

**Ref. No.: 2020-21/040**

**July 02, 2020**

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051  
**Scrip Code: COROMANDEL**

BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001.  
**Scrip Code: 506395**

Dear Sirs,

**Sub : Regulations 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Submission of Notice of 58<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2019-20**

**Ref. : Our letter with Ref. No.: 2020-21/036 dated June 26, 2020**

This is in continuation of our letter dated June 26, 2020, intimating about the ensuing 58<sup>th</sup> Annual General Meeting of the Company which is scheduled on Friday, July 24, 2020 at 10:30 a.m. IST through Video Conferencing (VC) or other audio visual means (OAVM).

In this regard, and pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Notice of the 58<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2019-20 of the Company, which are being sent through electronic mode today i.e., Thursday, July 02, 2020 to the shareholders whose email addresses are registered with the Company / Depository Participants.

The above-said Notice and Annual Report are also available on the website of the Company viz., <https://coromandel.biz/>

Kindly take the same on your record.

Thanking you,

Yours faithfully  
For **Coromandel International Limited**

  
**P Varadarajan**  
Company Secretary

# Smart Agri

Smart Choices



Smart Inputs



Smart Methods



# What is Inside



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# Smart Agri

In the last five decades, India has laid emphasis on achieving self-sufficiency in food grain production and concerted efforts in this direction have resulted in significant increase in agriculture output. Today, India is the 2nd largest agricultural producer globally, with a net trade surplus. Its productivity levels have remained relatively low, resulting in a low farm income.

As India aspires to be a USD 5 trillion economy by 2025 and double its farm income, 'Smart Agriculture' holds the key to unlock its inherent potential and drive farm yields. 'Smart Agri' converges the power of technology and effective farm management practices to make farming efficient and sustainable. With increased digital penetration and mechanisation, growing awareness and evolving demographics in rural India, technology is likely to shape the farms of the future.

The 1st Green Revolution was driven by Agri-inputs and resulted in achieving self-sufficiency in food grains. The 2nd Green Revolution will be powered by smart agricultural practices - superior products, smarter delivery mechanisms and agri-technology adoption. This will result in income security and farm sustainability.



### Forward-looking Statements

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

## Smart Solutions



Scientist at retail store



Crop Specific Solutions



Polyhouse cultivation

Over the years, Indian agriculture has been constrained by the structural limitations and resource constraints – small land holdings, monsoon dependency and lack of output marketing infrastructure, which has severely impacted its productivity. With the further resource shrinkage and the need to feed an ever-increasing population, agriculture needs to reinvent itself, adopt smart technologies and sustainable agriculture practices. As a leading agri solutions provider in India, Coromandel has been developing Smart Agri Solutions to address these challenges.

We have been promoting sustainable farming practice. We have an enviable portfolio mix of smart product, solution and advisory services for our customers. They have benefited by using smart agri solutions such as balance nutrition fertiliser, customised crop based products, organic and bio pesticides and technology enabled farm advisory services. During the year, we have launched 10 products in Nutrients and Crop Protection businesses. Newer chemistries in Crop Protection Products have strengthened our portfolio.

During the year, 4 new technologically superior products were introduced in the Nutrient business. Our Crop Protection portfolio was strengthened by introducing 6 new chemistry products.

With the growing awareness and changing dietary preferences of the consumers, we are continuously churning out the crop specific solutions. To address soil health and promote sustainable farm practices, we are strengthening our Organic and Neem-based bio pesticides offerings. Our innovative techniques for administering Nutrient and Crop Protection are enhancing crop growth and prolonging their availability.

At Coromandel, we are combining local knowledge with new research and technologies to deliver Integrated Crop Management solutions. Our retail stores and agronomists ensure the last mile advisory and delivery of superior crop management solutions. At our retail centres we have introduced 'Scientist at Store'. We have also launched 'Nutri Clinics' in the market place and also strengthened the agronomist structure to further enhance the quality of our customer engagement.



Farm advisory through Agronomist

# Smart Technology



## Key initiatives for the technology and R&D for the year:

- 7 R&D facilities have been supporting the businesses in product development and process improvement initiatives
- Four patent applications filed during the year
- Coromandel Lab with Monash Academy in IIT Bombay made progress in the development of next-generation fertilisers
- Collaborative project with IIT Kharagpur for rapid testing of soil and plant samples
- Developed in house manufacturing capabilities for Zinc and Boron based speciality products
- Exploring new areas for utilisation of phosphogypsum
- Crop diagnostic equipment deployed in Nutri Clinics
- Soil Moisture Sensor trial initiated in the R&D farm
- Development of Neem standards
- Tree Injection trials in Coconut and Mango for bio pesticide applications

Technology is beginning to play a significant role in shaping the way we operate. We are leveraging technology to improve our advisory solutions in the areas of soil health, crop diagnostics, nutrient and agrochemical recommendations. The COVID-19 pandemic has accelerated the digital adoption in the areas of digital marketing, farmer and dealer engagement and supply chain. FY 20-21 will be a defining year for ag-tech adoption by the farmers.

'Product as a Service' will be a key theme in the future. During the year, our joint venture with Yanmar continued to progress well and has emerged amongst the leading farm mechanisation players in India. Yanmar combine harvester and rice transplanting machines which are suited for small land holding are gaining increase acceptance by the farming community. We plan to introduce spraying services this year.

R&D is acting as a key enabler for creating unique product solutions. We are actively collaborating with academia, research and other institutions and start up ecosystem to accelerate Smart Agri innovations.



## Smart Operations



With an expanding footprint, increasing manufacturing complexity and intricate supply chains, the operations have to continuously evolve to meet the customer expectations and achieve desired service levels. At Coromandel, we are leveraging the power of technology and data to strengthen our value chain.

We are creating best in class manufacturing infrastructure with focus on safe operations. To improve self-sufficiency for our acid needs at Vizag, we successfully commissioned our second Phosphoric Acid plant. In the Crop Protection segment, we established 3 new plants for manufacture of Pymetrozine, Pyrethrin, and Mancozeb WDG. Infrastructure upgrades including new warehouses at Dahej and Sarigam and pilot plant upgrade at Ankleshwar were also undertaken.

We are creating "Centres of Excellence" to drive functional excellence across six key functions sales & channel, manufacturing, supply chain, commercial, new product development & R&D and retail operations. We will be driving excellence by setting best in class processes and build capabilities.

We are working on automating our processes across the manufacturing units. Drone based structural inspections, sensors driven equipment monitoring will not only promote safe operations but also support preventive maintenance scheduling.

As part of lean manufacturing, we follow the 5S principles in our plants for efficient, safe and clean work environment. During the year, the Kakinada unit became the first fertiliser plant to receive the 5S model plant award by ABK-AOTS.



# Smart Talent

Human Capital is one of the key pillars of Coromandel's continued success. It is the collective commitment of our people to the values of the Company and the Murugappa Group that has enabled us to sail through more than five decades and will guide us in the years to come.

We nurture and invest in Learning & Development, Employee engagement initiatives, wellness initiatives, opportunities to collaborate and learn on cross functional projects and overseas assignment with strategic partners to strengthen their capability across business hierarchy.

To give our employees a quality learning experience, we have partnered with some of the leading institutes in the academic world such as ISB, IIM, IIFT, Great Lakes, NAARM, ANGRAU, consulting firms like BCG, KPMG, Centre for Creative Leadership and SHRM. They have jointly developed customised training programmes to enhance our employee's capabilities.

**4.31 person-days**  
of training per  
employee

**37 years**  
average age of team  
Young work force

Our Learning and Development programmes cater to a wide variety of employee profiles, addressing sales, marketing, manufacturing and leadership. Some of our flagship programs include Excel-30, Coromandel Finance Academy, Sales Force Learning Academy & Global Business Management program.



Customer Engagement training

## Notable learning and development Initiatives

### Branding and Communication

A 5-module training program across business units



### Coromandel Finance Academy

A comprehensive 18 months training program to build Future-ready Finance with KPMG as knowledge partner



### Customer Centricity

Customised program in collaboration with ISB for senior leaders across business units to reinforce the importance of customer focus and realign business agendas with customer at the core



### Sales Force Learning Academy

SFLA conceptualised in collaboration with NAARM to augment capabilities in Agri domain and managerial skills of our frontline and middle management fertilisers sales and marketing team



### Excel 30

A comprehensive Leadership Development program



### Vidhya online

Extensive e-learning platform for the employees. 6 new modules were added during the year. Awarded 2020 EFMD Excellence in Practice SILVER Award under the category of Professional Development.



Attracting talent: 2019-20 Management Trainees with Leadership team

# We are Coromandel International

A flagship company of the ₹ 38,105 Crores Murugappa Group



From a humble beginning under its parent company E.I.D. Parry (India) Ltd at Ranipet, Coromandel has orchestrated its journey to become a trusted partner for farmers. Today, Coromandel is amongst India's pioneers and leading Agri solutions provider, offering diverse products and services across the farming value chain. It operates in two major segments: Nutrient and other allied businesses and Crop Protection. These include Fertiliser, Crop Protection, Bio pesticides, Specialty Nutrients and Organic compost businesses.

The Company is 2nd largest manufacturer and marketer of Phosphatic fertiliser in India. The Company's Crop Protection products are marketed in India as well as in international geographies, offering wide range of technical and formulation products. The Specialty Nutrients business of the Company focuses on water soluble fertiliser, sulphur & micronutrients.

The Company is leading marketer of Organic fertiliser in India and has recently added bio pesticide solutions to its portfolio. It also operates a network of around 750 rural retail outlets across Andhra Pradesh, Telangana, Karnataka and Maharashtra. Through these Retail outlets, the Company offers farming services including crop advisory, soil testing and insurance to around 3 million farmers.

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

With its value-added services, customised crop solutions, farmer connect and technology focus, Coromandel is well positioned to shape the future of Indian agriculture.



## Vision

To be the leaders in Farm Solutions business in the geography of choice, consistently delivering superior value to stakeholders through highly engaged employees, with a strong commitment towards sustainability and our values.



## Mission

To enhance the prosperity of farmers through quality farm solutions with sustainable value for all stakeholders.

## Our Business Offerings



### Fertiliser

- 16% market share
- Strong presence in South, East and West India



### Crop Protection

- Presence in 81 countries
- 1000 + product registrations
- New products and combination focus



### Speciality Nutrients

- Crop specific solution
- Market leader in water soluble fertiliser



### Retail

- India's largest Agri retail chain
- One-stop-shop for Agri requirements
- 3 million+ farmers direct beneficiaries



### Organic

- Largest Organic marketer in India
- Wide range of products



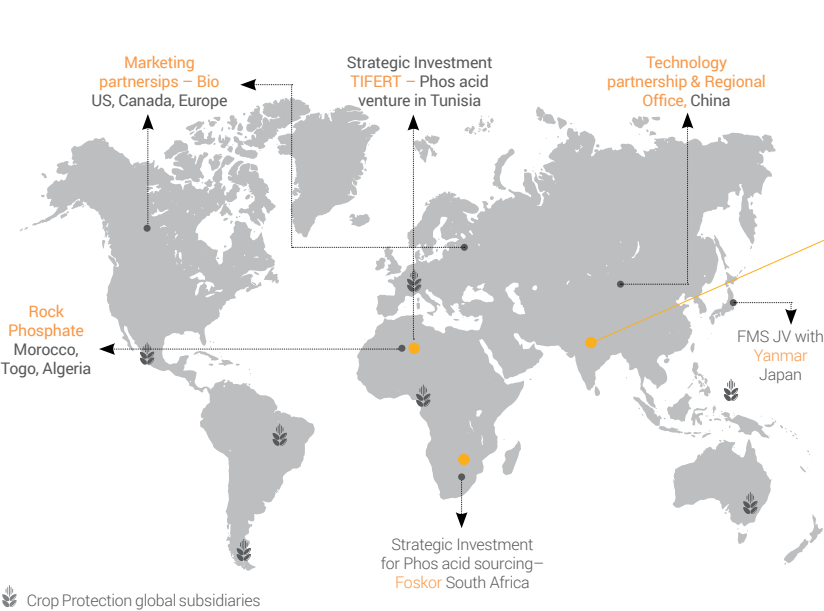
### Biologicals

- No. 1 Azadirachtin manufacturing facility in the world
- Global organic certifications – DNV and IMO

## Our Presence

### World

Coromandel: Global footprint & collaborations



### India



## Our Value Proposition

### Leading Player in Agri Input Solutions

|                                                              |                                                                          |                                                              |                                                               |                                                     |
|--------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|
| <b>No.1</b><br>Private Phosphatic fertiliser player in India | <b>5<sup>th</sup></b><br>Largest Indian Crop protection company in India | <b>No.1</b><br>Single Super Phosphate (SSP) company in India | <b>No.1</b><br>Neem based Bio pesticide manufacturer globally | <b>No.1</b><br>Organic fertiliser marketer in India |
|--------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|

### Wide reach and exposure

|                            |                                                   |                                                 |                                                                   |
|----------------------------|---------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------|
| <b>~20,000+</b><br>Dealers | <b>~750</b><br>Largest Agri retail chain in India | <b>3 million</b><br>Direct connect with farmers | <b>~81</b><br>Presence in countries with Crop Protection products |
|----------------------------|---------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------|

### Integrated Manufacturing

|                                       |                                               |                                                                             |                                                                             |
|---------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>16</b><br>Manufacturing facilities | <b>7</b><br>State of the art R&D laboratories | <b>4.5 million tons</b><br>Manufacturing capacity per annum for fertilisers | <b>80,000+ tons</b><br>Manufacturing capacity per annum for Corp protection |
|---------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|

### Diversified Product Portfolio

|                                            |                                                               |                                                 |                                                                       |                                      |
|--------------------------------------------|---------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------|
| <b>Fertiliser</b><br>13 different Products | <b>Bio &amp; Organic</b><br>Large number of products offering | <b>CPC</b><br>60+ brand Based Product portfolio | <b>Retail</b><br>One stop solution for 'Seed to harvest' requirements | <b>SND</b><br>Wide range of products |
|--------------------------------------------|---------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------|

### Winning collaborations

|                                                                            |                                                                                      |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <b>Shell, Japan</b><br>Slow release nutrient technology                    | <b>Yanmar, Japan</b><br>Farm mechanisation JV                                        |
| <b>Research tie-ups</b><br>IIT Kharagpur, PAU, TNAU, CROs                  | <b>IIT Bombay Monash University</b><br>Research collaboration in nutrient technology |
| <b>TIFERT, Foskor</b><br>Strategic Investment for phosphoric acid sourcing | <b>Sourcing tie-ups</b><br>Tie-ups for key raw materials with suppliers              |

# Performance through the Years

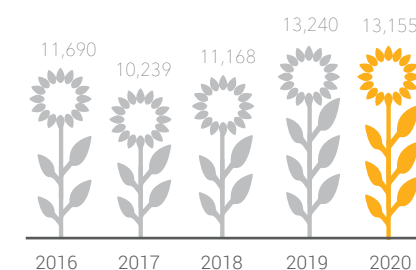
₹ in Crores

|                                       | Year ended 31 <sup>st</sup> March |        |        |        |        |        |       |       |       |       |
|---------------------------------------|-----------------------------------|--------|--------|--------|--------|--------|-------|-------|-------|-------|
|                                       | 2020                              | 2019   | 2018   | 2017   | 2016   | 2015   | 2014  | 2013  | 2012  | 2011  |
| Gross revenue                         | 13,155                            | 13,240 | 11,168 | 10,239 | 11,690 | 11,341 | 9,442 | 8,627 | 9,940 | 7,719 |
| EBITDA                                | 1,763                             | 1,450  | 1,305  | 1,036  | 856    | 905    | 787   | 802   | 1,142 | 1,136 |
| Depreciation and amortisation expense | 157                               | 113    | 99     | 100    | 106    | 103    | 82    | 59    | 56    | 62    |
| Finance costs                         | 235                               | 251    | 178    | 224    | 221    | 209    | 211   | 177   | 117   | 86    |
| Profit before tax                     | 1,371                             | 1,086  | 1,028  | 712    | 529    | 592    | 494   | 566   | 970   | 988   |
| Profit after tax                      | 1,059                             | 714    | 685    | 477    | 358    | 403    | 345   | 444   | 693   | 694   |
| Net fixed assets                      | 2,088                             | 1,497  | 1,372  | 1,346  | 1,357  | 1,412  | 1,238 | 1,170 | 940   | 814   |
| Networth                              | 4,389                             | 3,434  | 2,927  | 2,812  | 2,503  | 2,165  | 2,233 | 2,176 | 2,371 | 1,904 |
| Borrowings                            | 1,628                             | 2,957  | 2,731  | 2,231  | 2,677  | 2,282  | 1,518 | 2,270 | 2,464 | 1,370 |
| Deferred tax liabilities (net)        | 56                                | 111    | 122    | 149    | 166    | 187    | 187   | 180   | 67    | 81    |
| Total capital employed                | 6,073                             | 6,501  | 5,780  | 5,192  | 5,346  | 4,634  | 3,938 | 4,626 | 4,903 | 3,355 |
| Earnings per share (₹)                | 36.2                              | 24.4   | 23.4   | 16.4   | 12.3   | 13.9   | 12.1  | 15.7  | 24.6  | 24.7  |
| Dividend on equity (%)                | 1,200                             | 650    | 650    | 500    | 400    | 450    | 450   | 450   | 700   | 700   |
| Book value per share (₹)              | 149.6                             | 117.4  | 100.2  | 96.4   | 85.9   | 74.3   | 78.9  | 76.9  | 83.9  | 67.6  |

