2 below)

| 2009-2010 | 2008-2009 |
|-------------|-------------|
| | |
| 352.41 | – |
| 13,945.78 | 6,088.80 |
| (10,508.77) | (15,794.07) |
| 25,998.02 | 80,520.95 |
| (16,190.17) | (15,287.10) |
| (7,939.17) | (8,701.77) |
| 5,658.10 | 46,826.81 |
| 53,516.54 | 31,807.15 |
| 42,530.35 | 10,723.20 |
| 0.54 | – |
| 96,047.43 | 42,530.35 |

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements notified under section 211 (3C) of the Act.
- Cash and Cash Equivalents as at March 31, 2010 include Rs. 34.77 Lakhs (2009: Rs. 54.57 Lakhs) given as margin money which are restricted cash and cash equivalents.
- Pursuant to consolidation of TIFERT, a joint venture, cash and cash equivalents amounting to Rs. 0.54 Lakhs have been included in the consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse**
Firm Registration No. 007568S
Chartered Accountants



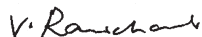
ANUPAM DHAWAN

Partner

Membership No. F-84451

Hyderabad: April 22, 2010

For and on behalf of the Board



V. RAVICHANDRAN

Managing Director



P. NAGARAJAN

Chief Financial Officer



A. VELLAYAN

Chairman



M.R. RAJARAM

Company Secretary

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rupees in Lakhs

| | March 31, 2010 | March 31, 2009 |
|---|-----------------|-----------------|
| 1. CAPITAL | | |
| Authorised | | |
| 175,000,000 Equity Shares of Rs. 2/- each | 3,500.00 | 3,500.00 |
| Issued and Subscribed* | | |
| 140,273,244 (2009: 139,896,948) Equity Shares of Rs. 2/- each fully paid-up | 2,805.46 | 2,797.94 |
| *Notes: | | |
| (A) Of the above, since inception: | | |
| (i) 5,806,100 Equity Shares of Rs. 2/- each fully paid-up have been allotted pursuant to contracts without payments being received in cash. | | |
| (ii) 69,278,790 Equity Shares of Rs. 2/- each fully paid-up have been issued as Bonus Shares by capitalisation of a part of General Reserve. | | |
| (iii) 4,409,440 Equity Shares of Rs. 2/- each fully paid-up have been issued at a premium of Rs. 2/- per share to the Debenture Holders and Public Financial Institutions pursuant to the right exercised by them for converting a part of their Debentures/Loan amounts into fully paid-up Equity Shares. | | |
| (B) 4,864,000 Equity Shares of Rs. 10/- each fully paid-up have been bought back at a price of Rs. 65/- per share from the shareholders pursuant to the offer for buy back of equity shares made during the year ended March 31, 2000. | | |
| (C) 29,749,505 Equity Shares of Rs. 2/- each fully paid-up have been allotted to the shareholders of E.I.D. Parry (India) Limited in the ratio of one share of the Company for every three shares of E.I.D. Parry (India) Limited, pursuant to the scheme of arrangement (demerger) between E.I.D. Parry (India) Limited and the Company for the acquisition of Farm Inputs Division of E.I.D. Parry (India) Limited. | | |
| (D) 831,981 Equity Shares of Rs.2/- each fully paid up have been allotted to the shareholders of Ficom Organics Limited in the ratio of 3 shares of the Company for every 11 shares of Ficom Organics Limited pursuant to the Scheme of Amalgamation between Ficom Organics Limited and Rasilah Investments Limited and the Company. | | |
| (E) 12,037,182 Equity Shares of Rs.2/- each fully paid up have been allotted to the shareholders of Godavari Fertilisers and Chemicals Limited in the ratio of 3 shares of the Company for every 2 shares of Godavari Fertilisers and Chemicals Limited pursuant to the Scheme of Amalgamation between Godavari Fertilisers and Chemicals Limited and the Company. | | |
| (F) Of the total Equity Share Capital as at March 31, 2010, E.I.D. Parry (India) Limited (Holding Company) holds 88,284,290 (2009: 87,947,790) Equity Shares of Rs. 2/- each fully paid-up. | | |
| (G) 376,296 (2009: Nil) Equity Shares of Rs. 2 each have been allotted pursuant to exercise of stock options under 'ESOP 2007' scheme during the year. | | |
| Total | 2,805.46 | 2,797.94 |

...SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rupees in Lakhs

| | | March 31, 2010 | March 31, 2009 |
|--|-----------------|----------------|----------------|
| 2. RESERVES AND SURPLUS | | | |
| Capital Reserve | | | |
| (on Amalgamation and Consolidation) | (A) | 13,601.44 | 13,601.44 |
| Capital Reserve | | 14.97 | 14.97 |
| Capital Redemption Reserve | | 486.40 | 486.40 |
| Securities Premium Account | | | |
| Per last Balance Sheet | | 6,006.01 | 6,006.01 |
| Add: Received on exercise of employee stock options | | 344.89 | – |
| | | 6,350.90 | 6,006.01 |
| Central Subsidy | | 11.25 | 11.25 |
| | (B) | 6,863.52 | 6,518.63 |
| Debenture Redemption Reserve | | | |
| Per last Balance Sheet | | – | 1,313.87 |
| Less: Transfer to Profit and Loss Account | | – | 1,313.87 |
| | (C) | – | – |
| Investment Allowance Reserve (Utilised) Account | | | |
| Per last Balance Sheet | | – | 1,428.42 |
| Less: Transfer to Amalgamation Adjustment Account* | | – | 1,428.42 |
| | (D) | – | – |
| Foreign Currency Translation Reserve | (E) | 280.44 | 2,061.97 |
| (Refer Note II(v) on Schedule 17) | | | |
| General Reserve | | | |
| Per last Balance Sheet | | 74,961.70 | 49,961.70 |
| Add: Transfer from Profit and Loss Account | | 25,000.00 | 25,000.00 |
| Add: On consolidation of a Joint Venture | | 0.32 | – |
| | (F) | 99,962.02 | 74,961.70 |
| Profit and Loss Account | (G) | 26,655.24 | 21,268.93 |
| | {A+B+C+D+E+F+G} | 147,362.66 | 118,412.67 |
| Less: Amalgamation Adjustment Account | | | |
| Per last Balance Sheet | | 14.97 | 1,443.39 |
| Less: Transfer from Investment Allowance Reserve (Utilised) Account | | – | 1,428.42 |
| | | 14.97 | 14.97 |
| Total | | 147,347.69 | 118,397.70 |
| *Adjusted against Amalgamation Adjustment Account on completion of the statutory period of ten years under the Income Tax Act, 1961. | | | |
| 3. SECURED LOANS | | | |
| (Refer Note VII on Schedule 17) | | | |
| (a) Term Loans | | | |
| - Banks | | | |
| - Foreign Currency Loans | | 18,772.64 | 9,545.85 |
| - Rupee Loans | | – | 5,666.67 |
| - Others | | 1,358.22 | 2,037.34 |
| (b) Banks - Cash Credit and Working Capital Demand Loans | | | |
| - Foreign Currency Loans | | – | 1,014.80 |
| - Rupee Loans | | 39,332.89 | 16,514.62 |
| Total | | 59,463.75 | 34,779.28 |
| 4. UNSECURED LOANS | | | |
| (a) Short Term Loans | | | |
| - From Banks | | | |
| - Foreign Currency Loans | | 65,410.29 | 87,992.07 |
| - Rupee Loans | | 70,000.00 | 45,000.00 |
| (b) From other than banks, other than short term | | | |
| - Sales Tax Deferral | | 2.78 | 2.78 |
| - Security/Trade and Other Deposits | | 9,821.07 | 9,306.00 |
| Total | | 145,234.14 | 142,300.85 |

...SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

5. FIXED ASSETS

Rupees in Lakhs

| Description | COST or VALUATION | | | | | DEPRECIATION | | | | | NET BOOK VALUE | |
|---|---------------------|--|-----------|-------------------------|----------------------|---------------------|--|--------------|----------------------------|---------------------|----------------------|----------------------|
| | As at April 1, 2009 | On Consolidation of a Joint Venture (Refer Note 4 below) | Additions | Deductions/ Adjustments | As at March 31, 2010 | Upto March 31, 2009 | On Consolidation of a Joint Venture (Refer Note 4 below) | For the year | On Deductions/ Adjustments | Upto March 31, 2010 | As at March 31, 2010 | As at March 31, 2009 |
| Land – Freehold | 26,084.03 | – | – | – | 26,084.03 | – | – | – | – | – | 26,084.03 | 26,084.03 |
| Land – Leasehold | 1,788.27 | – | 101.72 | – | 1,889.99 | 179.48 | – | 21.29 | – | 200.77 | 1,689.22 | 1,608.79 |
| Buildings | 7,628.10 | 0.18 | 1,911.04 | 5.96 | 9,533.36 | 1,651.68 | 0.03 | 232.76 | 4.60 | 1,879.87 | 7,653.49 | 5,976.42 |
| Roads | 767.39 | – | 62.09 | – | 829.48 | 94.01 | – | 14.80 | – | 108.81 | 720.67 | 673.38 |
| Railway Siding | 662.78 | – | 42.96 | 5.47 | 700.27 | 277.42 | – | 31.12 | 5.20 | 303.34 | 396.93 | 385.36 |
| Plant and Machinery | 78,907.98 | – | 7,324.25 | 849.71 | 85,382.52 | 40,075.54 | – | 4,621.16 | 334.36 | 44,362.34 | 41,020.18 | 38,832.44 |
| Office Equipment, Furniture and Fittings | 4,042.94 | 4.37 | 946.23 | 42.37 | 4,951.17 | 1,411.35 | 1.93 | 797.96 | 36.89 | 2,174.35 | 2,776.82 | 2,631.59 |
| Vehicles | 1,122.03 | 9.85 | 343.32 | 114.98 | 1,360.22 | 434.61 | 2.41 | 222.34 | 80.50 | 578.86 | 781.36 | 687.42 |
| Technical Know-how | 10.98 | 0.45 | 0.20 | – | 11.63 | 10.98 | 0.10 | 0.07 | – | 11.15 | 0.48 | – |
| Total | 121,014.50 | 14.85 | 10,731.81 | 1,018.49 | 130,742.67 | 44,135.07 | 4.47 | 5,941.50 | 461.55 | 49,619.49 | 81,123.18 | 76,879.43 |
| Previous Year | 113,109.72 | – | 9,956.28 | 2,051.50 | 121,014.50 | 40,170.76 | – | 5,621.33 | 1,657.02 | 44,135.07 | 76,879.43 | – |
| Capital work in Progress (Refer Note 5 below) | | | | | | | | | | | 14,639.16 | 2,780.18 |

Notes:

1. Land taken over from erstwhile Godavari Fertilisers and Chemicals Limited, pursuant to the amalgamation is pending mutation in the name of the Company.
2. Additions to Plant and Machinery and Buildings for the year include interest capitalised amounting to Rs. 45.04 Lakhs (2009 : Rs.111.34 Lakhs)
3. Additions to fixed assets during the year include Rs. 58.93 Lakhs (2009: Rs.41.47 Lakhs), being assets used for research and development.
4. Represents fixed assets and corresponding opening depreciation reserve arising on account of consolidation of TIFERT, a joint venture Company.
5. Includes capital advances and expenditure incurred during construction period, pending allocation.

...SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rupees in Lakhs

6. INVESTMENTS - LONG TERM - AT COST

I. TRADE INVESTMENTS

UNQUOTED

Indian Potash Limited

90,000 Equity Shares of Rs. 10/- each, fully paid-up

Foskor (Pty) Limited, South Africa

199,590 Ordinary shares of
South African Rand 1 each fully paid-up

Tunisian Indian Fertilisers S.A., Tunisia

1,350,000 ordinary shares of TND 10 each fully paid up
and 2,025,000 ordinary shares TND 3.70 paid up
(Refer note III(d) on Schedule 17).

Murugappa Management Services Limited

16,139 (2009: Nil) Equity Shares of
Rs. 450/- each fully paid up

Bharuch Enviro Infrastructure Limited

16,100 Equity Shares of Rs. 10/- each, fully paid-up

Bharuch Eco Aqua Infrastructure Limited

275,000 Equity Shares of Rs. 10/- each, fully paid-up

A.P. Gas Power Corporation Limited

1,340,000 Equity shares of Rs.10 each fully paid

(A)

II. OTHER THAN TRADE INVESTMENTS - UNQUOTED

IDBI Flexibonds

Nil (2009: 40) bonds of Rs. 5,000/- each, fully paid-up

(B)

CURRENT INVESTMENTS - AT COST OR BELOW*

QUOTED

Glaxo Smithkline Pharmaceuticals Limited

Nil (2009: 38) Equity Shares of Rs. 10/- each, fully paid-up

Peninsula Land Limited

Nil (2009:245) Equity Shares of Rs. 2/- each,
fully paid-up (formerly Morarjee Realities Ltd.)

Tata Motors Limited

Nil (2009:28) equity shares of Rs.10/- each , fully paid up.

Alpha Laval Limited

Nil (2009: 47) Equity Shares of Rs. 10/- each, fully paid-up

Corporation Bank Limited

Nil (2009: 500) Equity Shares of Rs. 10/- each, fully paid-up

| March 31, 2010 | March 31, 2009 |
|----------------|----------------|
| | |
| 4.50 | 4.50 |
| 12,401.34 | 13,924.66 |
| — | 7,365.83 |
| 72.63 | — |
| 1.61 | 1.61 |
| 27.50 | 27.50 |
| 753.75 | 753.75 |
| 13,261.33 | 22,077.85 |
| — | 2.00 |
| — | 2.00 |
| — | 0.16 |
| — | 0.14 |
| — | 0.10 |
| — | 0.24 |
| — | 0.40 |

...SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rupees in Lakhs

CURRENT INVESTMENTS - AT COST OR BELOW* (Contd.)