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

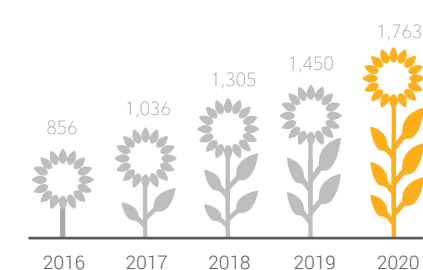
## Gross Revenue

(₹ Crores)



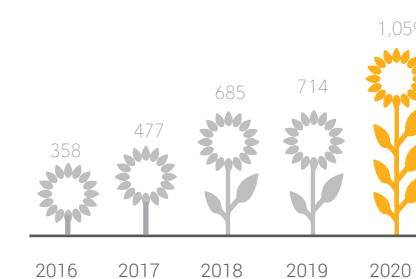
## EBITDA

(₹ Crores)



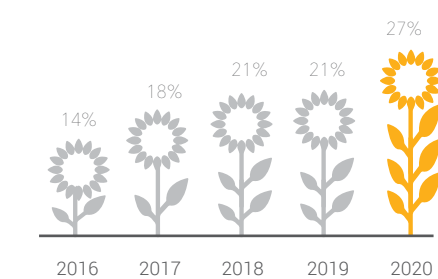
## Profit After Taxes

(₹ Crores)



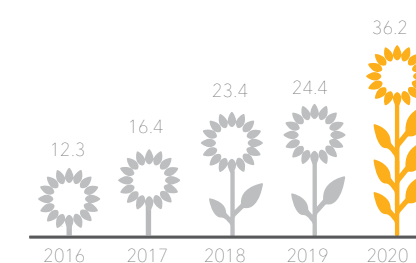
## Return on Capital Employed

(%)

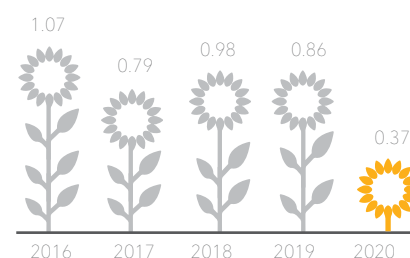


## EPS

(₹ per share)



## Debt to Equity Ratio



# Chairman's Message

## Dear Shareholders,

Indian agriculture witnessed the impressive year 2019-20. India is expected to record the highest ever food grain (296 million tons) and horticulture (320 million tons) production in 2019-20, which stands testimony to its resilient nature. As per the provisional estimates released by the National Statistical Office, the agriculture sector is expected to be amongst the fastest growing segments during the year. The sector holds immense potential towards driving domestic economic growth, ensuring food security, generating significant employment and export opportunities.

As India faces one of its biggest challenges caused by the COVID-19 related disruptions, the importance of agriculture has been brought to the fore more than ever. The sector has remained relatively insular from the demand point of view, with increased summer crop sowing, timely harvesting and swift technology adoption across the supply chain.

I would like to commend the Government's proactive approach in dealing with the pandemic situation. Considering the importance of farming in India, the Government ensured its continuance along with extending the required safety measures. Initiatives in the areas of direct benefit transfers, agri loan subvention, direct marketing, efficient procurement and exemptions to agri input operations, promoting farm mechanisation, etc. were promptly introduced. Further, governance and administrative reforms announced in the output marketing space are expected to be income accretive and hold the potential to completely transform the agricultural landscape.

At Coromandel, we are cognizant of the emerging scenario and are preparing ourselves accordingly. The Annual report will indicate the various steps being taken by your Company to make agriculture smart, connected and future-ready.

These are unprecedented times for the world at large - unlike the earlier crises that have been predominantly financial in nature, the present COVID-19 induced uncertainty has economic, social, and political consequences. Globally, nations have been collaborating on healthcare aspects, and I am hopeful that the current situation will throw up newer opportunities.

Your Company stands by the Government and remains firm in its commitment to serve the farming community. Since

“As a leading Agri solutions provider, we are constantly analysing opportunities in agriculture space and working towards developing technologically superior farm solutions to meet customer expectations.”

the lockdown, your Company has been following a rigorous approach through periodic scenario planning activities, while maintaining utmost focus on the safety and well-being of its workforce. Most of our manufacturing facilities and Retail centers are operating at scale, adhering to safety guidelines. I thank each one of you - the Coromandel family, our partners, our stakeholders and investors - for your continued trust and belief in the Company.

**“In the midst of every crisis, lies great opportunity”**

- Albert Einstein

COVID-19 has thrown open a new “normal” as the growing health consciousness among the consumers is changing dietary patterns, with a focus on sustainable ways of farming and improved nutrition. With India being the second-largest agricultural producer in the world, these structural shifts present significant growth opportunities in domestic and export markets.



The pandemic has accelerated digital penetration and adoption of Agri technology in rural India. The Agri value chain is getting more formalised with digitisation in the areas of land records, soil health, input purchases, Agri services and output marketing. I expect this trend to support farm income by driving productivity gains and ensuring better price realisation. Your Company is closely working on the agricultural technology front and is collaborating globally to develop superior farm solutions.

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

The Direct Benefit Transfer (DBT) in fertilisers has stabilised and presently, the Government is piloting a project to provide nutrient recommendations by linking the soil health data with the individual farm records. Going forward, it is expected that the subsidy will be aligned with soil health, and be directly delivered to the farmer's account. Once the farming community forms the core of the DBT reform, it will enable farmers to make informed purchase decisions and improve farm productivity.

I am optimistic that the 'Aatmnirbhar Bharat' initiative announced by the Government will further improve the business environment in the country and attract investment in ensuring self-sufficiency. As a leading agricultural solutions provider, we are constantly analysing these opportunities in the agriculture and manufacturing space and working towards developing technologically superior farm solutions to meet customer expectations.

Overall, I see a lot of opportunities emerging out of this crisis which holds the potential to transform the Indian agricultural landscape. Further, with the increased JAM (Jan Dhan, Aadhar, Mobile) penetration, Smart Agriculture seems a near possibility.

## Financial Year 2019-20: Driving farmer prosperity, smartly

Your Company has taken significant strides during the year towards driving farm prosperity by promoting healthy agricultural practices and providing quality farm solutions.

“Our strong R&D team, including scientists and agronomists, has been analysing soil, weather, and crop data through various new-age technologies to empower the farmers with predictive farming skills.”

Your Company's initiatives were mainly focused around expanding its crop-based approach, soil health, and improving quality consciousness among the farming community. We also improved our brand presence and strengthened our marketing and agronomist teams. Our 'GroSmart', the re-launched grade 24-24-0-8, and 'Groplus', a superior SSP product which was launched in the previous year, were well received by the customers. Further, the benign raw material prices and comfortable raw material availability during major parts of the year supported business growth. Our differentiated, value-added services and products continued to gain traction in the market ably supported by the integrated nutrient marketing structure. During the year, in line with 'Make in India' initiative, your Company successfully commissioned its second Phosphoric Acid plant at Vizag unit, making it self-sufficient relative to the acid requirements of that unit.

The crop protection segment also made good progress during the year. This includes improving its manufacturing capability to develop recently off patented molecules Pymetrozine, Pyrozosulfuron and Mancozeb WDG plant. Further, your Company is partnering with global innovators for introducing novel and green chemistry molecules. We are also expanding our presence in international markets through product portfolio expansions, new registrations and customer connect initiatives.

Speciality nutrients, Organic fertilisers, and Bio pesticides businesses, key offerings in our business portfolio, continued to make progressive strides during the year. With increased consumer preference towards sustainable and balanced foods, I foresee that these businesses will gain significant traction, especially in a post COVID-19 scenario.

The Retail business has been the conduit of our product, technology and customer connect initiatives. During the year, we continued to work closely with the farming community and expanded our Agri advisory services.

On the environmental side, we continued to expand our green belt coverage at the plant locations and our commitment towards society remained firm.

Our strong R&D team, including scientists and agronomists, has been analysing soil, weather, and crop data through various new-age, in order to empower the farmers with predictive farming skills. During the year, we have added 30 new Nutri Clinics to extend farm advisory and crop and soil diagnostics services to the farmers.

Considering future growth opportunities, your Company is strengthening its talent pipeline and upgrading people's competencies. Going forward, your Company will continue to strengthen its customer engagement initiatives and leverage technology for developing sustainable, cost-effective solutions for the farmers.

#### Way Forward

Your Company understands the responsibilities it carries towards empowering the farming community. At Coromandel, we have been at the forefront of shaping Indian agriculture for more than five decades and will continue to support and pioneer changes to embrace technology and drive productivity to attain farmer prosperity.

As always, I wish for your well-being and thank you for your undeterred trust and support in us. I am confident that by working together and supporting each other, we can turn this unforeseen situation into a defining moment thus helping the Company emerge stronger.

**M. M. Murugappan**  
Chairman

## Managing Director's Interaction

### How has been the Company's business performance in the year 2019-20?

Coromandel has delivered a strong performance in FY19-20 across the businesses. We have done well on all the operational and functional parameters. The results reflect the resilience of the business, the strength of our processes and the commitment of our employees. This is inspite of the delayed south west monsoon and volatile currency. The Company continued its focus on offering superior farm solutions, introducing new generation products, improving cost and operational efficiencies through backward integration, smart sourcing and managing its working capital. The performance was further supported by external factors like increase in cropping area due to above normal monsoon, good reservoir levels and completion of irrigation projects in our key markets leading to improved agriculture input consumption.

We have scaled up consumer engagement with branding initiatives and have strengthened our marketing and agronomist

teams. During the year, major infrastructure projects were commissioned as per the schedule which will support the future growth aspirations of the Company. Continued focus and investment in R&D and product development have resulted in enhancing the product portfolio. We are strengthening our technology offerings in the areas of crop diagnostics, farm advisory, farm mechanisation and are collaborating with the leading institutions to develop novel crop specific solutions.

Overall, the Company has been delivering consistent performance in the last few years which gives us a strong platform to drive our long-term strategy.

### Tell us about your idea of Smart Agri and its likely impact on Indian agriculture?

The first green revolution was driven by the adoption of high yielding crops and usage of agri-inputs like fertiliser and agrochemicals which helped in quadrupling the food grain output to ~296 million tons, making India self-sufficient for its food requirements. I believe that the next revolution in agriculture will be driven by embracing smart agri technologies. This includes usage of farm mechanisation, R&D based superior products, smart delivery mechanisms and data-driven precision techniques to improve farm efficiencies.

“Next revolution in agriculture will be driven by embracing smart agri technologies. This includes usage of farm mechanisation, R&D based superior products, smart delivery mechanisms and data-driven precision techniques to improve farm efficiencies.”



Technology is beginning to play a significant role in shaping the agriculture ecosystem in India. The futuristic digital farms will play at the intersection of different technologies. Swift digital penetration enabling 'Sense (Infield & remote sensing, use of data), Infer (monitoring, analysing and predicting) and Act (implementing technology and advisory solutions)' will provide a big boost to farm productivity. 'Smart Agri' will be the future in times to come.

The COVID-19 situation is further accelerating the faster adoption of digital and mechanisation solutions. With the increased internet penetration in rural India, the data revolution is likely to bring transformative changes in farming practices.

At Coromandel, we are developing solutions to leverage technology in the areas of nutrient management, delivery mechanisms, crop and soil diagnostics, mechanisation and farm advisory. We are partnering with leading agriculture, research and other institutes to improve our technology-based offering to the farmers. We are also making use of digital marketing to enhance our connectivity with the farmers.

#### What will be the key focus areas for Coromandel as it enters the first year of the long-term strategic plan period?

During the year, we have started working on the roadmap for meeting the long-term growth aspirations of the Company. The major focus areas during the planned period involve a deep understanding of our consumer, building power brands, investments in R&D and data analytics, becoming a player of scale, creating new markets and strengthening our efficiency and quality on the value chain.

We are building our Centre of Excellence in R&D and new product commercialisation, supply chain efficiencies, sales and channel management, retail operations, manufacturing and operational efficiencies and commercial.

With the evolving consumer expectation, we have been constantly expanding our agri solutions and engagement with the farmers. We have strengthened our agronomist structure and introduced Nutri clinics to provide customised farm advisory to the farmers. Further, we will build on technology-driven initiatives to improve our customer reach, engagement and solutions delivery.

Over the last few years, we have invested significantly in the areas of R&D, product development and technology transfer functions. This has not only strengthened our integrated crop management portfolio but has also shortened the Lab-to-Launch cycle. Today, we have a rich and diversified product pipeline, which will fuel our growth in the coming period.

Biologicals like plant extract and microbials, organic products and green triangle products are gaining increased attention among the consumers due to preference for sustainable

and environmentally friendly solutions. Coromandel is taking concerted efforts to meet these expectations. We are presently the largest neem-based bio pesticide manufacturer globally and Organic marketer in India. We are launching several new products and will continue our efforts to promote sustainable farming.

We are also closely evaluating opportunities in manufacturing space as geopolitical disruptions during COVID-19 are likely to usher changes in the global supply chain.

Overall, the initiatives planned in our LTS are based around bringing prosperity to the farmers through sustainable crop solutions with technology acting as a key enabler. We are on track in terms of building capabilities to meet our goals.

#### How are the policy and reforms in agriculture and related industries shaping up?

Let me begin by complimenting the Government's efforts in ensuring agricultural sustenance during the COVID-19 period. Efficient procurement, income support mechanisms, ensuring agri-inputs mobility and availability during the lockdown have supported the farm economy during the challenging period. Further, the Government has announced major reforms in the agri output marketing side, which are transformative in nature and have the potential to improve farmer's income. The Government has been swift in bringing ordinance to modify Essential Commodities Act and Agricultural Produce Market Committee (APMC) Act. In my view, these agri reforms, once implemented can significantly improve farm economics and change the face of Indian agriculture.

On the income side, Minimum Support Prices have been set at 1.5 times the cost of cultivation. The Government is pushing the farmers to participate through National Agriculture Markets, and presently ~1000 mandis are connected electronically. There has been good progress in the irrigation infrastructure, especially in our key markets of Telangana and Andhra, leading to better productivity and improved farmer incomes. The Income support scheme launched by Centre and State Governments is also helping the farmers in buying quality inputs.

Direct Benefit Transfer (DBT) has stabilised in Fertiliser wherein farmer's purchase is getting captured through ~2.25 lakhs point of sales. Most of the technical and operational challenges have been addressed. The digitisation of fertiliser value chain is facilitating real-time monitoring of the availability and sale of fertilisers within each State. The Government is piloting models to develop linkages between soil health and farmer purchases. However, in its current form, DBT remains farmer neutral as the fertiliser consumption continues to be influenced by the existing subsidy policies and price variability. Going forward, I expect the subsidies to be directly transferred to the farmer's account based on the soil health and crop requirement, which can drive the balanced nutrition practices.

As part of its 'Doing Business' initiative, the Government has reformed the Corporate tax structure, which has improved overall market liquidity and is expected to promote investment. Under the 'Make in India' initiative, India is likely to achieve self-sufficiency in the Urea sector as 7-8 million tons of additional capacities are likely to come up in the next 2-3 years. We expect the Government to come out with similar policy reforms to enable investments in the Phosphatics sector like custom duty reduction and infrastructure development. We also expect timely settlement of subsidy to help the cash flow of the companies. Further, the Agrochemical segment provides an attractive growth opportunity with significant export potential. India is presently the 4th largest producer of agrochemicals globally and with the requisite policy support, can be positioned as a global sourcing destination.