Aditya Birla Nuvo Limited

Nil (2009: 11) Equity Shares of Rs. 10/- each, fully paid-up,
(formerly Birla Global Finance Limited)

PH Capital Limited

Nil (2009: 2900) Equity Shares of Rs. 10/- each, fully paid-up

Ashnoor Textile Mills Limited

238 Equity Shares of Rs. 10/- each, fully paid-up,
(formerly Gupta Carpet Udyog Limited)

ISMT Limited

Reconstructed to 425 equity Shares of Rs. 5/- each,
fully paid-up, (formerly Indian Seamless Metal Tubes Limited)

I G Petrochemicals Limited

13,000 Equity Shares of Rs. 10/- each, fully paid-up

UTI Master Shares

1,000 Equity Shares of Rs. 10/- each, fully paid-up

Super Sales India Limited

Nil (2009: 80) Equity Shares of Rs. 10/- each,
fully paid-up, (formerly Super Sales Agencies Ltd.)

Tata Steel Limited

Nil (2009: 49) Equity Shares of Rs. 10/- each,
fully paid-up, (formerly Tata Iron and Steel Company Ltd).

Tata Power Company Limited

Nil (2009: 120) Equity Shares of Rs. 10/- each, fully paid-up

Less: Provision for diminution in value

(C)

Investment in Treasury bills

(D)

Total {A+B+C+D}

| March 31, 2010 | March 31, 2009 |
|----------------|----------------|
| — | 0.01 |
| — | 0.29 |
| 0.05 | 0.05 |
| - | 0.07 |
| 12.64 | 12.64 |
| 0.15 | 0.15 |
| — | 0.04 |
| — | 0.10 |
| — | 0.16 |
| 12.84 | 14.55 |
| 7.11 | 11.37 |
| 5.73 | 3.18 |
| 3,661.26 | — |
| 3,661.26 | — |
| 16,928.32 | 22,083.03 |

* Aggregate Market Value of quoted investments - Rs. 5.73 Lakhs (2009: Rs. 5.02 Lakhs)

Aggregate Value of quoted investments - Rs. 5.73 Lakhs (2009: Rs.3.18 Lakhs)

Aggregate Value of Unquoted investments - Rs. 21,098.88 Lakhs (2009: Rs. 22,082.58 Lakhs)

...SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rupees in Lakhs

7. INVENTORIES

Stores and Spare Parts*
Raw Materials**
Work-in-process**
Finished Goods**

Total

*At cost or under

**At cost or net realisable value, whichever is lower Raw Materials include Materials in Transit of Rs. 23,952.34 Lakhs (2009: Rs. 8,494.52 Lakhs).

8. SUNDRY DEBTORS

(Considered good, unless otherwise stated)

Debts outstanding for a period exceeding six months

Secured

Unsecured

Unsecured - Considered Doubtful

Less: Provision for Doubtful Debts

(A)

Other Debts

Secured

Unsecured

(B)

Total {A+B}

9. CASH AND BANK BALANCES

Cash on Hand

Balances with Scheduled Banks:

- On Current Accounts

- On Deposit Accounts

- On Margin Money Accounts

Balances with non-Scheduled Banks:

- On Current Account - Ned Bank, South Africa*

Total

*Maximum balance outstanding during the year - Rs. 8.09 Lakhs (2009: Rs. 2,610.17 Lakhs)

10. OTHER CURRENT ASSETS

7.00% Fertiliser Companies' Government of India Special Bonds 2022
(15,251,000 bonds of Rs.100 each)

6.20% Fertiliser Companies' Government of India Special Bonds 2022*
(38,931,200 bonds of Rs.100 each)

6.65% Fertiliser Companies' Government of India Special Bonds 2023
(45,590,700 bonds of Rs.100 each)

Less: Mark to Market write down

Total

*Out of these, 37,500,000 (2009: Nil) bonds of Rs.100 each have been marked as lien in favour of a lender.

| March 31, 2010 | March 31, 2009 |
|------------------|-------------------|
| 3,274.06 | 2,980.68 |
| 54,443.80 | 81,477.50 |
| 1,707.25 | 1,518.60 |
| 33,217.16 | 48,774.27 |
| 92,642.27 | 134,751.05 |
| | |
| 133.83 | 144.28 |
| 653.73 | 507.99 |
| 486.68 | 499.28 |
| 1,274.24 | 1,151.55 |
| 486.68 | 499.28 |
| 787.56 | 652.27 |
| 1,473.75 | 1,016.72 |
| 11,718.28 | 8,479.01 |
| 13,192.03 | 9,495.73 |
| 13,979.59 | 10,148.00 |
| | |
| 16.27 | 16.34 |
| 9,296.54 | 42,453.36 |
| 86,693.24 | - |
| 34.77 | 54.57 |
| 6.61 | 6.08 |
| 96,047.43 | 42,530.35 |
| | |
| 15,251.00 | 15,251.00 |
| 38,931.20 | 38,931.20 |
| 45,590.70 | 45,590.70 |
| 99,772.90 | 99,772.90 |
| 13,777.17 | 11,744.05 |
| 85,995.73 | 88,028.85 |

...SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rupees in Lakhs

| | March 31, 2010 | March 31, 2009 |
|---|------------------|-------------------|
| 11. LOANS AND ADVANCES | | |
| (Unsecured and considered good unless otherwise stated) | | |
| Interest accrued but not due on deposits/loans/ Fertilisers special bonds | 1,540.51 | 1,503.26 |
| Advances recoverable in cash or in kind or for value to be received | | |
| Considered Good | 7,489.26 | 6,474.58 |
| Considered Doubtful | 662.78 | 6.08 |
| Government Subsidies Receivable | 50,824.55 | 94,686.68 |
| Deposits with Government Bodies | 1,876.78 | 1,445.95 |
| Balances with Excise, Customs, Port Trust etc., | 616.63 | 1,167.73 |
| | 63,010.51 | 105,284.28 |
| Less: Provision for Doubtful Advances | 662.78 | 6.08 |
| Total | 62,347.73 | 105,278.20 |
| 12. LIABILITIES | | |
| Acceptances | 4,456.82 | 29,660.69 |
| Sundry Creditors | | |
| - Outstanding dues of Micro and Small Enterprises | — | — |
| - Outstanding dues of other than Micro and Small Enterprises | 75,940.71 | 127,876.31 |
| Unclaimed dividends* | 572.29 | 370.85 |
| Cheques issued but not encashed | | |
| - Fixed Deposit Refunds* | 0.35 | 0.45 |
| Advances from customers | 8,103.85 | 4,725.52 |
| Other Liabilities | 862.25 | 328.63 |
| Interest accrued but not due on loans/security deposits | 754.55 | 874.97 |
| Total | 90,690.82 | 163,837.42 |
| *There are no amounts due and outstanding to be credited to the Investors Education and Protection Fund. | | |
| 13. PROVISIONS | | |
| Taxation (net of advance tax) | 1,439.53 | 2,413.72 |
| Dividend | 5,610.93 | 5,595.88 |
| Tax on Dividend | 931.91 | 951.02 |
| Employee Benefits | 1,632.47 | 1,461.04 |
| Others (Refer Note XVIII(i) on Schedule 17) | — | 1,997.53 |
| Total | 9,614.84 | 12,419.19 |

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Rupees in Lakhs

| | Year ended March 31, 2010 | Year ended March 31, 2009 |
|---|------------------------------|------------------------------|
| 14. OTHER INCOME | | |
| Interest on loans/deposits, Fertiliser Special bonds, income tax refunds, etc. (Gross) | 7,065.70 | 7,476.54 |
| [Tax deducted at source Rs.10.17 Lakhs (2009: Rs. 937.78 Lakhs)] | | |
| Dividend (Gross) | | |
| - On trade investments | 2.56 | 8,567.47 |
| [Tax deducted at source Rs. Nil (2009: Rs. Nil)] | | |
| - On other investments | 652.69 | 1,340.21 |
| [Tax deducted at source Rs. Nil (2009: Rs. Nil)] | | |
| Profit on sale of current investments | 4.15 | — |
| Provision for doubtful debts no longer required, written back | 60.52 | 62.99 |
| Other provisions no longer required, written back | 2,898.24 | 713.02 |
| Service Income | 370.23 | 543.77 |
| DEPB Income/Excise Benefits | 816.75 | 617.86 |
| Miscellaneous Income | 1,746.28 | 1,340.40 |
| Total | 13,617.12 | 20,662.26 |
| 15. MANUFACTURING AND OTHER EXPENSES | | |
| Raw Materials Consumed | 400,198.69 | 722,918.69 |
| Stores Consumed | 10,458.88 | 9,247.19 |
| Power, Fuel and Water | 6,683.55 | 6,304.76 |
| Purchase of Goods for Resale | 70,364.45 | 100,491.48 |
| Salaries, Wages and Bonus | 14,154.76 | 10,422.42 |
| Contribution to Provident Fund and Other Funds | 1,064.93 | 1,427.08 |
| Staff Welfare | 1,523.08 | 1,498.04 |
| Rent | 1,415.05 | 832.34 |
| Repairs to: | | |
| Plant and Machinery | 3,596.28 | 3,713.97 |
| Buildings | 156.30 | 215.15 |
| Others | 636.30 | 2,336.62 |
| Insurance | 232.97 | 271.56 |
| Rates and Taxes | 599.76 | 823.39 |
| Travel | 1,418.32 | 1,456.07 |
| Communication | 465.44 | 364.26 |
| Freight and Distribution | 30,690.64 | 19,241.58 |
| Commission to other Selling Agents | 254.15 | 206.52 |
| Directors' Fees | 8.20 | 9.85 |
| Loss/(Profit) on Sale/Scrap of Fixed Assets (net) | 524.74 | 351.15 |
| Provision for Doubtful Debts and Advances | 704.37 | 99.40 |
| Loss on Sale of Fertiliser Special Bonds | — | 2,369.31 |
| Mark to Market of Fertiliser Special Bonds | 2,033.12 | 10,452.34 |
| Bad Debts Written Off | 60.71 | 82.15 |
| Miscellaneous Expenses | 5,884.41 | 7,688.20 |
| (Increase)/Decrease in Stock: | | |
| Stock as at April 1, | | |
| — Work-in-Process | 1,518.60 | 934.57 |
| — Finished Goods | 48,774.27 | 18,824.12 |
| | 50,292.87 | 19,758.69 |
| Less: Stock as at March 31, | | |
| — Work-in-process | 1,707.25 | 1,518.60 |
| — Finished Goods | 33,217.16 | 48,774.27 |
| | 34,924.41 | 50,292.87 |
| (Increase)/Decrease in Stock | 15,368.46 | (30,534.18) |
| Less: Transferred to expenditure during construction period, pending allocation | 26.32 | — |
| Total | 568,471.24 | 872,289.34 |
| 16. INTEREST | | |
| On Debentures/Term Loans | 524.92 | 1,766.77 |
| Others | 7,293.83 | 6,996.00 |
| Total | 7,818.75 | 8,762.77 |

...SCHEDULES CONSOLIDATED ACCOUNTS

17. Notes forming part of the consolidated accounts for the year ended March 31, 2010

I. Basis of preparation of accounts

The consolidated financial statements have been prepared in accordance with historical cost convention to comply in all material respects with applicable accounting principles in India, the Accounting Standards notified under section 211(3C) of the Companies Act 1956 ("the Act") and the relevant provisions of the Act.

The consolidated financial statements include accounts of Coromandel International Limited ("the Company") and its wholly owned subsidiaries Parry Chemicals Limited, CFL Mauritius Limited, Mauritius, Coromandel Brasil Limitada, Brasil (a Limited Liability Partnership), its joint ventures Coromandel Getax Phosphates Pte Limited, Coromandel SQM India Private Limited, Tunisian Indian Fertilisers SA (TIFERT) and its associate Pratyusha Chemicals and Fertilisers Limited (all together referred to as 'the Group').

II. Principles of Consolidation:

In the preparation of these Consolidated Financial Statements, investments in Subsidiaries, Associate companies and Joint Venture entities have been accounted for in accordance with AS-21 (Accounting for Consolidated Financial Statements) AS- 23 (Accounting for investments in Associates in Consolidated Financial Statements) and AS-27 (Financial Reporting of Interests in Joint Ventures) respectively notified under section 211(3C) of the Act. The Consolidated Financial Statements have been prepared on the following basis:

- (i) Subsidiary companies are those in which Coromandel International Limited, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the operations.
- (ii) Investments in business entities over which the Company exercises joint control are accounted for using the proportionate consolidation.
- (iii) Investments in associates are accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition changes based on share of profits or losses since the acquisition.
- (iv) All inter Company transactions, balances and unrealized surplus and deficits on transactions between Group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.
- (v) The operations of the Company's subsidiaries and joint ventures are considered as non-integral operations for the purpose of consolidation. Accordingly the exchange differences arising on conversion of their financial statements into Indian Rupees is reflected under 'Foreign Currency Translation Reserve' (Refer Schedule 2).

III. List of Subsidiaries, Joint Ventures and Associates considered for Consolidation

| Name of the Company | Relationship | Country of incorporation | Percentage of voting power as at March 31, 2010 |
|---|---------------|--------------------------|---|
| Parry Chemicals Limited (PCL) | Subsidiary | India | 100 |
| CFL Mauritius Limited (CML) | Subsidiary | Mauritius | 100 |
| Coromandel Brasil Limitada (CBL), Limited Liability Partnership | Subsidiary | Brazil | 100 |
| Coromandel Getax Phosphates Pte Ltd., (CGPL) | Joint Venture | Singapore | 50 |
| Coromandel SQM India Private Limited (CSQMPL) | Joint Venture | India | 50 |
| Tunisian Indian Fertilisers SA. (TIFERT) | Joint Venture | Tunisia | 15 |
| Pratyusha Chemicals and Fertilisers Limited (PCFL) | Associate | India | 26 |

- a. CSQMPL has been incorporated on October 9, 2009. Accordingly the financial statements of this Company have been prepared from the date of incorporation to March 31, 2010.
- b. In respect of PCFL the financial statements have been drawn up to March 31, 2009 only. Since the Group share of losses in PCFL has exceeded the carrying amount of the investment in that Company, recognition of further losses has been discontinued and the investment is reported at 'nil' value.
- c. In respect of CML, CBL and CGPL the financial year is from January 1, 2009 to December 31, 2009 and accordingly audited financial statements are available up to December 31, 2009. These financial statements have been adjusted by the management for significant transactions between January 1, 2010 to March 31, 2010.
- d. In respect of consolidation of TIFERT, since the audit has not yet been completed, unaudited financial results upto December 31, 2009 have been used. However, the management does not expect any significant variance on completion of the audit. Financials for the period January 1, 2010 to March 31, 2010 are not available and hence have not been considered for consolidation. Previous year figures do not include those of TIFERT and hence are not comparable.