#### ESG (Environmental, Social and Governance), the fast-emerging new lens for global investors, is steadily encouraging companies to strengthen their non-economic performances as well. How is Coromandel's business journey progressing against these three pillars?

As a responsible corporate, ESG forms the core of our overall business philosophy. We have been investing in technologies and improving our processes to minimise our carbon footprint. We are working towards recycling the liquid discharge at our plants. All our manufacturing facilities follow online emission monitoring and comply with environmental guidelines. We are working with organisations like TERI to develop green belt in our Vizag plant. Our efforts in developing the birds' sanctuary inside the Kakinada plant premises has been recognised by global agencies like UNDP and received extensive coverage by the Discovery channel.

Our social commitments span in the areas of education, health and community development. During FY19-20, we touched upon ~4 lakh lives directly through our various initiatives. It is also heartening to see our unions, employees and their families voluntarily participating in these initiatives. During COVID-19, in addition to its contribution towards PM Cares Fund and CM Relief Fund, Coromandel's interventions included the distribution of masks, hand sanitisers and daily essentials to the community around our plants and markets. Our employees were involved in spreading the awareness on COVID-19 and promoting safe practices to the communities around the plants and also to the farming community.

On the Governance side, our actions are guided by the 5 lights (Integrity, Passion, Quality, Respect and Responsibility) of our parent Murugappa Group. We have an eminent Board and a professionally managed work environment. The Company has its own corporate internal audit function to monitor and assess the adequacy and effectiveness of the Internal Controls and System across all the key processes. We have a strong Risk Management framework and an Audit Committee to ensure

compliance. We promote a transparent work environment and encourage the active participation of employees.

#### What is the impact of the pandemic on the agriculture sector? What are the challenges and opportunities which will emerge?

The agriculture sector has been resilient during the COVID-19 lockdown. The Government had recognised this as an essential sector and had supported the continuous operation of agriculture and the industries associated with it. In order to support the rural economy, the Government has ensured the timely procurement of the bumper Rabi harvest by opening additional centres of procurement. There were a few challenges as far as perishables were concerned. With the lockdown being lifted and the prediction of a normal monsoon, the Kharif activities are progressing well.

The productivity gaps in Indian agriculture offer significant headway for growth, and I believe that the current disruptions will push the reform agenda. By addressing the structural factors like lower per capita land availability, low mechanisation, imbalanced farming practices, low credit availability, and weak market access that have impacted the expansion of agriculture, there will be unique opportunities to transform farming practices. We have already seen some of the changes happening in terms of the quick adoption of digital technology and farm mechanisation since the lockdown.

Technology and digitisation have to play a key role to bridge this gap. The implementation of JAM (Jan Dhan, Aadhaar, Mobile) initiative has paved the way for direct transfer of subsidies to intended beneficiaries and should be utilised to improve farm productivity. Today, the internet reach in rural India has exceeded the urban areas and I expect the COVID-19 disruptions will further fast track its penetration and use. We are already seeing e-commerce adoption in agri-input and farm output purchases. The trend is expected to scale up as more user's experience the benefits from its efficiency. Low farm size, capital constraints and labour challenges are likely to drive shared models of farm mechanisation and farmer producer organisations will get strengthened. Exports of agriculture and value-added products have a huge potential to grow. Going forward, the agriculture sector will attract investments from both, the Government and private sectors, which will help to improve farm productivity and income.

The Government is actively looking at the present situation as an opportunity for improving farm returns by bringing in reforms. With good reservoir levels and forecast of a normal monsoon in 2020, the agriculture sector stands at an advantageous position, going forward. As a leading agri solutions company in India, we will continue to partner with the farming community and help them adopt new technologies and bring prosperity in the lives of millions of farmers.

Sameer Goel  
Managing Director

## Board of Directors



**M M Murugappan**  
Chairman

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



**V Ravichandran**  
Vice Chairman

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



**Aruna B. Advani**  
Independent Director

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



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

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



**Dr. R Nagarajan**  
Independent Director

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



**K V Parameshwar**  
Independent Director

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



**Prasad Chandran**  
Independent Director

Mr. Prasad Chandran is the former Chairman and Managing Director of BASF India Limited (BASF). He was also the Chairman of Ciba India Limited, Cyanamid India Limited and Pushpa Polymers Limited, before they were merged into BASF. He was the former President of IGCC (Indo German Chamber). Mr. Prasad Chandran was awarded the Bundesverdienstkreuz - "Order of Merit" by the Federal Republic of Germany, the highest civilian award in Germany, for his initiatives in fostering Indo German relations and his activities in promoting Corporate Governance. He is the Founder Chairman of SEEGOS - a Social Enterprise for promoting Ethics and fighting Corruption. Currently, he is serving on the boards of HDFC Life Insurance Company Limited and HDFC Pension Management Company Limited, as an Independent Director. He holds a bachelor's degree in Chemistry from Bombay University and a MBA from University Business School, Chandigarh. He pursued advanced management education in Wharton Business School, University of Pennsylvania, and AOTS from Tokyo University, Japan.



**Sumit Bose**  
Independent Director

Mr. Sumit Bose holds a Masters degree in Social Policy and Planning from London School of Economics and Masters of Arts from St. Stephen's College, Delhi. Having joined Indian Administrative Service in 1976, he has served in various positions with the Government of Madhya Pradesh and the Government of India, retiring as the Union Finance Secretary. In the Finance Ministry he served as Secretary (Department of Revenue), Secretary (Expenditure) and Secretary (Disinvestment) as well as Secretary in the Thirteenth Finance Commission. Post retirement, he was a member of the Expenditure Management Commission and the Committee to Review the Fiscal Responsibility legislation. He also chaired a number of committees of the Ministry of Rural Development and the Ministry of Defence. He had served on the Board of Oil and Natural Gas Corporation Limited till recently and is currently on the Boards of HDFC Life Insurance Company Limited, TATA AIG General Insurance Company Limited and BSE Limited. He is also on the Boards of non-profit organisations such as Vidhi Centre for Legal Policy, WaterAid India, Parivaar and Foundation to Educate Girls Globally.



**M M Venkatachalam**  
Director

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



**Sameer Goel**  
Managing Director

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

# Corporate Information

## Board of Directors

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

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

**Aruna B. Advani** (DIN 00029256)  
Independent Director

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

**R Nagarajan** (DIN 02705175)  
Independent Director

**K V Parameshwar** (DIN 08244973)  
Independent Director

**Prasad Chandran** (DIN 00200379)  
Independent Director

**Sumit Bose** (DIN 03340616)  
Independent Director

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

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

## Management Team

**S Sankarasubramanian**  
President-Fertilisers

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

**Amit Rastogi**  
Executive Vice President – Technology

**Arun Leslie George**  
Executive Vice President &  
Head – Retail

**S Govindarajan**  
Executive Vice President &  
Head - Commercial

**Jayashree Satagopan**  
Executive Vice President &  
Chief Financial Officer

**Kalidas Pramanik**  
Executive Vice President – Marketing  
(Fertilisers & Organic)

**Narayanan Vellayan**  
Sr. Associate Vice President –  
Speciality Nutrients

**Prasannatha Rao**  
Executive Vice President &  
Head – HR

**Srikanthan Srinivasan**  
Executive Vice President &  
Head-CPC

## Company Secretary

**P Varadarajan**  
Sr. Vice President - Legal & Company  
Secretary

## Bankers

State Bank of India  
HDFC Bank  
Axis Bank  
ICICI Bank

## Statutory Auditors

Deloitte Haskins & Sells  
Chartered Accountants  
KRB Towers, Plot No. 1 to 4 & 4A  
1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> Floor, Jubilee Enclave  
Madhapur, Hyderabad - 500081,  
Telangana, India

## Cost Auditors

M/s.Narasimha Murthy & Co.,  
Mrs. Jyothi Satish

## Registrars & Share Transfer Agent

KFin Technologies Private Limited  
(formerly known as Karvy Fintech Private  
Limited)  
“Selenium Tower-B”, Plot No. 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500032, Telangana, India.

## Registered Office

“Coromandel House”  
1-2-10, Sardar Patel Road,  
Secunderabad - 500003,  
Telangana, India.  
CIN : L24120TG1961PLC000892  
Tel.: +91 40 6699 7000 / 7300 / 7500  
E-mail: mail@coromandel.murugappa.com  
investorsgrievance@coromandel.murugappa.com  
Website: www.coromandel.biz

# Our 'Farmer First' Approach

At Coromandel, we are led by the values of Murugappa Group. It is the spirit of Integrity, Responsibility, Passion, Respect and Quality that forms the backbone of every business action that we undertake.

Our 'Farmer First' business model is a reflection of our spirit and commitment towards the growth and prosperity of the farmers. Farmers remain at the core of every Coromandel innovation and agri-offering. We have created our niche in the Agri value chain through our diversified product portfolio and offerings.

From soil health diagnostics to advisory services on crop selection, nutrient recommendations, use of farm mechanisation and drip irrigation, our agri experts work in direct collaboration with millions of farmers to develop customised solutions and products based on regional trends to bring out the best farm yields and improve farmer prosperity.

Our focused approach to convert farmer insights coupled with predictive analysis of crop, land patterns and pest threats has helped us become the preferred partner for farmers.

We have moved from products to become a comprehensive Agri solutions provider, creating a knowledge bank for farmers through our network across the targeted markets.

Our strong farmer connect, integrated manufacturing facilities, technological collaborations and an efficient supply chain has enabled us to drive 'Smart Agri' concept and contribute significantly in bringing prosperity to the farmer fields.



Agronomist advisory in the field

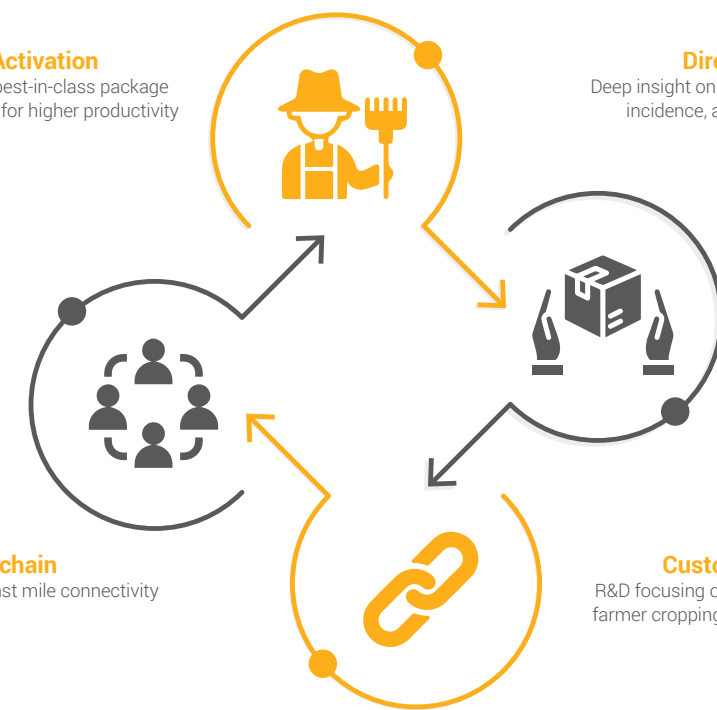


**Marketing & Activation**  
Educating, disseminating best-in-class package of practices, driving change for higher productivity

**Direct connect with farmers**  
Deep insight on farmer preferences, cropping patterns, pest incidence, area under cultivation, hyperlocal trends

**Efficient supply chain**  
Trade, own retail institution with last mile connectivity

**Customised Product offering**  
R&D focusing on value added products deeply linked to farmer cropping patterns and insights in target markets



# Engaging Communities, Responsibly

At Coromandel, we take pride in working and contributing towards the nation-building and creating livelihood for communities. Our multi-stakeholder engagement initiatives are focused towards achieving inclusive development and growth in the country.

Through our various CSR initiatives under Education, Health, Community Development and Support in Natural Calamity, we have been able to touch the lives of ~3.8 lakhs during 2019-20, and strengthen the sustainability index of communities in and around Coromandel's sphere of influence.

Giving back to the society has been an integral part of our DNA and we draw our inspiration from the Murugappa Group. As a focused approach under the 'Individual Social Responsibility', our volunteers have been working tirelessly to help marginalised communities and support various government agencies to fight the pandemic.

## Education

Our educational programmes and initiatives are tailored as per the requirements of the location or the community. These programmes range from setting up of science laboratories

to developing adequate school infrastructure. Through our employee volunteering programmes, we also ensure that the slow learners are provided attention and environment to enhance skills, with an overall aim to lower school dropout cases. Coromandel has been actively engaged in various government programs, imparting education on hygiene, health, and life skills.

### Highlights of FY2019-20

#### Coromandel Girl Child Education Scheme

**1,245** Girls reached out

**5,000+** Girls benefited through the scholarships

#### School for Special Children

Free learning environment for infants and young children born with hearing impairment

Diagnosis of hearing loss in children & providing intensive training to help them acquire

40 children studying in the school supported by 15 teachers and 2 audiologists



Bringing education to under privileged children

## Health

At Coromandel, we are committed towards improving health and well-being of communities in and around our areas of operations. Our various healthcare initiatives are focused towards promoting integrated healthcare and developing a healthy approach to life by communities. Through our, Coromandel Medical Centres, general health camps, multi-specialty health camps, school camps, support groups and mobile medical van services, we have been successfully imbibing the practice of preventive healthcare among the beneficiaries and inculcating awareness towards healthy lifestyle in the nearby villages. We also actively support government healthcare programs to ensure effective primary healthcare for communities.

### Highlights of FY2019-20

**Coromandel Medical Centres** Reached out to **79,541** patients

**Partnership with Government: At General Hospital in Kakinada** Supported lives of **8,499** infants

**At Health centre in Ankleshwar** **164** women registered at the centre

**Medical Camps** **22,960** people attended medical camps catering to various multi specialties

**'Hrudaya – Cure a little Heart Foundation'** **161** surgeries took place in the last five years

**Mobile Medical Van** **19,348** People reached out to in the interior areas of Valsad district

## Community Development

Coromandel has been transforming the lives of the communities through the result-oriented participatory approach. Our Community Development initiatives are focused on creating employment opportunities in partnership with government agencies, community-based organisations and local community. We have been providing training to women and youth to improve their economic conditions and open new job horizons for them, respectively. Moreover, we have been strengthening the Self-Help Groups (SHGs) to enable them to lead a life of economic independence and prosperity.

### Highlights of FY2019-20

#### Training programmes

**812** women were trained in tailoring skills

**285** youth were trained on retail operations and placed in rural areas

**330** youth trained on computer skills

## Support during COVID-19

Coromandel has always been at the forefront to help communities in times of natural calamity undertaking relief and recovery support activities. Currently, we are actively supporting and contributing to various government and community initiatives directed towards combating the COVID-19 pandemic. As part of our efforts towards COVID-19, we have been providing safety kits, and sharing knowledge on work safety and safe practices to farmers, our channel partners and stakeholders. We have contributed to PM Cares and CM Relief Funds, and supporting communities around our plants and migrant labourers stranded in the states we operate with food and essential supplies. In addition to this, Coromandel has been making representations at various CII and FAI forums on ways to tackle the COVID-19 crisis.

# Sowing Seeds of Sustainability, Each Day



Bird Paradise at Kakinada plant

At Coromandel, we are committed towards our sustainable development plan and aim at strengthening a culture of health, safety and environment within the organisation.

We are taking conscious efforts to reduce our carbon footprint and impact on the environment with initiatives like installation of energy efficient lighting systems at our plants, setting up water recycling plants to reuse water in our processes.

At all times, we make sure that Zero Liquid Discharge (ZLD) is maintained at all our fertiliser plants. Our conversion of city waste, sugarcane molasses and its by-products into organic manure has enabled us to address to the carbon deficiency of arable soil and strike the right nutrition balance in the soils. We are the largest neem-based bio pesticides manufacturer helping in sustainable agriculture. Moreover, our initiative to convert Phospho gypsum heaps into green belt has been recognized globally.

Our green initiatives have enabled us to support the government's 'Swachh Bharat' urban cleanliness drive and reduce stress over the urban landfill sites.

Under the Green Visaka, we have planted 20,000 saplings as per the TERI's improved plantation methodology at our Vizag site. Meanwhile, our Bird's Paradise at Kakinada plant is home to 100+ species and has been recognised by UNDP as 'Turning a Factory into a Bird Sanctuary'.