...SCHEDULES CONSOLIDATED ACCOUNTS

Schedule 17 (Contd.)

IV. Significant Accounting Policies:

Fixed Assets

Fixed assets are shown at cost or valuation less depreciation. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Depreciation on Fixed assets

Depreciation is provided on the straight-line method. Depreciation on all assets (except certain Plant and Machinery, Vehicles and Computers and related equipment) has been provided over the useful life of the assets as determined by the management or derived from the rates prescribed in Schedule - XIV to the Companies Act 1956, whichever is higher. The useful life of such assets is periodically reviewed and re-determined and the unamortised depreciable amount is charged over the remaining useful life of such assets. Leasehold land is being amortised over the lease period.

The estimated useful lives of assets which are lower than those prescribed in Schedule XIV to the Companies Act, 1956 are as under:

| Asset | Useful lives (in years) |
|--|-------------------------|
| Plant and Machinery | 5 - 14 |
| Vehicles | 5 - 7 |
| Office Equipment, Furniture and Fittings | 3 - 5 |
| Computers and related equipments | 3 - 5 |

Foreign Currency Transactions

Transactions made during the year in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end are translated at the exchange rate prevalent at the date of Balance Sheet. Exchange differences arising on actual payment/realisation and year end reinstatement referred to above are recognised in the Profit and Loss Account.

In respect of forward contracts entered into to hedge risks associated with foreign currency fluctuation, the premium or discount at the inception of the contract is amortised as income or expense over the period of the contract. Currency options/other swap contracts outstanding as at the Balance Sheet date are marked to market and the resultant gain/loss is recognised in the Profit and Loss Account. Any profit or loss arising on cancellation of such contracts is recognized as income or expense in the Profit and Loss Account of the year.

Investments

Long term investments are valued at cost. The diminution in the market value of such investments is not recognised unless it is considered permanent in nature. Current investments are valued at cost or market value, whichever is lower.

Inventories

Raw Materials and Stores and spares are valued at or below cost. Other inventories are valued at lower of cost and net realisable value. The method of determination of cost of various categories of inventories is as follows:

- Stores and Spares - Weighted Average Cost.
- Raw Material - First-in-First-out basis. Cost includes purchase cost and other attributable expenses.
- Finished Goods and Work-in-process - Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
- Goods purchased for resale - Weighted Average Cost

Sundry Debtors and Loans & Advances

Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively. Subsidy receivable is disclosed under "Loans and Advances".

Fertiliser Companies' Government of India Special Bonds

Fertiliser Companies' Government of India Special Bonds issued by Government of India in lieu of subsidy dues are intended to be kept for short term and are valued at lower of Cost and Market value and are shown as 'Other Current Assets'.

...SCHEDULES CONSOLIDATED ACCOUNTS

Schedule 17 (Contd.)

Revenue Recognition

- a) Sale of goods is recognized at the point of despatch to customers. Sales include amounts recovered towards excise duty and exclude sales tax.
- b) Dividend income from investments is accounted for in the year in which the right to receive the payment is established.
- c) Subsidy is recognized on the basis of the concession schemes announced by the Government of India from time to time on the quantity of fertilisers sold by the Company at the final rates notified by the Government for the period for which notification has been issued and for the remaining period, based on management estimates.
- d) Export benefits under DEPB license and excise benefits are accounted for on accrual basis.

Employee Benefits

a) 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 and Loss Account each year.

The Company makes contributions to three 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 in accordance with the revised Accounting Standard 15 (revised 2005) on 'Employee Benefits' notified under Sec 211 (3C) of the Act ('revised AS 15') as at the end of the year.

b) Defined Benefit Plans

Gratuity for certain employees is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognised in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

The Company makes contributions for Superannuation and Gratuity (for employees not covered under the LIC Scheme) to Trusts, which are recognised in the Profit and Loss Account. The Company's liability as at the Balance Sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised AS 15 as at the end of the year.

c) Other long term employee benefits

Other long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

d) 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.

Leases

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals paid under such agreements are charged to the Profit and Loss Account.

Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reported period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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. Contingent liabilities 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 recognized nor disclosed in the financial statements.

...SCHEDULES CONSOLIDATED ACCOUNTS

Schedule 17 (Contd.)

Taxes on Income

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.

Deferred tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in subsequent periods, subject to consideration of prudence.

Earnings per Share

The earnings considered for ascertaining the Company's Earnings Per Share comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises the weighted average shares considered for deriving basic EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares. In case of dilutive options, the difference between the number of shares issuable and the number of shares that would be issued at fair value are treated as dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

Employee Stock Option Scheme

Stock options granted to the employees under the stock option scheme established are evaluated as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India. The Company follows the intrinsic value method of accounting for the options and accordingly, the excess of market value of the stock options as on date of grant over the exercise price of the options, if any, is recognized as deferred employee compensation and is charged to the Profit and Loss Account on graded vesting basis over the vesting period of the options. The unamortized portion of the deferred employee compensation if any, is shown under Reserves and Surplus.

V. Employee Stock Option Plan - ESOP 2007

- Pursuant to the decision of the shareholders, at their meeting held on July 24, 2007, the Company has established an 'Employee Stock Option Scheme 2007' ('ESOP 2007' or 'the Scheme') to be administered by the Remuneration and Nomination Committee of the Board of Directors.
- Under the Scheme, options not exceeding 6,392,988 have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year and not more than five years from the date of grant of the options. The options granted to the employees would be capable of being exercised within a period of three years from the date of vesting.
- The exercise price of the option is equal to the latest available closing market price of the shares on the stock exchange where there is highest trading volume as on the date prior to the date of the Remuneration and Nomination Committee resolution approving the grant.
- Pursuant to the above mentioned scheme, the Company has granted options in earlier years which vest over a period of four years commencing from the respective dates of grant. The exercise price being equal to the closing market price prevailing on the date prior to the date of grant, there is no deferred compensation cost to be amortised in this regard.
- The following are the number of options outstanding during the year:

Stock Options

At the beginning of the Year
Granted
Exercised
Cancelled
At the end of the Year

| Year ended March 31, 2010 | | Year ended March 31, 2009 | |
|------------------------------|--|------------------------------|--|
| No. of Options | Weighted average Exercise price (Rs.) | No. of Options | Weighted average Exercise price (Rs.) |
| 2,694,756 | 96.05 | 2,217,800 | 89.94 |
| — | — | 557,500 | 119.39 |
| 376,296 | 93.65 | — | — |
| 334,592 | 92.09 | 80,544 | 89.59 |
| 1,983,868 | 97.06 | 2,694,756 | 96.05 |

...SCHEDULES CONSOLIDATED ACCOUNTS

Schedule 17 (Contd.)