At Coromandel, we are imbibing the sustainable safety culture among our people. We are firming our Safe Work Environment and Safety Culture across the plant locations through structural upgrades and process compliances. During the year, we engaged with external agencies to carry out Safety Survey (DuPont, UK-HSL) and Quantitative Risk Assessment (ioMosaic, Lloyds) across major businesses (Fertilisers and Crop protection plants).

We, at Coromandel, are seeding sustainability throughout our process and people for a healthy, safer and greener planet.

## Focus on Sustainable development

### Bird's Paradise

- Bird's Paradise Discovery Channel established at Kakinada plant is home to 100+ species
- Recognised by UNDP "Turning a Factory into a Bird Sanctuary"
- Extensive coverage by Discovery Channel



Bio pesticide Plant-Greener Chemistries

# Awards and Recognitions



CII Exim Business Excellence: Platinum Classification



Dun & Bradstreet: Corporate Award



Coromandel Innovation Center at IKP received the "Growth Achiever Award" in IKMC 2019 (Innovation Knowledge Millennium conference 2019).



Ankleshwar: Distinguish Award at National Convention on Quality

Award of Excellence for Voice Magazine and CSR Brochure by the Academy of Interactive and Visual Arts, New York

CSR Best corporate in health by CSR times

CSR Award: CSR Best overall excellence by Zee

Vizag and Ennore units have won the CII EHS Excellence Award from Southern Region and have been rated 3 stars.



ABK AOTS 5S award for Kakinada Plant

## Notice of the Annual General Meeting

To the Members of  
**Coromandel International Limited**

Notice is hereby given that the **Fifty Eighth Annual General Meeting** (e-AGM) of the Members of Coromandel International Limited will be held on **Friday, July 24, 2020 at 10:30 a.m. IST** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, the Report of the Auditors' thereon and the Report of the Board of Directors and in this connection to consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, the Report of the Board of Directors and the Report of the Auditors thereon placed before the 58<sup>th</sup> Annual General Meeting be and are hereby received and adopted."

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, the Report of the Auditors' thereon and in this connection to consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the Report of the Auditors thereon placed before the 58<sup>th</sup> Annual General Meeting be and are hereby received and adopted."

3. To declare dividend for the financial year ended March 31, 2020 and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** a dividend of ₹ 12/- per equity share of face value of ₹ 1/- each be declared for the financial year ended March 31, 2020 and that the same be paid out of the profits of the Company to those shareholders whose names appear in the Register of Members as on July 17, 2020 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on July 17, 2020 as per the details provided by National Securities Depository Limited and Central Depository Services (India) Limited in case the shares are held in electronic form."

4. To appoint a Director in place of Mr. M M Venkatachalam (DIN 00152619), who retires by rotation and, being eligible, offers himself for re-appointment and in this connection to consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies

(Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, Mr. M M Venkatachalam, (DIN 00152619), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

### Special Business

5. To approve payment of remuneration to Mr. M M Murugappan, Non-Executive Chairman (DIN 00170478), for the financial year 2019-20 and in this regard to consider and if deemed fit, to pass, the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company be and is hereby accorded for payment of commission of ₹ 200 Lakhs to Mr. M M Murugappan, Non-Executive Chairman, for the financial year 2019-20.

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its sole and absolute discretion deem necessary, expedient, usual or proper to give effect to this resolution."

6. To re-appoint Mr. Sumit Bose (DIN 03340616) as an Independent Director of the Company for a second term and in this regard to consider and if deemed fit, to pass, the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, as amended from time to time and Regulation 17 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sumit Bose, (DIN 03340616) who is eligible for re-appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term for the period from March 21, 2021 to March 29, 2024."

7. To re-appoint Mr. Sameer Goel (DIN 07298938) as Managing Director of the Company, for a period from October 01, 2020 to January 31, 2023 and in this connection, to consider and if deemed fit, to pass, the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Article 130 of the Articles of Association of the Company and the provisions of Sections 196, 197, 198, 203 and all other related and applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Sameer Goel as the Managing Director of the Company for the period from October 01, 2020 to January 31, 2023.

**RESOLVED FURTHER THAT** Mr. Sameer Goel, Managing Director, be paid remuneration by way of salary, allowances, incentive and perquisites, subject to a maximum limit of 5% of the net profits of the Company, as determined by the Nomination and Remuneration Committee and approved by the Board, for each of the financial year computed as per the provisions of Section 198 of the Act read with Schedule V of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), with effect from October 01, 2020.

**RESOLVED FURTHER THAT** within the maximum limit of 5% of the net profits of the Company, Mr. Sameer Goel be paid the following remuneration with effect from October 01, 2020.

|      |                            |                                                                                                                                                                                                                                                                                                 |
|------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i)   | Salary                     | ₹ 13,91,760/- per month with such increments as may be decided by the Nomination and Remuneration Committee, from time to time.                                                                                                                                                                 |
| ii)  | Allowances and Perquisites | Allowances like House Rent Allowance, Leave Travel Allowance, Special Allowance, Additional Special Allowance and/or any other allowance as determined by the Nomination and Remuneration Committee.                                                                                            |
| iii) | Incentive                  | As may be determined by the Nomination and Remuneration Committee, based on the achievement of the laid down performance parameters.                                                                                                                                                            |
| iv)  | Retirement Benefits        | <div><div>i.</div><div>Contribution to Provident Fund, Superannuation Fund, National Pension Scheme and Gratuity as per the approved scheme of the Company in force from time to time.</div></div> <div><div>ii.</div><div>Encashment of leave as per rules of the Company in force</div></div> |

|    |      |                                                                                                                                              |
|----|------|----------------------------------------------------------------------------------------------------------------------------------------------|
| v) | ESOP | Grant of stock options under the Company's ESOP Scheme as may be determined by the Nomination and Remuneration Committee, from time to time. |
|----|------|----------------------------------------------------------------------------------------------------------------------------------------------|

#### General

- (i) Perquisites shall include provision of furnished/ unfurnished accommodation, personal accident insurance, reimbursement of medical expenses incurred for self and family, club subscription, provision of cars as per the rules of the Company in force from time to time and any other perquisites, benefits, amenities as may be decided from time to time and approved by the Nomination and Remuneration Committee.
- (ii) Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be valued as per Income Tax rules.
- (iii) Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.
- (iv) Mr. Sameer Goel, Managing Director, will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
- (v) Mr. Sameer Goel, Managing Director, will be subject to all other service conditions as applicable to any other senior management employee of the Company.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Mr. Sameer Goel, Managing Director, as may be determined by the Board or Nomination and Remuneration Committee, shall not, except with the approval of the shareholders by way of passing special resolution, exceed the limits prescribed under the Act and rules made there under or any statutory modification or re-enactment thereof."

8. To ratify the remuneration of the Cost Auditors for the financial year 2020-21 and in this regard to consider and if deemed fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of the Cost Auditors of the Company, as set out hereunder and

approved by the Board of Directors to conduct the audit of the cost records of the Company for the financial year 2020-21, be and is hereby ratified.

| Name of the Cost Auditor    | Unit / Area of the Audit                                                                                                                                                | Audit Fees payable* (₹) |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| M/s. Narasimha Murthy & Co. | All units of the Company at Visakhapatnam, Kakinada and Ennore                                                                                                          | 7.50 Lakhs              |
| M/s. Jyothi Satish & Co.,   | All units of the Company manufacturing Single Super Phosphate and Pesticides Units at Sarigam, Dahej, Ranipet, Ankleshwar, Jammu and Bio Pesticides unit at Thyagavalli | 5.00 Lakhs              |

*\* Excluding reimbursement of out of pocket expenses and applicable taxes.*

**RESOLVED FURTHER THAT** the Board of Directors or Key Managerial Personnel of the Company be and they are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board**  
For **Coromandel International Limited**

Date: May 26, 2020  
Place: Secunderabad

**P Varadarajan**  
Company Secretary

Corporate Identification Number (CIN)  
L24120TG1961PLC000892

Registered Office:  
"Coromandel House"  
1-2-10, Sardar Patel Road  
Secunderabad 500 003  
Tel: +91 40 66997000/ 7300 / 7500  
Fax: +91 40 27844117  
E-mail Id: [investorsgrievance@coromandel.murugappa.com](mailto:investorsgrievance@coromandel.murugappa.com)  
Website: <https://coromandel.biz>

#### NOTES:

1. In view of the outbreak of COVID-19 pandemic and the consequent restrictions and requirements like social distancing, the Ministry of Corporate Affairs ("MCA") vide Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, and the Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, have allowed companies to hold their Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") during the calendar year 2020. In terms of the said circulars read with the applicable provisions of the Companies Act,

2013, the 58<sup>th</sup> AGM of the Company will be held through VC or OAVM, hereinafter called as Electronic Annual General Meeting ("e-AGM"), and the members can attend and participate in the e-AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is given below (Refer Serial No. 19) and will also be available at the Company's website [www.coromandel.biz](http://www.coromandel.biz).

2. Since e-AGM is being conducted through VC/OAVM, the physical presence of members is not required and members can attend the meeting through login credentials provided to them to connect to e-AGM. As this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this e-AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Corporate Members entitled to appoint authorized representatives are requested to send a duly certified copy of Board Resolution authorizing their representative(s) to attend and vote at the e-AGM, pursuant to Section 113 of the Companies Act, 2013 ("the Act").
4. The Notice of e-AGM and Annual Report are being sent in electronic mode to members whose email address is registered with the Company or the Depository Participant(s). Members holding shares in physical / demat form who have not registered their email address with the Company can get the same registered with the Company as per the procedure provided in Serial No. 20.
5. The helpline number regarding any queries/assistance for participation in the e-AGM through VC/OAVM is 1800 3454 001.
6. An Explanatory Statement under Section 102(1) of the Act, in respect of the Special Business to be transacted at the Meeting is annexed hereto.
7. Brief profile of Mr. M M Venkatachalam, Non-Executive Director, Mr. Sumit Bose, Independent Director, and Mr. Sameer Goel, Managing Director, proposed to be re-appointed, along with names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and the relationship with other directors inter-se are provided in the Report on Corporate Governance forming part of the Annual Report.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from July 18, 2020 to July 24, 2020 (both days inclusive).
9. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act 1956 and the corresponding provisions under the Act, the amount of dividend/interim dividend declared/paid up to the financial year 2011-12, have been transferred from time to time on respective due dates, to the Investors Education & Protection Fund Authority (IEPF). Details of unpaid/unclaimed dividends lying with the Company as on March 31, 2020

is available on the website of the Company at [https://coromandel.biz/inv\\_dividend.html](https://coromandel.biz/inv_dividend.html).

10. As per Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2017 and amendments made thereto, all shares in respect of which dividends remain unpaid or unclaimed for a consecutive period of seven years or more, are required to be transferred to the Investor Education and Protection Fund Authority (IEPF). In compliance with the said Rules, the Company has transferred the underlying shares in respect of which dividends remained unclaimed for a consecutive period of seven years.

#### 11. TDS on Dividend

- Members may note that in terms of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ KFin Technologies Private Limited ("KFin") (formerly Karvy Fintech Private Limited), Registrars and Share Transfer Agent (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
- A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the documents on the link <https://ris.kfintech.com/form15/> on or before July 17, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
- Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, and any other document which may be required to avail the tax treaty benefits by uploading the documents on the link <https://ris.kfintech.com/form15/> on or before July 17, 2020.
- Dividend, if any, declared will be paid subject to deduction of income-tax at source (TDS) at applicable rates. In respect of resident individuals, if the dividend payment is in excess of ₹ 5,000/- (collectively for all folios with the same PAN number) the TDS will be at the rate of 10%. For all other categories of shareholders, please refer to the TDS rates provided in the Income Tax

Act/Rules and in addition may also refer to the website of the Company. Wherever, TDS is made, TDS Certificates will be sent to the concerned shareholders through email or post, as the case may be.

- Members holding shares in electronic form may note that Bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Share Transfer Agent, KFin cannot act on any request received directly from the members holding shares in electronic form for any change of Bank particulars or Bank mandates. Members holding shares in electronic form are, therefore, advised to intimate immediately any change in their address or Bank mandates to their respective Depository Participants with whom they are maintaining their demat accounts.
- Members holding shares in physical form are requested to advise any change in their address or Bank mandates immediately to the Company / KFin.
- Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to KFin, for consolidation into a single folio.
- Non-Resident Indian Members are requested to inform KFin, immediately of:
  - Change in their residential status on return to India for permanent settlement.
  - Particulars of their Bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
- SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / KFin.
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred in notice will be available for inspection in electronic mode. Members can send an email for the purpose to [investorsgrievance@coromandel.murugappa.com](mailto:investorsgrievance@coromandel.murugappa.com).
- For the purpose of convening the e-AGM through VC / OAVM, your Company has appointed KFin Technologies Private Limited, Registrars and Share Transfer Agent, to

provide VC / OAVM facility for the e-AGM. The detailed procedure and manner for participating in e-AGM through VC / OAVM is explained as under:

- Attending e-AGM through Video conference:** Members will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the shareholders/members login by using the remote e-Voting credentials. The link for e-AGM will be available in shareholders/members login where the EVENT and the name of the Company can be selected.
- Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may obtain the same by following the instructions mentioned in Serial No. 20 of the Notice.
- Members will be permitted to participate in the e-AGM on first come first serve basis (FCFS), as the participation through video conferencing is limited to 1,000 members only. The members can login and join 15 minutes prior to the scheduled time of the e-AGM and the window for joining will be kept open till expiry of 15 minutes after the scheduled time of e-AGM on FCFS basis. However, there is no restriction on participation for large shareholders (shareholders holding 2% or more shareholding), Promoters and Institutional Investors.
- The attendance of the members who have logged in and are attending the e-AGM will be counted for the purpose of reckoning quorum under Section 103 of the Act.
- Members are encouraged to participate in the e-AGM through laptops or desktops with Google Chrome for better experience.
- Members are required to allow Camera, if any, and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate aforesaid glitches.
- AGM questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" and may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will

be answered only if the shareholder continues to hold the shares as of cut-off date. The posting of the questions by the shareholders/members shall commence from Saturday, July 18, 2020 at 9.00 a.m. and shall close on Tuesday, July 21, 2020 at 5.00 p.m.

- Speaker Registration during e-AGM session:** Member may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email address, mobile number and submit. The speaker registration shall commence from Saturday, July 18, 2020 at 9.00 a.m. and shall close on Tuesday, July 21, 2020 at 5.00 p.m.

- Procedure for obtaining the Annual Report, e-AGM Notice and e-Voting instructions by the shareholders whose email addresses are not registered with the Depository Participants or with Registrars and Share Transfer Agent.

Pursuant to the circulars issued by the MCA and SEBI, as referred to above, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

- Register their email address and mobile number including address and Bank details and validate/update their details with the Depository Participants in case of shares held in electronic form and with the Company's Registrars and Share Transfer Agent, KFin Technologies Private Limited in case the shares are held in physical form.
- Shareholders who have not registered their e-mail address and, therefore, not received the Annual Report, Notice of e-AGM and e-Voting instructions, may temporarily get their email address and mobile number registered with the Company's Registrars and Share Transfer Agent, KFin Technologies Private Limited by accessing the link [https://ris.kfintech.com/email\\_registration](https://ris.kfintech.com/email_registration). In case of any queries, shareholders may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- Shareholders may also visit the website of the Company [www.coromandel.biz](http://www.coromandel.biz) or the website of the Registrars and Share Transfer Agent, <https://evoting.karvy.com/public/Downloads.aspx> for downloading the Annual Report and Notice of the e-AGM.
- Alternatively, members may send an e-mail request at the e-mail id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned signed copy of the request letter providing the email id, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of e-AGM and the e-Voting instructions.

**21. Voting at the e-AGM**

- i. Members who could not vote through remote e-Voting may avail the e-Voting system provided at the e-AGM ("Insta Poll") by KFin Technologies Private Limited.
- ii. Only those members/ shareholders, who will be present in the e-AGM through Video Conferencing facility and who have not casted their vote through remote e-Voting are eligible to vote through Insta Poll.
- iii. Members who have voted through remote e-Voting will be eligible to attend the e-AGM, however, will not be eligible to vote at the meeting.
- iv. **Insta Poll Instructions:** The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "Insta Poll" page.
- v. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- vi. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the e-AGM shall be the same person mentioned for remote e-voting.