- f) The above outstanding options have been granted in various tranches, at exercise price being equal to the closing market price prevailing on the date prior to the date of grant.
- g) In accordance with the requirements of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on "Accounting for Employee Share Based Payments" issued by the Institute of Chartered Accountants of India, had the compensation cost for the employee stock option plan been recognized based on the fair value at the date of grant in accordance with the Black Scholes' model, the proforma amounts of the Company's Net Profit and Earnings Per Share would have been as follows:

Profit after Taxation (Rs. in Lakhs)

- As reported
- Proforma

Earnings Per Share

Basic

- No. of Shares
- EPS as reported (Rs.)
- Proforma EPS (Rs.)

Diluted

- No. of shares
- EPS as reported (Rs.)
- Proforma EPS (Rs.)

The following assumptions were used for calculation of fair value of grants:

- Dividend Yield (%)
- Expected Volatility (%)
- Risk free interest rate (%)
- Expected term (in years)

| Year ended March 31, 2010 | Year ended March 31, 2009 |
|------------------------------|------------------------------|
| 46,767.69 | 55,950.63 |
| 43,310.20 | 55,385.27 |
| 140,036,725 | 139,896,948 |
| 33.40 | 39.99 |
| 30.93 | 39.59 |
| 141,527,015 | 140,154,139 |
| 33.05 | 39.92 |
| 30.60 | 39.52 |
| 400 | 175 |
| 0.54 | 0.50-0.52 |
| 7.5 | 7.5 |
| 3-4 | 4-5 |

VI. Managerial Remuneration

Rupees in Lakhs

A. To the Directors of the Company

- (i) Remuneration to Whole-time director
 - Salary and Allowances
 - Commission/Incentive
 - Contribution to Provident and other Funds
 - Valuation of Perquisites
- (ii) Commission to non Whole-time Directors
- (iii) Sitting Fee

Total

| Year ended March 31, 2010 | Year ended March 31, 2009 |
|------------------------------|------------------------------|
| 116.12 | 88.05 |
| 55.10 | 32.63 |
| 12.86 | 10.88 |
| 1.09 | 8.09 |
| 19.03 | 20.30 |
| 8.20 | 9.85 |
| 212.40 | 169.80 |

Notes:

Managerial Remuneration above does not include leave encashment benefit, since the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.

VII. Secured Loans (Schedule 3)

Loans

- a) The term loans from banks and others include an amount of Rs. 7,226.96 Lakhs (2009: Rs. 12,175.86 Lakhs) secured by an exclusive first charge on the specific assets of the Company. They further include a loan amounting to Rs. 3,614.40 Lakhs (2009: Rs. 5,074.00 Lakhs) availed by CFL Mauritius Limited secured by a corporate guarantee of 100% from Coromandel International Limited. A negative lien has been created over the investments made in Foskor (Proprietary) Limited, upto 10% of equity shares of Foskor (Proprietary) Limited.

...SCHEDULES CONSOLIDATED ACCOUNTS

Schedule 17 (Contd.)

- b) Foreign currency term loans from bank include long term financing availed by TIFERT amounting to Rs. 9,289.50 Lakhs which are secured by first charge on all assets of the project of the company (movables, immovables, bank accounts including offshore accounts, receivables and inventories). These are further secured by Corporate guarantee issued by Joint venture partners and Pledge of their Ordinary Shares held in TIFERT.
- c) The working capital facilities from banks are secured by a hypothecation of stock of raw materials, work-in-process, finished goods, stores and spare parts and book debts of the Company. These are further secured by a second charge on the movable fixed assets of the Company. Working capital borrowings include a loan amounting to Rs. 30,000 Lakhs (2009: Rs. Nil) which is secured by way of a lien marked on 37,500,000, 6.2% Fertiliser Companies' Government of India Special Bonds 2022 of Rs.100 each held by the Company (Refer Schedule 10).

VIII. Contingent Liabilities

| | Rupees in Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2010 | Year ended March 31, 2009 |
| a) In respect of matters under dispute | | |
| Excise Duty | 317.94 | 258.39 |
| Sales Tax | 3.94 | 9.13 |
| Others | 647.73 | 1,017.89 |

- b) Land:** Liability for additional compensation payable in respect of land purchased from M/s. Nagarjuna Fertilisers and Chemicals Limited has not been provided for, pending court orders and determination of the amount payable.

The amounts in items (a) and (b) represent best estimates and the uncertainties are dependent on the outcome of the legal processes initiated by the Company or the claimant as the case may be.

| | Rupees in Lakhs | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2010 | Year ended March 31, 2009 |
| IX. Capital Commitments | | |
| Capital expenditure commitments | 25,068.78 | 3,369.46 |
| X. Deferred Tax | | |
| a) Deferred Tax Asset: | | |
| - On Employees separation and retirement costs | 506.84 | 522.26 |
| - Other timing differences mainly relating to Statutory dues allowable on payment basis | 572.80 | 1,131.06 |
| | 1,079.64 | 1,653.32 |
| b) Deferred Tax Liability | | |
| - On account of depreciation | 9,626.35 | 9,600.03 |
| Deferred Tax Liability (net) | 8,546.71 | 7,946.71 |

Deferred tax asset in respect of wholly owned subsidiary Coromandel Brazil Limitada and a joint venture company, Coromandel SQM India Private Limited has not been considered as a matter of prudence. The same would be considered when there is a reasonable amount of certainty of their realization.

...SCHEDULES CONSOLIDATED ACCOUNTS

Schedule 17 (Contd.)

XI. Earnings per Share

- i) Profit after tax as per the Profit and Loss Account - (Rs. in Lakhs) [a]

Basic

- ii) Weighted average number of equity shares of Rs. 2/- each outstanding during the year [b]

Dilution

- iii) Effect of Potential ordinary shares on employees stock options outstanding
iv) Weighted average number of equity shares of Rs. 2/- each outstanding during the year [c]

Earnings Per Share

- vi) Basic - [a]/[b] - (Rs.)
vii) Diluted - [a]/[c] - (Rs.)

| Year ended March 31, 2010 | Year ended March 31, 2009 |
|------------------------------|------------------------------|
| 46,767.69 | 55,950.63 |
| 140,036,725 | 139,896,948 |
| 1,490,290 | 257,191 |
| 141,527,015 | 140,154,139 |
| 33.40 | 39.99 |
| 33.05 | 39.92 |

XII. Segment Reporting

a) Business Segment

The Company has considered business segment as the primary segment for disclosure. The Company, its joint venture companies and two of its subsidiary companies are primarily engaged in the farm inputs business, which in the context of Accounting Standard 17, is considered the only business segment. In respect of investment activity of one of its other subsidiary Company and the retail business of the Company, since these are not material, disclosure of business segment information is not considered necessary at this stage.

b) Geographical Segment

The Company sells its products mainly within India where the conditions prevailing are uniform. Since the sales outside India are below the threshold limit, no separate geographical segment disclosure is considered necessary.

XIII. During the year, the Company has changed its name from 'Coromandel Fertilisers Limited' to 'Coromandel International Limited'. The fresh certificate of incorporation dated September 23, 2009 has been received from the Registrar of Companies, Andhra Pradesh.