**22. Remote e-Voting/Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the Company is pleased to provide the members facility to exercise their right to vote through the e-voting services provided by KFin, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

**E-Voting Instructions:**

- A. In case a Member receives an e-mail from KFin [for members whose email IDs are registered with the Company/ Depository Participants :
  - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVENT number 5336 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT i.e., Coromandel International Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm; else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised

representative(s), to the Scrutiniser through email ID [rsaevoting@gmail.com](mailto:rsaevoting@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "Coromandel – 58thAGM".

- B. In case of Members whose e-mail IDs are not registered with the Company / Depository Participants, kindly follow the instructions referred in Serial No. 20.

**Other Instructions:**

- i. In case of any queries, you may refer Help & FAQ section of <https://evoting.kfintech.com> (KFin Website) or call KFin on 6716 1616 & Toll Free No. 1800 3454 001.
- ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii. The e-Voting period commences on **Tuesday, July 21, 2020 (9.00 a.m. IST) and ends on Thursday, July 23, 2020 (5.00 p.m. IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., **Friday, July 17, 2020**, may cast their vote electronically in the manner and process set out herein above. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iv. Those who become Members of the Company after dispatch of the Notice of e-AGM but on or before **Friday, July 17, 2020 (cut-off date)** may write to KFin at [evoting@kfintech.com](mailto:evoting@kfintech.com) or to the Company at [investorsgrievance@coromandel.murugappa.com](mailto:investorsgrievance@coromandel.murugappa.com) requesting for user ID and password. On receipt of user ID and password, the steps from Sl. Nos. (i) to (vii) mentioned in (A) above should be followed for casting of vote.
- v. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date i.e. Friday, July 17, 2020**.
- vi. The Board of Directors has appointed Mr. R Sridharan (Membership No. 4775 and PCS No. 3239), Practicing Company Secretary, as the Scrutiniser to scrutinize the e-Voting process in a fair and transparent manner.
- vii. The scrutiniser shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-Voting and submit, within a period not exceeding two (2) days from the conclusion of the meeting, make a consolidated Scrutinisers Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.
- viii. The Results shall be declared either by the Chairman or by a person authorized in writing by the Chairman and the resolution will be deemed to have been passed

on the e-AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

- ix. Immediately after declaration of results, the same shall be placed along with the Scrutiniser's Report on the Company's website [www.coromandel.biz](http://www.coromandel.biz) and on the website of KFin <https://evoting.karvy.com>, and communicated to stock exchanges BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.

**ANNEXURE TO NOTICE**

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**

**ITEM NO.5****Payment of remuneration to Mr. M M Murugappan**

Regulation 17(6)(ca) of the SEBI Listing Regulations provides that where the annual remuneration payable to any Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors, such payment should be approved by the shareholders by special resolution.

Considering the time spent by Mr. M M Murugappan for the business of the Company, the Board has approved, subject to further approval of the shareholders, payment of commission of ₹ 200 Lakhs to Mr. M M Murugappan for the financial year 2019-20. As the proposed commission exceeds fifty per cent of the total remuneration payable to other Non-Executive Directors of the Company for the financial year 2019-20, approval of the shareholders is sought.

The Board commends the Special Resolution set out at Item No.5 for approval by shareholders.

**Memorandum of Interest**

Mr. M M Murugappan and his relatives are interested in the Resolution. Mr. M M Venkatachalam, Director, being the brother of Mr. M M Murugappan, Chairman, is interested in this resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, are interested in this Resolution financially or otherwise.

**ITEM NO.6****Re-appointment of Mr. Sumit Bose as an Independent Director**

Mr. Sumit Bose was appointed as an Independent Director of the Company for a period of 5 years w.e.f. March 21, 2016. His current term as an Independent Director will end on March 20, 2021. As per the provisions of Section 149 of the Act an Independent Director can hold office for a term up to five consecutive years on the Board of a company but shall be eligible for re-appointment on passing of a special resolution by the Company. The Company has received a notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. Sumit Bose for the office of Independent Director, to be re-appointed

as such under the provisions of Section 149 of the Act. Based on recommendation of the Nomination and Remuneration Committee, the Board has recommended re-appointment of Mr. Sumit Bose for second term for the period from March 21, 2021 to March 29, 2024 as an Independent Director. Mr. Sumit Bose would attain the age of 70 years on March 29, 2024.

The resolution seeks the approval of the shareholders for the re-appointment of Mr. Sumit Bose as an Independent Director of the Company, for the period from March 21, 2021 to March 29, 2024, not liable to retire by rotation.

The Board considers that in view of his rich experience, his association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Sumit Bose as an Independent Director.

A brief resume, as required pursuant to the Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard-2 issued by ICSI, is set out in the “Report on Corporate Governance” forming part of the Annual Report.

The Board commends the Special Resolution set out at Item No.6 for approval by shareholders.

Memorandum of Interest

Mr. Sumit Bose and his relatives are interested in the Resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the aforesaid resolution. Mr. Sumit Bose is not related to any of the Directors or Key Managerial Personnel of the Company.

ITEM NO.7

Re-appointment of Mr. Sameer Goel as Managing Director

Mr. Sameer Goel was appointed as Managing Director of the Company for a period of five years effective October 01, 2015. His current term of office as Managing Director of the Company would expire on September 30, 2020.

The Board based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of Members, approved the re-appointment of Mr. Sameer Goel as Managing Director, not liable to retire by rotation, for the period from October 01, 2020 to January 31, 2023.

Mr. Sameer Goel is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company. He satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for this re-appointment.

A brief resume, as required pursuant to the Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard-2 issued by ICSI, is set out in the “Report on Corporate Governance” forming part of the Annual Report.

The Board commends the Ordinary Resolution set out at Item No.7 for approval by shareholders.

Memorandum of Interest

Mr. Sameer Goel and his relatives are interested in the Resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the aforesaid resolution. Mr. Sameer Goel is not related to any of the Directors or Key Managerial Personnel of the Company.

ITEM NO.8

Ratification of remuneration to Cost Auditors

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s Narasimha Murthy & Co., Cost Accountants and M/s. Jyothi Satish & Co., Cost Accountants, as Cost Auditors and the remuneration payable to the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2020-2021 as per the following details:

| Name of the Cost Auditor    | Unit / Area of the Audit                                                                                                                                                | Audit Fees payable* ₹ |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| M/s. Narasimha Murthy & Co. | All units of the Company at Visakhapatnam, Kakinada and Ennore                                                                                                          | 7.50 Lakhs            |
| M/s. Jyothi Satish & Co.,   | All units of the Company manufacturing Single Super Phosphate and Pesticides Units at Sarigam, Dahej, Ranipet, Ankleshwar, Jammu and Bio Pesticides unit at Thyagavalli | 5.00 Lakhs            |

*\*Excluding reimbursement of out of pocket expenses and applicable taxes*

In accordance with the provisions of Section 148 of the Act read with Rule 14 (a) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors approved by the Board has to be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2020-2021.

None of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the above resolution.

The Board commends the Ordinary Resolution set out at Item No. 8 for approval by shareholders.

By Order of the Board  
For Coromandel International Limited

Place: Secunderabad  
Date: May 26, 2020

P Varadarajan  
Company Secretary

# Directors’ Report

Dear Members,

Your Board of Directors have pleasure in presenting the 58<sup>th</sup> Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2020.

1. Summary of Financial Results

| ₹ In crores                                       |         |         |
|---------------------------------------------------|---------|---------|
| Particulars                                       | 2019-20 | 2018-19 |
| Revenue:                                          |         |         |
| From Operations                                   | 13,117  | 13,204  |
| Other Income                                      | 38      | 36      |
| Total Revenue                                     | 13,155  | 13,240  |
| Profit:                                           |         |         |
| Profit before Interest, Depreciation and Taxation | 1,763   | 1,450   |
| Less: Interest                                    | 235     | 251     |
| Depreciation                                      | 157     | 113     |
| Profit Before Tax                                 | 1,371   | 1,086   |
| Less: Provision for Tax (including deferred tax)  | 312     | 372     |
| Profit After Tax                                  | 1,059   | 714     |

Your Company's Revenue from Operations for the year was ₹ 13,117 crores as against ₹ 13,204 crores last year. The Profit before Interest, Depreciation, and Taxation grew to ₹ 1,763 crores from ₹ 1,450 crores in the previous year registering a growth of 22%. The Net Profit for the year grew to ₹ 1,059 crores from ₹ 714 crores in the previous year i.e. an increase of 48% YoY.

EBITDA margin increased 240 basis points to 13.4% in 2019-20 over 2018-19 and PAT margin increased 270 basis points to 8.0% in 2019-20 over 2018-19. The Earnings Per Share (EPS) for the year stood at ₹ 36.20 per share, an increase of 48% compared to ₹ 24.41 per share for the previous year.

Your Company proposes to transfer an amount of ₹ 300 crores to the General Reserves and retain ₹ 1,624.49 crores in the Statement of Profit and Loss.

2. Business Environment

The country witnessed an above normal South West and North East monsoon during the year resulting in improved crop sowing. Food grain production for the year is expected to be at 296 million tons, higher by 4% compared to previous year. Your Company's key markets of Telangana, Andhra, Karnataka, and Maharashtra received above-normal rainfall, which increased reservoir levels and canal irrigation. During the year, the Kaleshwaram project on Godavari river was inaugurated, which has resulted in assured irrigation in the northern

districts of Telangana. Agriculture in Telangana and Andhra Pradesh continued to perform well, thanks to the active engagement by the State Governments, increased irrigation, desilting of canals & tanks and income support schemes for the farmers.

The Government of India has been focusing on agriculture as one of its priority sector and has announced 16-point measures during Budget 2020-21 to revive the agriculture sector in line with the Government's target to double farmer's income. These measures include an increase in agriculture credit by ₹ 3 lakh crores, improving the situation in water-stressed districts, focus on zero-budget farming, and balanced use of fertilisers. Direct Income Support Schemes introduced by various State and the Central Government helped in improving the cash availability with farmers at the time of sowing.

On the Direct Benefit Transfer (DBT) relating to Fertilisers, the Government is expanding its scope. During the year pilot testing was conducted through linking of PoS machines with soil health cards to promote balanced nutrition. “The Pesticide Management Bill 2020” was introduced in the Parliament during the year. The Bill seeks to regulate the highly fragmented agrochemical market in India, and ensure the availability of pesticides with minimum risks. This Bill, when passed, will replace the Insecticide Act, 1968.

With the higher reservoir levels and the prediction of a normal South West monsoon by the Indian Meteorological Department (IMD), Indian agriculture is expected to witness a good Kharif season during the coming year.

**COVID-19:** At the end of the year, the business environment was severely impacted by COVID-19. The pandemic which originated in December 2019 at Wuhan in China spread across the globe, impacting trade and mobility. Several nations including India have adopted a complete lockdown of their economy in line with the recommendation of the World Health Organization (WHO) to contain the spread of the pandemic and gear up their medical infrastructure.

In India, the agricultural sector has remained relatively insular during COVID-19. The Government has classified agriculture and related industries under essential commodities, to ensure food security and provide livelihood opportunities to the rural workforce. Though the manufacture and transport of essential commodities like Fertiliser and Agrochemicals were exempted under the guidelines issued by the Ministry of Home Affairs, the Agri inputs industry faced challenges in the initial period, affected by the labour shortage, employee mobility and strict administrative checks, impacting the raw material handling, production and distribution. However, the situation is fast normalizing and the industry is now geared up to increase its production with support from the Centre and the State Governments.

The Government has announced three major reforms in the area of agri output marketing as the aftermath of COVID-19, which is expected to result in improved price discovery for the farm produce. These reforms include increased participation of private players, reforming the Agriculture Produce Market Committee (APMC) and promoting contract farming. With faster adoption of superior products, smarter delivery mechanism, digital and agri technology penetration, Indian agriculture is gearing up for a second green revolution in the years to come.

### 3. Performance Review

#### Fertiliser

Fertiliser business maintained a stable growth, despite facing tough environmental conditions during the first half of the year. Business focused on backward integration of its plant operations, infrastructure strengthening, capability building, and customer-centricity initiatives to sustain its growth trajectory.

Overall, primary sales volumes have moved up by 4% to 31.4 lakh tons driven by the manufactured product sales volume, which increased by 11% to 30.7 lakh tons. Consumption as reflected through point of sales from retailers to the farmers, increased by 12% to 31.6 lakh tons. Market share for the year in NPK fertiliser stood at 15.7 percent, a marginal reduction from 16.2 percent in 2018-19. Integrated nutrient marketing structure with the experienced agronomist team has supported the business well in promoting its balanced nutrition approach and market development initiatives. During the year, Business successfully merged the operations of SSP with Fertiliser to leverage the business synergies.

Your Company's fertiliser plants operated at their highest ever capacity, producing 29.8 lakh tons of phosphatic fertilisers during the year. Under the "Make in India" initiative, your company established a world class Phosphoric Acid plant at Visakhapatnam generating employment opportunities, conserving the precious foreign exchange and ensuring supply security for the Visakhapatnam fertiliser unit. This second Phosphoric Acid plant was successfully commissioned in the third quarter of the year and is operating at its full capacity.

Single Super Phosphate (SSP) business, which is now fully integrated with fertiliser business maintained its national leadership position with a market share of 14%. During the year, sales volumes grew by 1% to 5.7 lakh tons. The business focused on providing farmers with superior granulated and fortified products. Production for the year stood at 6.0 lakh tons, which is 7% higher than the previous year.

The fertiliser business launched 2 new products. Groplus, an enhanced SSP product and GroSmart,

relaunch of 24-24-0-8. Both the products were well-received by the customers and have created a niche in the market.

#### Crop Protection

Crop Protection business continues to be a key focus area and growth engine for your Company. The business has taken progressive steps towards upgrading its portfolio with patented combinations and technical manufacture of recently off patented molecules. In 2019-20, the Crop Protection business introduced six new products, including two products from indigenous technical manufacturing (Pymetrozine and Pyrazosulfuron ethyl), one patented indigenous combination, and 3 co-marketing products. These products have received encouraging response from the market.

Your Company has strengthened its Research & Development and Product Development functions and is focussing on testing, trials, registration and introduction of new molecules. The Company aims to introduce 4-5 new products every year.

With focus on "Make in India", your company continued to invest in its manufacturing capabilities. Three new plants were commissioned during the year - Mancozeb WDG plant at Dahej, Pymetrozine plant at Ankleshwar, and Pyrazosulfuron plant at Sarigam. These new plants will not only serve the needs of India, but will enhance export opportunities and support to position India as a global manufacturing hub for agrochemicals. Your company undertook other major infrastructure projects like setting up state of the art warehouses and upgrading the pilot plant. Sarigam plant safely resumed and continued its operations from the second quarter.

Overall, the turnover of the business declined by 6 percent, largely on account of curtailed production of the Sarigam plant during the first quarter. The launch of new products has supported the growth in the domestic formulation and B2B business. Your Company, in line with its long-term strategic plan, is strengthening its presence in the key markets in India and also evaluating opportunities in select international markets.

Biopesticide business has been fully integrated with the Crop Protection business. Your Company is the largest Azadirachtin manufacturer in the world with patented, proprietary products and state-of-art manufacturing facility. During the year, the manufacturing facility was further upgraded to improve the efficiency of aza extraction. Company continued to invest in neem plantation to ensure raw material security and facilitate product traceability. Your Company's presence in Biopesticides, Bio-stimulants and Bio-surfactants has enriched the overall product portfolio and enabled the Company to provide Integrated Pest Management solutions to the farming community.

#### Retail

Your Company's retail business registered good growth, driven by favourable environmental conditions across the markets. Business continued to strengthen its customer value proposition of 'Quality, Trust and Farm Advice'. Over the years, the retail centres have evolved as a 'Complete Farming Solution Multi-Brand Platform' offering the entire range of agri-input products and services under one roof. Through its ~750 stores supported by ~2000 development teams, these retail centres work closely with growers, helping them optimize crop yields and maximize economic returns on their farms. Business is in the process of leveraging technology solutions to improve its customer connect initiatives and product delivery mechanisms. During the year, the Company continued drone-based crop diagnostics and farm advisory solutions. It expanded its farm mechanization offerings through the Custom Hiring and Service Centres.

#### Specialty Nutrients

Your Company continued to perform well in the Specialty Nutrients business and introduced two new products Fitsol pomegranate and Bosmax. It also started in-house manufacturing of Novozin. The Company has collaborated with multiple agri input players across the value chain to improve its customer connect initiatives. The business has implemented digital initiatives during the year to ensure better reach to the end consumers. Business is also collaborating with Farmer Producer Organisations, Cooperatives, Seed companies and Agri Universities to increase its reach and market development.