XIV. The Group has entered into certain operating lease agreements and an amount of Rs. 1,415.05 Lakhs (2009: Rs. 832.34 Lakhs) paid under such agreements has been charged to the Profit and Loss Account. These agreements are cancelable in nature.

XV. Related Party Disclosures

Information relating to Related Party Transactions as per Accounting Standard 18 notified under Section 211 (3C) of the Act.

(A) Names of the Related Parties and their relationship:

| Name of the Related Party | Relationship |
|--|---------------------------|
| E.I.D. Parry (India) Limited | Holding Company |
| Parry Investments Limited | Fellow Subsidiary Company |
| Parry Infrastructure Company Private Limited (PICPL) | Fellow Subsidiary Company |
| Sadashiva Sugars Limited (SSL) | Fellow Subsidiary Company |
| Mr. V. Ravichandran, Managing Director | Key Management Personnel |

...SCHEDULES CONSOLIDATED ACCOUNTS

Schedule 17 (Contd.)

Rupees in Lakhs

B) Transactions during the year in the ordinary course of business

| | 2009-2010 | 2008-2009 |
|---|-----------|-----------|
| i) Sale of finished goods/raw materials/services (net of discounts) | | |
| a) Holding Company | 118.05 | 16.86 |
| b) Fellow Subsidiary Company - SSL | 20.87 | – |
| ii) Rent received | | |
| Fellow Subsidiary Company - (PICPL) | 175.00 | 175.00 |
| iii) Expenses reimbursed by | | |
| Holding Company | 2.32 | 3.58 |
| iv) Purchase of finished goods and services | | |
| Holding Company | – | 0.08 |
| v) Expenses reimbursed to | | |
| Holding Company | 332.98 | 330.86 |
| vi) Advance received | | |
| Fellow Subsidiary Company - SSL | 2.98 | – |
| vii) Dividend Paid | | |
| Holding Company | 8,814.97 | 8,333.31 |
| viii) Creditors/Payables | | |
| a) Holding Company | 72.94 | 101.16 |
| b) Fellow Subsidiary Company - PICPL | 3,000.00 | 3,000.00 |

Note: Details of remuneration to Directors are disclosed in note VI above.

XVI. Employee benefits

a. Defined benefit plans

The following table sets forth the status of the Gratuity Plan and the Superannuation and other Pension Plans of the Company and the amounts recognized in the Balance Sheet and Profit and Loss Account:

Rupees in Lakhs

| Particulars | Gratuity Plan | | Superannuation and other Pension Plans | |
|--|---------------|-----------|--|-----------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Projected benefit obligation at the beginning of the period | 713.05 | 649.70 | 146.24 | 151.01 |
| Current service cost | 71.08 | 40.10 | 3.26 | 4.50 |
| Interest cost | 46.37 | 42.61 | 10.86 | 11.33 |
| Actuarial loss/(gain) | 121.02 | 62.64 | (44.99) | (20.60) |
| Benefits paid | (101.35) | (82.00) | – | – |
| Projected benefit obligation at the end of the period | 850.17 | 713.05 | 115.37 | 146.24 |
| Amounts recognised in the balance sheet | | | | |
| Projected benefit obligation at the end of the period | 850.17 | 713.05 | 115.37 | 146.24 |
| Fair value of plan assets at end of the period | 746.85 | 714.64 | – | – |
| Funded status of the plans – (asset)/liability | 103.32 | (1.59) | 115.37 | 146.24 |
| Liability recognized in the balance sheet | 103.32 | – | – | – |

...SCHEDULES CONSOLIDATED ACCOUNTS

Schedule 17 (Contd.)

Rupees in Lakhs

| Particulars | Gratuity Plan | | Superannuation and other Pension Plans | |
|--|---------------|--------------|--|---------------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Cost for the period | | | | |
| Current service cost | 71.08 | 40.10 | 3.26 | 4.50 |
| Interest cost | 46.37 | 42.61 | 10.86 | 11.33 |
| Expected return on plan assets | (51.15) | (48.56) | — | — |
| Net actuarial (gain)/loss recognised in the period | 109.27 | 55.92 | (44.99) | (20.60) |
| Past service cost | (1.59) | — | — | — |
| Net Cost recognized in Profit and Loss Account | 173.98 | 90.07 | (30.87) | (4.77) |
| Nature and extent of investment details of the plan assets* | | | | |
| State and Central Securities | 24.29% | 26.46% | — | — |
| Bonds | 32.30% | 36.49% | — | — |
| Special Deposits | 43.40% | 37.06% | — | — |
| Actual Return on Plan Assets* | 62.90 | 55.28 | — | — |
| Assumptions | | | | |
| Discount rate | 7.00% | 7.00% | 7.00% | 7.00% |
| Estimated rate of return on plan assets | 7.00% | 7.00% | 7.00% | 7.00% |
| Expected rate of salary increase | 3.50% | 3.50% | 3.50% | 3.50% |

*include details of trusts other than those covered under a scheme of Life Insurance Corporation of India.

Notes:

- The above table does not include information in respect of gratuity plans covered under schemes administered by Life Insurance Corporation of India.
- Defined contribution plans

In respect of the defined contribution plans, an amount of Rs.608.31 Lakhs (2009: Rs. 719.90 Lakhs) has been recognised in the Profit and Loss Account during the year.

XVII. The Government of India grants price concession on sale of fertilizers and income from such concession is shown under "Government Subsidies" in the Profit and Loss Account. The subsidy income for the year includes Rs. 264,712.00 Lakhs [(including deferred subsidy income relating to earlier periods of Rs. 23,617.00 Lakhs (corresponding income tax has been charged to the Profit and Loss Account - Rs. 8,027.00 Lakhs)] being income accrued/recognized based on the management's understanding of the prevalent subsidy scheme for the period for which notification has been issued and based on management estimates for the remaining period. Necessary adjustments to such estimates will be made on announcement of final notification/determination.

XVIII. Other Matters

- Based on the information available with the Company, there are no dues/interest outstanding to Small and Micro enterprises as at March 31, 2010.
- Sales are net of discounts, other than usual trade discounts, Rs. 5,804.59 Lakhs (2009: Rs. 4,406.74 Lakhs).
- The net difference in foreign exchange (i.e., difference between the spot rate on the dates of the transactions and the actual rate at which the transactions are settled/appropriate rates applicable at the year end) credited to the respective heads of account in the Profit and Loss Account is Rs. 9,116.30 Lakhs (2009: Rs. 36,922.30 Lakhs debit).
- Exchange difference in respect of forward exchange contracts to be recognised in the Profit and Loss Account in the subsequent accounting period is Rs. 153.03 Lakhs debit (2009: Rs. 285.23 Lakhs debit).
- Research and Development expenses included under schedule 14 - Rs. 478.91 Lakhs (2009: Rs. 197.66 Lakhs).

...SCHEDULES CONSOLIDATED ACCOUNTS

Schedule 17 (Contd.)