#### Organic Fertiliser

Your Company has been pioneering efforts in the area of soil health enrichment by marketing various composts like City compost, Pressmud compost etc. These composts are rich sources of organic carbon and help in replenishing the soil. During the current financial year, Company continued its commitment towards improving soil health and creating awareness among the users by doing more than 40,000 carbon tests at the farmer's field.

During the year, Organic volumes were at 1.3 lakh tons. Business continued its focus on promoting differentiated variants segment, strengthened its sourcing capabilities and quality assurance systems. The Company is promoting the 'Swachh Bharat' campaign by converting the municipal waste into city compost manure.

#### Response to COVID-19:

Your Company stands in support with the Central Government, State Governments and local governing bodies and remains committed to the farming community in these challenging times. Your Company has contributed ₹ 10 crores to the PM Cares Fund and Chief Minister Relief Fund of various States. Company's relief and rehabilitation interventions include the distribution of masks, hand sanitizers, hand wash soap, and other daily essentials in and around its area of operations. Your Company has been educating the farmers on the

aspects of health, hygiene and safety through its retail and dealer network. It has also deployed extensive use of digital media for creating farmer awareness. Further, the Company is engaged in supporting women Self Help Groups in the manufacturing and distribution of masks to meet the local needs under the guidance of the District Medical Authorities.

To ensure the availability of agri inputs for the upcoming Kharif season the Company is operating its plants after meeting all the standards laid down by the district administration on safety and social distancing. The majority of the retail centers and the dealer channel have been operating to meet the agri input demands of the farmers.

### 4. Finance

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back up lines of credit. Net Cash from operations for the year stood at ₹ 1,867 crores. It follows a prudent financial policy and aims at maintaining an optimum financial gearing.

Your Company continues to be a long-term debt free Company. Debt to Equity Ratio was 0.37 as of March 31, 2020.

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

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

### 5. Dividend

Your Directors are pleased to recommend a Dividend of ₹ 12/- per equity share ₹1/- each (1200%) for the financial year ended March 31, 2020, subject to the approval of the members at the ensuing Annual General Meeting.

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

### 6. Consolidated Financial Results

Consolidated Financial Statements incorporating the operations of the Company, its Subsidiaries, Associates and Joint Venture Companies are appended. As required under the provisions of the Companies Act, 2013 (the Act), a statement showing the salient features of the

financial statements of the subsidiaries, associates and joint ventures is enclosed as **Annexure A** to this Report.

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

## 7. Subsidiary Companies:

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

### a) CFL Mauritius Limited:

CFL Mauritius Limited, a wholly-owned subsidiary, incurred a loss of \$ 0.03 million (equivalent to ₹ 0.26 crores) during the year ended March 31, 2020. The primary source of income for this subsidiary is dividend income from Foskor (Pty) Limited and the subsidiary did not receive any dividend from Foskor during the year 2019.

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

PCL, a wholly owned subsidiary of the Company, earned a total revenue of ₹ 0.94 crores for the year ended March 31, 2020 and Profit after Tax was ₹ 0.36 crores.

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

DIL, a wholly owned subsidiary of the Company, did not have any significant operations and incurred a loss of ₹ 0.01 crores for the year ended March 31, 2020.

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

LPFL, a wholly owned subsidiary of the Company, did not have any significant operations during the year 2019-20. It earned a profit of ₹ 0.10 crores for the year ended March 31, 2020.

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

CBL, a Limited Liability Partnership, owned 100% by the Company and its subsidiary CFL Mauritius Limited, is primarily engaged in getting product registrations in Brazil and procuring orders for supplies from India. It earned a profit of Brazilian Reals 0.4 million (equivalent to ₹ 0.69 crores) for the year ended March 31, 2020.

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

SOAL is primarily engaged in getting product registrations in Brazil and procuring orders for supplies from India. It earned a net profit of Brazilian Reals 0.02 million (equivalent to ₹ 0.03 crores) for the year ended December 31, 2019. During the year, it has become a wholly-owned subsidiary of the Company.

### g) Sabero Australia Pty Limited (SAPL)

SAPL did not have any significant operations during the year 2019-20. It earned a net profit of AUD 0.01 million (equivalent to ₹0.05 crores) for the year

ended March 31, 2020.

### h) Sabero Europe BV (SEBV)

SEBV is primarily engaged in getting product registrations in Europe and procuring orders for supplies from India. It did not have any significant operations during the year ended May 31, 2019.

### i) Sabero Argentina SA (Sabero Argentina)

Sabero Argentina is primarily engaged in getting product registrations in Argentina and procuring orders for supplies from India. It did not have any significant operations during the year ended March 31, 2020.

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

Coromandel Mexico is primarily engaged in getting product registrations in Mexico and procuring orders for supplies from India. It earned a net profit of Mexican Peso 0.69 million (equivalent to ₹ 0.25 crores) for the year ended December 31, 2019.

### k) Parry America Inc.

Parry America Inc is primarily engaged in the sale of bio-pesticides in America. It made a net profit of USD 0.47 million (equivalent to ₹ 3.33 crores) for the year ended March 31, 2020.

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

Coromandel International (Nigeria) Limited is engaged in getting product registrations in Nigeria and procuring orders for supplies from India. It made a net loss of Naira 10.04 million (equivalent to ₹ 0.23 crores) for the year ended December 31, 2019.

### m) Coromandel Mali SASU (CMS)

Coromandel Mali SASU (CMS) was incorporated on February 04, 2020 as a Wholly Owned Subsidiary (WOS) of the Company for the purpose of obtaining registration for marketing of agrochemicals. CMS is registered with Ministry in Charge of Statistics, Republic of Mali and is yet to commence its business operations.

## Joint Venture Companies

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

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

CSQM, a joint venture between Coromandel and Soquimich European Holding (SQM) Chile, manufactures Water Soluble Fertilisers (WSF) at Kakinada, Andhra Pradesh and offers Speciality Nutrition Solutions to institutional clients. Total income for the year was ₹ 58.8 crores and the net profit was ₹ 0.25 crores. Your Company has agreed in principle to acquire the shareholding of SQM for

a consideration of ₹ 12 crores. The Share Purchase Agreement was planned for execution prior to the year end has got delayed due to COVID-19 and is now expected to be signed within next few weeks.

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

YCAPL, a Joint Venture company between Coromandel, Yanmar, and Mitsui, is in the business of sales and service of agri-tech equipment focussed on farm mechanization in India. YCAPL's Combine Harvester has been consolidating its position as amongst the market leaders in India. Total income for the year was ₹ 82.5 crores and the net profit was ₹ 1.6 crores.

## Associate Company

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

SOPA, an associate company, is based in Philippines and did not have any significant operations during the year 2019-20.

## Strategic Investment:

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

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

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

Your Company, along with CFL Mauritius Limited, holds 14% equity in Foskor. Foskor supplies high-quality phosphoric acid, which is used for phosphatic fertiliser manufacturing at Kakinada and Ennore plants of your Company. The performance of Foskor was affected during the year due to various operational issues and resulted in lower capacity utilization. Your Company is working with the Foskor team on a business turnaround plan and is providing technical assistance for improving acid production and plant efficiency.

## 8. Risk Management Policy

The Company has constituted a Risk Management Committee. Details of constitution of the Committee are set out in the Corporate Governance Report. The Company has formulated a Risk Management Policy, under which various risks associated with the business operations were identified and risk mitigation plans have

been put in place, details of which are set out in the Management Discussion and Analysis Report.

## 9. Internal Financial Control Systems and their adequacy

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

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

## 10. Related Party Transactions

All related party transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are repetitive in nature. The related party transactions entered into are reviewed by an independent audit firm to confirm that they were in the ordinary course of business and at arm's length basis. The Policy on Related Party Transaction is available on the Company's website at [https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/PolicyOnRelatedPartyTransactions\\_2020.pdf](https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/PolicyOnRelatedPartyTransactions_2020.pdf).

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

## 11. Auditors

### a) Statutory Auditors and their report

M/s. Deloitte Haskins & Sells (Deloitte), Chartered Accountants, were appointed as Auditors of the Company for a period of 5 consecutive years from the conclusion of the Annual General Meeting held on July 23, 2014. Their term of appointment of 5 years expired at the 57<sup>th</sup> Annual General Meeting and were re-appointed at the 57<sup>th</sup> Annual General Meeting for a period of two years till the conclusion of 59<sup>th</sup> Annual General Meeting, totalling to 10 years (appointed since 2011-12). As per the Companies (Amendment) Act, 2017, the requirement of annual ratification of the Statutory Auditor's appointment, has been dispensed with, hence there is no requirement to seek an annual ratification of their

appointment this year.

As required under Regulation 33 of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditor's Report given by M/s Deloitte Haskins & Sells, Statutory Auditors, on the financial statements of the Company for the year ended March 31, 2020 is part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remark. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

#### b) Cost Auditors and their report

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Company is required to maintain cost accounting records in respect of products of the Company covered under CETA categories. Further, the cost accounting records maintained by the Company are required to be audited.

For the financial year 2019-20, M/s Narasimha Murthy & Co and Mrs. Jyothi Satish were appointed as Cost Auditors. On the recommendation of the Audit Committee, the Board has appointed M/s Narasimha Murthy & Co., Cost Accountants and M/s. Jyothi Satish & Co., Cost Accountants, as Cost Auditors for auditing the cost records of the Company for the year 2020-21. The Cost Audit Report for the year 2018-19 has been filed with Ministry of Corporate Affairs within the prescribed time limit.

The Companies Act, 2013 mandates that the remuneration payable to the Cost Auditor is ratified by the shareholders. Accordingly, a resolution seeking the shareholders' ratification of the remuneration payable to the Cost Auditor for the FY 2020-21 is included in the Notice convening the 58<sup>th</sup> Annual General Meeting.

#### c) Secretarial Auditor and their report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board had appointed M/s. R Sridharan & Associates, Practicing Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2019-20.

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

In terms of Regulation 24A of the Listing Regulations, there is no material unlisted subsidiary incorporated in India. Material unlisted subsidiary for the purpose of

this Regulation is a subsidiary whose income/net worth exceeds 10% of the consolidated income/net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year. Hence, there is no requirement for a Secretarial audit to be conducted for any of the Company's subsidiaries in India.

#### 12. Particulars of Loans, Guarantees and Investments

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

#### 13. Public Deposits

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and no amount of principal or interest was outstanding as on the Balance Sheet date.

#### 14. Board and Committees

##### a) Board of Directors

Your Company is managed and controlled by a Board comprising an optimum blend of Executive and Non-Executive Professional Directors. As on March 31, 2020, the Board of Directors comprises of ten (10) Directors consisting of a Managing Director and nine (9) Non-Executive Directors, out of which five (5) are Independent Directors including one Woman Director. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013. The Directors possess requisite qualifications and experience in general corporate management, strategy, finance, engineering, information technology and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Declarations from all Independent Directors have been received confirming that they meet the criteria of independence as prescribed under both the Companies Act, 2013 and the Listing Regulations, 2015, and the same have been considered and taken on record by the Board.

Mr. Sumit Bose was appointed as an Independent Director of the Company for a period of five years w.e.f. March 21, 2016 and his current term ends on March 20, 2021. Section 149 of the Act, provides that an Independent Director shall hold office for a term up to two terms on the Board of a Company, but after expiry of first term of five years shall be eligible for re-appointment on passing of a special resolution by the Company. Board has pursuant to the recommendation of the Nomination and Remuneration Committee, recommended his re-appointment as an Independent Director of the Company. Accordingly, a special resolution proposing the re-appointment of Mr. Sumit Bose as an Independent Director of the Company for

a second term for the period from March 21, 2021 to March 29, 2024 is being placed before the shareholders for their approval.

Mr. Sameer Goel was appointed as Managing Director of the Company for a period of five years effective October 01, 2015 and his current term of office as Managing Director of the Company expires on September 30, 2020. Board has pursuant to the provisions of Section 196 of the Companies Act, 2013, recommended his re-appointment as Managing Director for a period from October 01, 2020 to January 31, 2023, and accordingly an ordinary resolution proposing the re-appointment of Mr. Sameer Goel is being placed before the shareholders for their approval.

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

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

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

##### c) Board Meetings

A calendar of Board meetings is prepared and circulated in advance to the Directors. During the year 2019-20, six (6) Board Meetings were held, the details of which are given in the Corporate Governance Report.

##### d) Audit Committee

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

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

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

familiarise him/ her about the Company/ its businesses and the Group practices.

As part of the familiarisation program, a handbook is provided to all the Directors including Independent Directors at the time of their appointment. The handbook provides a snapshot to the Directors of their duties and responsibilities, rights, appointment process and evaluation, compensation, Board procedure, and stakeholders' expectations. The handbook also provides the Directors with an insight into the Group's practices. Further, periodic emails are sent to all the Directors covering events that may have an impact on the business of the Company and/ or the agriculture sector in general and, fertiliser and crop protection industries in particular. During the year separate meetings were held for Independent Directors wherein the senior leadership team made presentations on their respective businesses and functions and Independent Directors have visited the factories, R&D centres and Retail stores of the Company. The details of the familiarisation program as above are also disclosed on the Company's website.

In terms of the recently introduced regulatory requirements providing for the establishment of an on-line database of Independent Directors by Indian Institute of Corporate Affairs, every Independent Director is required to register themselves on the portal before June 30, 2020 and pass an online proficiency self-assessment test conducted by the Institute, within a year. All the Independent Directors of the Company have already registered themselves on the portal.

##### f) Directors' Responsibility Statement

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

#### 15. Key Managerial Personnel

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

#### 16. Employees

##### a) Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Salient features of the Remuneration Policy are set out in the Corporate Governance Report. The Remuneration Policy is available on the Company's website at [https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/RemunerationPolicy\\_2020.pdf](https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/RemunerationPolicy_2020.pdf).

**b) Policy on prevention, prohibition and redressal of Sexual Harassment at workplace**

The Company has in place Prevention of Sexual Harassment Policy (POSH) in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Compliance Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy. During the year 2019-20, there were no incidents of sexual harassment reported.

**c) Particulars of Employees**

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure D** to this Report. A statement containing the name of employees who are in receipt of remuneration in excess of ₹ 1,02,00,000/- per annum during the financial year 2019-20 under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure E** to this Report.

**d) Employee Stock Option Plans**

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

The Company had in the past, approved an Employee Stock Option Scheme 2007 (ESOP Scheme 2007), under which employees were granted Options. The Company made grants under the said Scheme during the period 2007 to 2011. Number of vested Options outstanding as at the year end under the ESOP Scheme 2007 was 2,150. It is not proposed to make any further grants under ESOP Scheme 2007.

**Employee Stock Option Plan - ESOP 2016**

The Shareholders had, through Postal Ballot, on January 11, 2017 authorised the Board/ Nomination and Remuneration Committee to issue to the employees, such number of Options under the ESOP Scheme 2016, as would be exercisable into not exceeding 1,45,81,000 fully paid- up equity shares of ₹ 1/- each in the Company. The Nomination and Remuneration Committee, is empowered to formulate detailed terms and conditions of the ESOP Scheme 2016, administer and supervise the same. The specific employees to whom the Options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee at its sole discretion. Further, the Nomination and Remuneration Committee is empowered to determine the eligible subsidiary companies, whether existing or future, whose employees will be entitled to stock options under this Scheme. Options granted under this ESOP 2016 would vest on or after 1 (one) year from the date of grant but not later than 4 (four) years from the date of

grant of such Options or any other terms as decided by the Nomination and Remuneration Committee. The Company has granted 1,26,840 options to the employees during the year under ESOP Scheme 2016. The number of Options vested and outstanding as at the year-end was 8,21,850. The disclosure required to be made under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the Company's website at [https://coromandel.biz/inv\\_financial.html](https://coromandel.biz/inv_financial.html).

**17. Extract of the Annual Return**

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

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

The Company has a Whistle Blower Policy which provides the employees, customers, vendors and directors an avenue to raise concerns on ethical and moral standards and legal provisions in conduct of the business operations of the Company. It also provides for necessary safeguards for protection against victimization for whistle blowing in good faith. The Vigil Mechanism is also placed on the website of the Company.

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

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

**20. Corporate Social Responsibility Initiatives**

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

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

Your Company gives high priority to employee's Health, Safety, and Environment and has adopted the zero harm policy. Your Company has put in robust processes and established safety performance indicators to track its SHE performance. Employees are consistently encouraged to raise safety concerns and these inputs are periodically monitored and closed out. The Company has carried out Safety Culture Survey for the second consecutive year and an overall improvement in performance has been observed. It has also adopted a Behaviour Based Safety program "Safe start" to enhance the level of safety culture. Dupont and Chola

MS Risk Services were engaged for risk assessment at various plants and proposed action points are being implemented.

During the year, the combined Total Recordable Injury Rate (TRIR) per million-man hours stood at 0.58 for Fertiliser and SSP business and 1.15 for crop protection plants. All key manufacturing sites continued with the structural integrity upgrading program to mitigate asset integrity risks. All the warehouses were upgraded and modernised by installation of safety features like smoke detectors, fire sprinkler systems, and CCTVs. Vizag and Ennore units of your Company have won the CII EHS Excellence Award from Southern Region and have been rated 3 stars. Ankleshwar plant won the Gold Trophy on "Reduction of TRIR" organised by QCFI (Quality Circle Forum of India – Gujarat Chapter).

Your Company's commitment towards environmental sustainability remains firm. The bio-diversity effort of having Bird's Paradise inside the factory premises at Kakinada has been recognised by the Government of Andhra Pradesh by felicitating the State Biodiversity Award in May'2019.

Considering water as a precious commodity, all the units are completely recycling, and utilizing the wastewaters in the process itself and Zero Liquid Discharge (ZLD) is maintained always.

At Ankleshwar plant green belt development has been carried out covering 1,730 sq. mtr which is maintained as a garden area and named "Shanti Niketan".

Your Company is committed to continuously striving in the field of occupational health & safety and to protect the environment.

**22. Corporate Governance**

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

**23. Management Discussion & Analysis**

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

**24. Business Responsibility Report**

Pursuant to Regulation 34 of Listing Regulations, the Company has prepared the Business Responsibility Report in line with business principles as provided in the Business Responsibility Policy adopted by the Company. Business Responsibility Report is enclosed as **Annexure J**

to this Report and the same is also available on the website of the Company at [https://coromandel.biz/inv\\_report.html](https://coromandel.biz/inv_report.html).

**25. Other disclosures**

**a) Share Capital**

The paid-up equity share capital of the Company as on March 31, 2020 was ₹ 29.30 crores. During the year, the Company has allotted 4,26,420 equity shares of ₹ 1/- each under ESOP Scheme 2007 (26,250 shares) and under ESOP Scheme 2016 (4,00,170 shares).

**b) Material Subsidiary Policy**

The Company has adopted a policy for determining material subsidiary, in line with the requirements of the Listing Regulations. The Policy on Material Subsidiary is available on the website of the Company at [https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/PolicyOnMaterialSubsidiaries\\_2020.pdf](https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/PolicyOnMaterialSubsidiaries_2020.pdf).

**c) Compliance of Secretarial Standards**

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

**d) Reporting of Frauds**

There was no instance of fraud during the year under review, which required the Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made there under.

**e) Significant and material orders passed by regulators or courts**

There are no significant material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

**26. Acknowledgement**

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

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

**On behalf of the Board of Directors**

Place : Chennai  
Date : May 26, 2020

**M M Murugappan**  
Chairman

# Management Discussion and Analysis

## ECONOMIC OVERVIEW

### Global Economy

The world has seen progress on many fronts in the last decade. Poorer countries have greater access to water, electricity and sanitation. Child mortality rate and poverty have fallen. Technology has spread so far and wide that there are now more mobile phones than people.

2019 can be summarised as a year of rebalancing increased protectionism with protracted globalisation that was achieved over the last two and a half decades. Heightened trade conflicts resulting in immediate and arbitrary tariffs, geo-political tensions across many regions and economic realignments including uncertainty around Brexit resulted in a non-conducive environment for large scale investments and growth in consumption. The year got marked with events like frequent disturbances in Hong Kong and the Persian Gulf and blow hot - blow cold trade negotiations between the US and China.

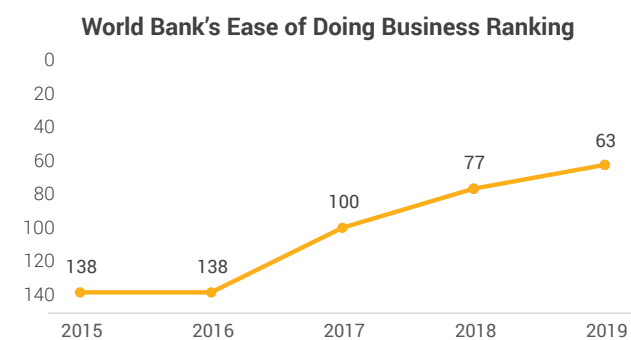
Commodity prices including oil and metal remained soft. Global GDP growth rate, according to International Monetary Fund (IMF's World Economic Outlook, April 2020 issue) moderated by 70 basis points (bps) to 2.9% (3.6% in 2018). With a growth rate of 3.7%, Emerging Markets and Developing Economies (EMDE) outpaced the 1.7% growth rate of Advanced Economies. The growth rate of world trade volumes decelerated to 0.9% in 2019 from a healthy 3.8% in the previous year.

### Indian Economy

India entered its new financial year 2019-20 (April-March) in election mode that prolonged across 7 phases of polling conducted over 38 days. The impact of the NBFC crisis of the previous year was already dragging down private investment and consumption. GDP growth, consequently, was dropping by the quarter.

The return of a majority government from the same dispensation provided political stability and policy continuity. Aiming to revive growth by way of boosting private investment and consumptions, the Central Government and the Central Bank made many accommodative stances including successive lowering of policy rates and a substantive lowering of corporate taxes. Among the key themes of the year were added thrust to doubling of farmers' income, propelling the country's economy towards the 5 trillion dollar mark, rationalising corporate taxes, attracting global companies to manufacture in India, furthering ease of doing business and expanding exports.

Aimed at pushing India forward as a preferred destination for global manufacturing, the Government reduced corporate tax rate to 25.17% (from 35%) and 15% (from 25%) for the existing and the new manufacturing entities respectively.



In terms of PPP (Purchasing Power Parity), Indian economy maintained its third position. In terms of nominal GDP, the country surged ahead of France and the UK to emerge as the 5th largest economy during the year. It climbed up to 63rd position in the World Bank's ease of doing business ranking. The FDI flows for the first nine months of the year stood at USD 37 billion, a growth of 10% over the same period last year. India's current account deficit narrowed with easing of crude prices. On the exchange rate front, Indian rupee remained volatile during the year, registering a depreciation of 9.4% against USD, its steepest fall in the last 6 years.

The impact of COVID-19 started to become visible on the Indian economy towards the fag end of the financial year 2019-20. The second fortnight of March 2020 was marked with a sharp brake on economic activities applied in the form of a nationwide lockdown implemented from March 25, 2020. As per IMF, Indian economy recorded its first sub 5% growth since 2008 to close 2019-20 with a GDP growth of 4.2%.

### Outlook

The year ended with the outbreak of coronavirus in China, which spread across the world within a matter of a few weeks with alarming speed. Declared as a pandemic by the World Health Organisation (WHO) in March 2020, COVID-19, soon forced the cities, nations and regions into prolonged lockdowns. The worldwide economic disruptions that COVID-19 brought along means that all the forecasts and statistics on outlook would remain prone for frequent and sharp revisions. IMF's growth forecast for global GDP is a negative 3% (-3%) for 2020 followed with a sharp turnaround of 5.8% for 2021, which would be a first of its kind, if it comes true.

## AGRICULTURE SECTOR OVERVIEW

### Global Agriculture Overview

The global agricultural production is expected to grow by 15% over the next decade while the area under cultivation is projected to be largely flat, as per the OECD-FAO Agricultural Outlook 2019-28. The projected growth is singly attributable to yield improvement. Integrated crop management at the farm level and related infrastructure expansion through strategic investments in the enabling environment remain a must for raising productivity in a sustained manner. Smart agriculture driven by technological innovations, crop diversification, adoption of best in class agronomic practices and integration of livestock are likely to be the driving themes.

Per capita consumption of staples is projected to remain flat. Sugar and oilseeds' consumption is expected to rise. The prices for most of the commodities are expected to remain at or below the current levels as steadily improving production continues to outpace the demand growth.

### Indian Agriculture Overview

With a cultivated land area of around 150 million hectares, India ranks 2nd in global agricultural output in value terms. It is also the 2nd largest producer of food grains and the 8th largest exporter of agricultural produce.

Thanks to the continued focus on the rural economy and a spate of agricultural reforms, agricultural output has continued to rise in the recent years. The country is estimated to return another year of record food grain production at 296 million tons in crop season 2019-20.

While the country has done well in terms of achieving food security through cereals, there remains significant headroom for productivity improvement and growth in agricultural income. Having achieved food security for the nation, the time has come for Indian agriculture to diversify its cultivation mix in order to produce for nutritional needs and varying dietary patterns of a surging and aspiring middle class.

The Government of India and various State Governments are intensifying their focus on the agriculture sector and rightly so. Agriculture's contribution to national GDP needs to increase if the country has to realise its stated mission of breaching the 5 trillion-dollar GDP mark within a short span of time.

COVID-19 inflicted lockdown has amplified the resilient nature of the Indian agriculture sector. It also exposed the gaps in the supply chain from the producer to the consumer, especially in the case of perishables including fruits and vegetables. In the fiscal year 2020-21, the agriculture sector is poised to be the saviour for the Indian economy, with the forecast of a favourable monsoon, while most other sectors are facing production and demand contraction.

### Reforms and technological advancement

The Union budget 2020-21 gave additional thrust on the agriculture sector. The budget allocated ₹ 2.83 lakh crore for agriculture and allied sectors including irrigation and rural development.

Enhancing farmers' access to the market in a holistic way is another important priority. From the seamless physical movement of the produce through 'Kisan Rail' and 'Krishi Udan' to financing of NWRs (negotiable warehouse receipts) with e-NAM (electronic national agricultural market) and viability gap funding for additional storage capacity to geo-tagging



Harvesting in COVID-19 times



Good monsoons and higher reservoir levels

of the warehousing and cold storage facilities, a slew of initiatives have been rolled out towards transformation of the agriculture sector. The involvement of SHGs for seed banks and One Product-One District campaigns would lead to district level cluster formation. e-NAM will enable Farmer Producer Organisations (FPO) to trade their produce from their collection center without bringing the produce to APMC and facilitate trade from warehouses-based e-NWR. Supplementing these is a host of web and mobile-based applications for the dissemination of information, available in Hindi and other regional languages. These include Kisan Suvidha, Pusha Krishi, mKisan Portal and Participatory Guarantee System of India (PGS) Portal.

State governments are constructing water harvesting structures under MGNREGA and other such schemes, promoting agronomic practices for moisture conservation, encouraging the cultivation of less water consuming crops and restoring irrigation infrastructure by desilting canals, energising tube-wells and replacing/repairing faulty pumps. Kaleshwaram lift irrigation project, the world's largest such project is an example of the use of technology by the government to reduce monsoon dependency.

The country is advancing towards the development of a cohesive Agri technology ecosystem, thanks to rising awareness and adoption of precision farming, sustainable agriculture practices, new delivery mechanisms such as water-soluble, liquid and coated technologies and farm mechanisation. GIS imagery-based crop advisory, soil health diagnostics, spraying services, mechanisation of seeding and harvesting operations are fast gaining traction amongst the farmers as it enables overall prosperity with better yields and income.

#### Outlook

The global trade of agricultural produce is likely to be impacted by COVID-19 pandemic in two important ways. Firstly, food importing nations would vie for creating buffers while food exporting countries too will like to hold on surplus produce to some extent. Then there

could be supply chain constraints on both inter-country and intra-country front. On the positive side, there have been encouraging signs of collaboration observed amongst the G20 countries, African Union, ASEAN countries and Latin American and Caribbean. These countries have come together and agreed to keep global food markets open and refrain from imposing new trade barriers so that food continues to reach the world population.

Indian agriculture is poised to reap rich dividends of good reservoir levels and forecast of a normal monsoon, the number of policy and industry level developments mentioned above. The Indian agriculture sector is expected to grow at least 3% in FY2020-21 led by robust output and prices, as per Niti Aayog's estimates. The contribution of agriculture and allied sectors in the national GDP is poised to increase in 2020-21. The Agriculture Ministry has set a target of a record food grain production of 298.3 million tonnes for 2020-21. Overall, the agriculture sector holds immense potential towards driving the domestic economic growth, ensuring food security and generating employability in rural India in the coming years. Increase in agricultural productivity could also present an opportunity for India to become the food bowl for the world.

Since the COVID-19, the government has been proactive in ensuring its support for the farming community. Reforms and stimulus related agri-loan subvention, direct marketing, efficient procurement and exemptions to agri-input operations etc. have been initiated. To ease the liquidity crunch, the government has undertaken measures such as infusion of additional emergency working capital for farmers and expansion of coverage under Kisan Credit Cards. This is in addition to the front loading of PM Kisan fund and settlement of crop insurance claims.

Furthermore, the government has announced three major reforms in the area of agri-output marketing which is expected to result in improved price discovery for the farmers. These reforms include amending the Essential Commodity Act

(ECA), reforming the Agriculture Produce Market Committee (APMC) and promoting contract farming. These reforms could lead to another green revolution for Indian agriculture.

#### OPERATIONAL PERFORMANCE OVERVIEW

Increased customer focus, operating efficiencies through backward integration, superior farm solutions, introduction of new products, smart sourcing and better management of working capital helped improve profitability during FY2019-20. The Company introduced the new generation superior products, made a conscious shift from grade to brand and realigned its branding strategy to strike a deeper connect with its customers. The Company also intensified its customer engagement initiatives with a slew of on-ground activities and digital communication campaigns.

Backed by a strong R&D, the Company made breakthroughs with its innovative new generation products. During the year, the Company launched 10 new products in the fertiliser, crop protection chemicals (CPC) and speciality nutrient segments.

In line with the government's 'Make in India' initiative, the Company established a state-of-the-art Phosphoric Acid plant at Vizag. The plant was successfully commissioned in the third quarter of the year. With this, the Company has become self-sufficient for its phosphoric acid requirements for its Vizag plant.

During the year, the Company successfully integrated its Single Super Phosphate business with Fertiliser business and Bio business with its Crop Protection business. Besides operational synergies, the move also helped in increasing the Company's market footprint and expanding the product bouquet across its operating geographies.

The Company initiated various pilot projects including drone based crop monitoring and soil/ tissue/ water testing solutions.

The Company strengthened its Agronomist teams, which has been providing the right advice for soil health, plant nutrition, land pattern and farm productivity.

With a deeper commitment to enhance the safety quotient of its manufacturing locations, Safety culture across the plant locations was firmed up through structural upgrades and process compliances. The Company continued to focus and strengthened its Health, Safety and Environment (HSE) framework and practices. Business divisions engaged with external agencies for carrying out Safety Survey (DuPont, UK-HSL) and Quantitative risk assessment (ioMosaic, Lloyds) across major Fertiliser and Crop protection plants.

The Company introduced the 12 Life Saving Rules and promoted "Stop Work Authority" to further strengthen its safety practices. The Company carried out the Safety Culture Survey for the second consecutive year and overall improvement in performance has been observed. Subsequently, it has adopted the Behaviour based Safety program "Safe start" to enhance the level of safety culture.

The Company implemented the additional five elements under advanced risk-based Process Safety Management Systems (PSMS), expanding management's commitment and involvement towards Plant safety. The Company carried out Quantitative Risk Analysis (QRA) at all its Fertiliser units. All key manufacturing sites continued with the structural integrity upgrading program to mitigate asset integrity risks.

The Company's commitment towards environmental sustainability remains firm. To improve Environmental Management, the Company carried out a benchmarking study on environmental reporting and followed it up with a plan to bridge identified gaps. Energy-efficient lighting systems were deployed across the organisation. The Company took up the



Continues safety &amp; environmental initiatives

plantation activity under Green Visaka by planting 20,000 saplings using TERI's improved plantation methodology at Vizag. Company's bio-diversity efforts of creating and nurturing 'Bird's Paradise' inside the factory premises at Kakinada got recognised in form of the 'State Biodiversity Award' bestowed by the Government of Andhra Pradesh.

Manufacturing units recycle and use the waste water in the process itself with an aim to uniformly achieve Zero Liquid Discharge. In addition, work is in place for securing alternate source of water from tertiary treated wastewater plants and desalination of sea water.