- f) Land - Lease deed in respect of land admeasuring 9.80 acres taken on lease from Visakhapatnam Port Trust by the erstwhile GFCL, is pending execution.
- g) During the year ended March 31, 2009, the Company had accounted for Rs.15,859.41 Lakhs received from Foskor (Pty) Limited, South Africa (Foskor) towards services rendered as per the terms of the Business Assistance Agreement entered into with Foskor in 2005.
- h) During the year, the Company has made political donations of Rs. 25.00 Lakhs to Telugu Desam Party and Rs. 15.00 Lakhs to Prajarajyam Party (2009: Rs.50.00 Lakhs to Andhra Pradesh Congress Committee).
- i) Provisions - Others represents provisions made by the management towards certain disputed tax matters in the earlier years. Based on further developments, the Company has reversed these provisions in the books of account. The following are the details of such provision:

Rupees in Lakhs

| Opening balance | Provided during the year | Reversed/Utilized during the year | Closing balance |
|-----------------|--------------------------|-----------------------------------|-----------------|
| 1,997.53 | — | 1,997.53 | — |

- XIX. The proportionate share of Assets, Liabilities, Income and Expenditure of Coromandel Getax Phosphates Pte Ltd (Coromandel Getax), Coromandel SQM India Private Limited (Coromandel SQM) and Tunisian Indian Fertilisers SA (TIFERT) are given below:

Rupees in Lakhs

| Name of the entity | Year ended March 31, 2010 | | Year ended March 31, 2009 | |
|----------------------------------|------------------------------|-------------------|------------------------------|---------------------|
| | Coromandel Getax | Coromandel SQM | TIFERT* | Coromandel Getax |
| Country of Incorporation | Singapore | India | Tunisia | Singapore |
| Percentage of Ownership interest | 50% | 50% | 15% | 50% |
| Assets | | | | |
| Current Assets | 174.69 | 133.82 | 12,372.07 | 243.51 |
| Fixed Assets | — | 63.80 | 13,496.61 | — |
| Liabilities | | | | |
| Current Liabilities | 4.18 | 1.85 | 13,960.51 | 44.25 |
| Income | — | 1.62 | 325.54 | — |
| Expenditure | | | | |
| Manufacturing and Other expenses | 7.23 | 5.72 | 202.91 | 49.33 |
| Contingent Liabilities | — | — | — | — |
| Capital Commitments | — | 19.85 | — | — |

*All figures relating to TIFERT are as per the unaudited financial statements for the year ended December 31, 2009 and information has been furnished to the extent available with the Company.

- XX. Previous year's figures have been regrouped/reclassified wherever necessary to conform to the classification adopted for the current year.

For and on behalf of the Board

For **Price Waterhouse**
Firm Registration No. 007568S
Chartered Accountants



ANUPAM DHAWAN

Partner

Membership No. F-84451

Hyderabad: April 22, 2010


V. RAVICHANDRAN
Managing Director


P. NAGARAJAN
Chief Financial Officer


A. VELLAYAN
Chairman


M.R. RAJARAM
Company Secretary

Statement pursuant to exemption received under section 212(8) of the Companies Act , 1956 relating to Subsidiary Companies

Rupees in Lakhs

| | Parry Chemicals Limited Year ended March 31,2010 | CFL Mauritius Limited Year ended Dec 31,2009 | Coromandel Brasil Limitada Year ended Dec 31,2009 |
|---|--|--|---|
| Share Capital | 50.00 | 8,143.70 | 125.58 |
| Reserves | 115.66 | 6,218.72 | (56.83) |
| Loan funds | 14.60 | 3,614.40 | – |
| Current liabilities and provisions | 303.36 | 391.40 | 6.94 |
| Total liabilities | 483.62 | 18,368.22 | 75.69 |
| Fixed Assets | 467.82 | – | 2.60 |
| Investments | – | 12,379.28 | – |
| Current assets | 15.80 | 5,988.94 | 73.09 |
| Total Assets | 483.62 | 18,368.22 | 75.69 |
| Turnover | 56.96 | 73.98 | 6.06 |
| PBT | 6.68 | (45.68) | (57.45) |
| Taxation | 5.00 | 11.97 | – |
| PAT | 1.68 | (33.71) | (57.45) |
| Proposed dividends | – | – | – |
| Details of investments (unquoted) | | | |
| Foskor (Pty) Limited | | | |
| South Africa Rand 1 each fully paid (Nos) | | 199590 | |

NOTES

[illegible]

NOTES

[illegible]

COROMANDEL INTERNATIONAL LIMITED

(formerly Coromandel Fertilisers Limited)
Regd. Office: "Coromandel House", 1-2-10, Sardar Patel Road,
Secunderabad - 500 003, Andhra Pradesh.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING

R.F.NO./CLIENT ID:

D.P.ID:

NAME AND ADDRESS:

I hereby record my presence at FORTY EIGHTH ANNUAL GENERAL MEETING to be held on Thursday, July 22, 2010 at 10.30 A.M at Hotel Minerva Grand, CMR Complex, Beside Manju Theatre, Secunderabad - 500 003.

NAME OF PROXY IN BLOCK LETTERS

SIGNATURE OF THE MEMBER/PROXY*

*Strike out whichever is not applicable

TEAR OFF HERE

COROMANDEL INTERNATIONAL LIMITED

(formerly Coromandel Fertilisers Limited)
Regd. Office: "Coromandel House", 1-2-10, Sardar Patel Road,
Secunderabad - 500 003, Andhra Pradesh.

PROXY FORM

R.F.NO./CLIENT ID:

I/We _____ of _____

Being a Member/Members of Coromandel International Limited hereby appoint _____

_____ of _____

or failing him _____ of _____

or failing him _____ of _____

as my/our Proxy to attend and vote for me/us in the manner indicated below* and on my/our behalf at the FORTY EIGHTH ANNUAL GENERAL MEETING of the Company to be held at 10.30 A.M on Thursday, July 22, 2010 and at any adjournment thereof.

* 'For' Item Nos. : _____

* 'Against' Item Nos. _____:

Dated this _____ day of _____ 2010

Affix
Revenue
stamp

Signature of the Member(s) _____

1. In the case of Corporation, this Proxy shall be either given under the Common Seal or signed by an Attorney or Officer of the Corporation.
2. Proxy to be valid must be deposited at the Registered Office of the Company not later than 48 hours before the time for the meeting.
- 3.* This is only optional. Please fill up the item Nos. as appearing in the notice of the AGM. If you leave the item Nos. blank, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

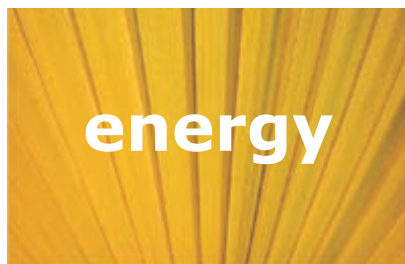


The keywords one associates with this symbol are energy, vitality and positivity.

The organic forms in motion are reminiscent of the sun as well as crops swaying in the wind and connotes an organisation that is agile, energetic and innovative.

The clean, clear, bold upright typeforms are representative of the organisations's scale and stature, its solidity as well as its ability to engage directly with the multiple stakeholders.

The bright colors exude positivity and optimism and are symbolic of gold - thereby suggestive of an organisation that is as trusted and valued as the precious metal.



energy



vitality



positivity



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