Company's People initiatives are aimed at providing an open and collaborative work environment that fosters sustained career progression and teamwork. There has been a significant improvement in employee engagement scores across the business divisions, driven by various initiatives across capability enhancement, employee recognition, open communication and job rotation.

At Coromandel, we constantly endeavour to ensure that IT systems are best in class and have the ability to efficiently transact business digitally while ensuring data security. Company has strengthened its ERP system with major technical and functional upgrades during the year.

STRATEGIC BUSINESS OVERVIEW

Fertiliser Business

Global Fertilisers Scenario

The global fertiliser demand is expected to increase by 2.6% to 195 million ton (MT) in 2019-20, according to International Fertilizer Association. The demand growth is expected to be backed by strong growth in Africa, Eastern Europe & Central Asia (EECA), South Asia and West Asia region and a rebound in the North American market that was hit in 2018-19 due to unfavourable weather. By 2023-24, the global demand is expected to reach 204 MT led by K, followed by P and N. Steady improvement in nutrient management practices, stringent policies and regulations around the usage of fertilisers and widespread adoption of balanced use of fertilisers would propel this growth.

Indian Fertilisers Industry

India is 2nd-largest consumer of fertilisers and the 3rd-largest producer of fertilisers in the world. The Indian fertiliser ecosystem comprises of the private, government and co-operative sectors. Urea accounts for about 60-65% of the overall fertiliser consumption and enjoys a dominant share in the country's fertiliser production. The government plans to achieve self-sufficiency in Urea production by 2022.

During 2019-20, India produced 419 lakh tons of fertilisers (Urea, DAP/NPK and SSP) as against 409 lakh tons in

2018-19. The phosphatic segment sales grew by 8% to reach 200 Lakh MT.

Aided by good Kharif and Rabi sowing seasons, DAP and NPK sales increased by 8% and 7% respectively during the year. POS consumption for phosphatic fertiliser went up by 12%. The fertiliser industry resorted to frequent MRP reduction aided by the softening of raw material prices during the year.

The fertiliser industry remains highly regulated and subsidy dependent. The government has lowered its budgetary estimate for fertiliser subsidy to ₹71,309 crores for 2020-21. The nutrient rates under Nutrient-Based Subsidy (NBS) for FY2021 have been reduced due to the softening of raw material prices over the year. The fertiliser industry continues to be impacted by a high subsidy backlog of ~₹ 36,000 crore (as on March 31st, 2020).

| ₹/Kg | 2018-19 | 2019-20 | 2020-21 |
|------|---------|---------|---------|
| N    | 18.901  | 18.901  | 18.789  |
| P    | 15.216  | 15.216  | 14.888  |
| K    | 11.214  | 11.214  | 10.116  |
| S    | 2.722   | 3.562   | 2.374   |

Company's Business Performance

With close to 3.5 million-ton capacity of fertilisers, Coromandel accounts for ~22% of the domestic production capacity in India. Manufacturing units are located at Vizag, Kakinada and Ennore. The plants have the flexibility to produce 13 products from multiple rock and acid combinations. The Company enjoys a considerable market presence in Southern, Eastern and Western regions in the country.

The Company successfully commissioned its second Phosphoric Acid plant, making the Vizag unit self-sufficient for its phosphoric acid requirement. Other notable initiatives of the fertiliser segment were spread across improving capacity, storage and efficiencies.

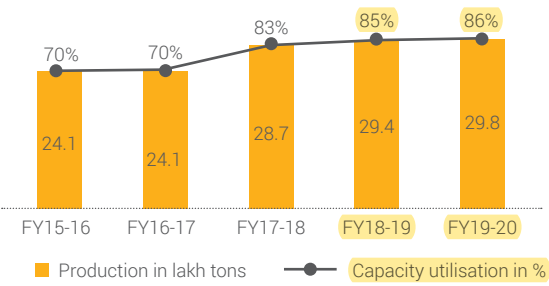
In line with the Company's overarching strategy of moving from 'grade to brand', the Company intensified its brand promotions



and farmer engagement activities leading to enhanced brand salience. Coromandel continued its focus towards improving the quality consciousness of the farmers by effectively utilising the Quick Test Kits.

The Coromandel Lab with Monash Academy at IIT Bombay made significant progress in the development of next-generation fertilisers which will offer high nutrient efficiency. A collaborative project was initiated with IIT Kharagpur on the development of diagnostic technology for testing of soil and leaf. Four patent applications were filed during the year.

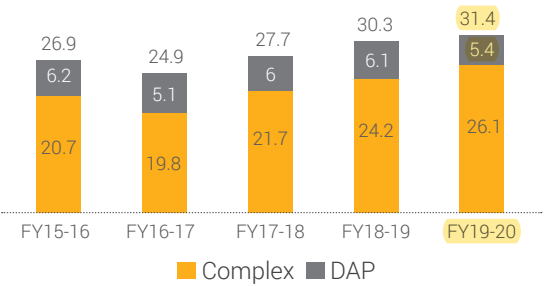
Coromandel Phosphatic Fertiliser production



During FY2019-20, the plants operated at their highest ever capacity, producing 29.8 lakh tons of phosphatic fertilisers. The primary sales volumes increased to 31.4 lakh tons, higher by 4% over the last year, the market share moderated marginally to 15.7% from 16.3% in 2018-19. The Point of Sales (PoS) which is the measure for actual consumption recorded a growth of 12%. The Company re-launched grade 24-24-0-8 under the brand name 'GroSmart' which has been well received by the farmers.

Single Super Phosphate (SSP) business maintained its leading position in the market with market share at 14%. The production for the year stood at 6.0 lakh tons, which is 7% higher than the previous year. The brand 'GroPlus' has created a niche for itself in the market.

Phosphatic Fertiliser Sales - Coromandel (Lakh tons)



Coromandel's fertiliser business was awarded Platinum Recognition for the significant achievement on the journey towards Business Excellence at the CII-Exim Bank Business Excellence Award 2019.

Crop Protection Chemicals (CPC) Business

**CPC Industry:** The global CPC value chain comprises of innovators, custom synthesis and contract manufacturing

services providers and collaborators offering in-licencing, formulations and distribution services. India, with its rich knowhow of complex chemistry, a fast-evolving agrochemical ecosystem, sound regulatory compliances and deep relationship with global innovators based on ethical IPR protocol and cost-efficient manufacturing, offers a very competitive manufacturing destination to the global CPC industry. A sizeable domestic market adds to its value proposition.

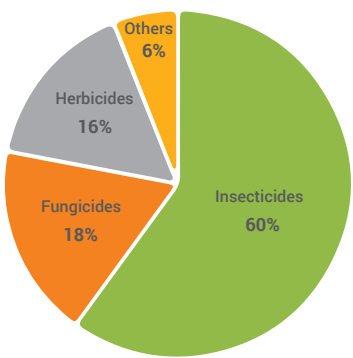
Global CPC market is growing at a CAGR of 5.% between 2016 and 2021. India is 4th largest producer and the 13th largest exporter of agrochemicals.

With around 15-25% crop loss due to pests, diseases and inadequate CPC usage, India offers a strong growth prospect to the CPC industry. India is losing agricultural production worth ₹ 1.48 lakh crore annually due to damage from pests, weeds and plant diseases, according to the Ministry of Agriculture.

The per hectare consumption of agrochemicals in India is just 0.6 kgs as compared to 5-7 kgs in US and 11-12 kgs in Japan. The low CPC penetration, increasing labour cost and climate change are likely to act as the main growth drivers for CPC in India.

Maharashtra, Andhra Pradesh and Telangana are leading consumer of crop protection chemicals in the country. Paddy accounts for the maximum share of agrochemicals consumption around (26%-28%) followed by cotton (18% -20%).

Agrochemical market segmentation by pesticides



Source: FICCI, Ministry of Chemical & Petrochemical Statistics

Increasing awareness about the use of non-toxic and environmental-friendly pesticides and the government's initiative in this regard has helped the bio-pesticides market to grow. Currently, a small segment, the bio-pesticide market is expected to grow in the future owing to its eco-friendly nature, easy-to-use and increasing consumer expectation.

China's environmental clampdown on the local chemical enterprises and the recent COVID-19 crisis are likely to shift the



focus of the world towards India as a strong alternate source for chemical manufacturing.

#### Company's Business Performance

The CPC business took progressive steps towards upgrading its portfolio from old generics to patented combinations or recently off patented molecules. The business strengthened its ties with several global innovators in this segment, resulting into addition of several Speciality molecules. It became the first Company in India to be granted 'Pymetrozine' (technical) and 'Picoxystrobin' (technical) registrations for indigenous manufacturing.

The CPC business introduced 6 new products including two indigenous technical (pymetrozine and pyrazosulfuron ethyl) and 4 formulation products which have received encouraging response from the market. New product launches helped the business fill its portfolio gaps in core crops.

To further enhance its manufacturing capability and improve its position in crop protection segment, the business added 3 new plants - Mancozeb WDG at Dahej, Pymetrozine at Ankleshwar and Pyrazosulfuron at Sarigam. The operations at Sarigam plant were hampered for a few months, in the beginning of the financial year, due to the fire incident that took place in January 2019. The Company resumed operations at the plant in July 2019.

The CPC business further strengthened the product development function by building a competent team to enable the business, to enhance its capabilities towards product characterisation and meet its in-house bio-efficacy trial plan, with the aim of introducing 4-5 new products every year. The Company received 62 new registrations in international markets, taking the overall count to more than 1000 registrations.

Coromandel has a strong portfolio of bio pesticides and is the largest Azadirachtin manufacturer in the world with a state-

of-art manufacturing facility in Cuddalore, Tamil Nadu. Nearly 60% of the production volume gets exported to developed markets including US, Canada and Europe. Overseas marketing of bio business is undertaken by the Company's subsidiary, Parry America in US. Besides, the Company has marketing arrangements in EU, Africa and Asia. The R&D team of the business is focussing on various initiatives, including the development of Neem standards, new delivery mechanisms such as tree injection and development of microbial bio-control agents. The business has a rich product pipeline backed by strong R&D capabilities and tie-ups with Indian and international Contract Research Organisations (CROs).



Injection based deliveries of bio pesticides

#### Retail Business

Besides making contribution to the Company's growth and profitability, the Retail business division goes a long way in strengthening the Company's connect and engagement with the farmers. The business operates ~750 retail stores which are supported by ~2,000 member strong team. Over the years, Coromandel Retail Centres have evolved as a 'Complete Farming Solution Multi-Brand Platform' offering a range of agri-input products and services to around 3 million farmers.

The Retail business has tested out new delivery models such as direct deliveries, e-kiosks and mobile bookings. The concept of stationing a scientist at the store to engage and advice the farmers has worked well in spreading awareness on sustainable farming.



Coromandel Retail Centre



Farm Advice

The Company has been strengthening its real-time crop diagnostics to highlight stressed regions needing intervention. The Retail business continued to pilot drone-based crop monitoring and spraying services and the initial results have been encouraging. Its partnership with Andhra Pradesh government for providing farm mechanisation services through Custom Hiring and Service Centers (CHSC) has been progressing well.

#### Speciality Nutrients Business

The Company enjoys a prominent position in the Speciality Nutrients business, one of the fastest-growing agri-input segment in India. The business comprises of Water-Soluble Fertiliser, Secondary Nutrients and Micronutrients.

During the year, the business continued to perform well through its focused product approach. The Company introduced 'Fitsol Pomegranate' a crop-specific product and two manufactured products 'Novozin' and 'Bosmax' based on in-house R&D technology during the year. The business effectively leveraged its manufacturing facilities for producing 'Bentonite Sulphur' and water-soluble fertilisers at Vishakhapatnam and Kakinada, to deliver technologically superior and differentiated products.



The business has collaborated with multiple stakeholders such as Farmer Producer Organisations (FPOs), Cooperatives, Seed companies and Agri universities to improve its customer connect initiatives. Multiple digital initiatives have also been implemented during the year to ensure better reach to the end customer.

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

#### Organic Fertilisers Business

With growing awareness about sustainable farming and increasing demand for organic produce, the organic fertilisers market is gaining traction worldwide. Rising awareness of the nutritional benefits of plant and animal-based fertilisers have been boosting the adoption of organic fertilisers.

Coromandel has been pioneering efforts in the area of soil health enrichment by marketing various composts which are rich sources of organic carbon and help in replenishing the soil. The Company is a leading marketer of organic fertilisers in India and offers a diversified portfolio including City Compost, Pressmud, K-ash (Potash derived from molasses), cake mixtures, PROM (Phosphate rich organic manure), soil conditioners like Ca-Mg-S and branded gypsum. During the year, the Company continued its commitment towards improving soil health and creating awareness among the users. In line with its efforts, the organic fertiliser business conducted more than 40,000 carbon tests in the farmer's fields.

#### OPPORTUNITIES AND STRENGTHS

##### Opportunities

- Government's focus on agriculture and doubling farmers income through various Agri reforms such as Agri output marketing reforms, VGF (viability gap funding), financing of NWRs (negotiable warehouse receipts) and PM KUSUM, among others
- Centre's Atma Nirbhar package totaling ₹ 20 lakh crore to push the economic engine back on track with more liquidity in hands of MSMEs and farmers.
- Irrigation projects in Coromandel's key operating markets of Telangana and Andhra Pradesh to increase the area under assured irrigation
- Central and state governments' income support scheme for farmers increasing the disposable income in the hands of farmers for agri-inputs
- Direct benefit transfer to farmers in fertiliser and linking it to soil help to improve farm productivity.
- Central and State governments' support towards drip and micro-irrigation adoption to improve the resource use efficiency and promote water-soluble fertiliser usage

- Low per capita consumption of agri-chemicals in India offers significant upside potential
- Pesticide Management Bill 2020 to bring structural improvement to the sector
- India's low-cost manufacturing in crop protection and high capacity opens significant export potential. Further, the closure of China's chemical units due to increased environmental scrutiny may provide an export opportunity for domestic players.
- Improved awareness about soil health and sustainable practices to promote balanced nutrient usage including Bio-pesticides and organic fertiliser usage
- Adoption and acceleration of Agri technologies to improve crop yield and improve product efficiency
- The COVID-19 crisis is likely to shift the focus of the world towards India as a strong alternate source to China for chemical manufacture.

Strengths

- Leading agriculture input solution provider having direct connect with farmers through a large retail network and through its strong distributor / dealer network.
- Significant presence in domestic and global markets. Strong in both B2B and B2C networks.
- High brand equity and farmers trust in major agri input consuming markets
- Diversified product portfolio to meet the farmer's requirements- focus on crop-specific, unique and differentiated products
- Significant captive infrastructure for manufacturing Phosphatic fertilisers, Secondary, Micronutrients, water-soluble fertilisers Crop protection chemicals and bio-pesticides.
- Efficient integrated manufacturing operations in Fertiliser enabling supply security and low-cost production. Technical and formulation manufacturing capabilities in Crop Protection Chemicals.
- State of the Art R&D facilities for new product development in Nutrient, Crop Protection and Bio Pesticides
- Strategic partnerships for technology and sourcing. Strategic investment in Tifert (in Tunisia) and Foskor (in South Africa) for upstream integration for Phosphoric Acid sourcing. Strategic partnerships with global agro-chemical companies for new product development, manufacturing technology and marketing.
- Strong Balance Sheet, Zero long term debt. Strong credit rating: 'AA +' (Stable outlook)' with CRISIL India and India Ratings.

FINANCIAL REVIEW

The Company registered a good performance in FY2019-20 with total revenue at ₹ 13,155 Crores as compared to ₹ 13,240 Crores in the previous year. The Company's PBT was at ₹ 1,371 Crores as compared to ₹ 1,086 Crores in the previous year. PAT was at ₹ 1,059 Crores as compared to ₹ 714 Crores in the

previous year. Net cash from operating activities is ₹ 1,867 Crores as compared to ₹ 513 Crores in the previous year.

RISK MANAGEMENT

Dynamic business environment with regards to regulatory changes, technology disruptions, financial markets, etc. poses significant challenges to the Company's Operational & Financial performance. To build a sustainable model that can absorb these changes, Coromandel has put in place a robust Risk Management framework.

The Risk Management framework includes Risk Management Policy and identification of risks at Entity Level, Business Level and Operational level. The risk mitigation procedures associated with the business, mechanisms for identification and prioritisation of risks include scanning the business environment and having periodic risk meetings with process/ functional owners. Analysis of identified risks is carried out by way of focused discussion at the meetings empowered by the Risk Management Committee (RMC), Corporate Management Committee (CMC) and Site level Management Committee.

Coromandel's RMC comprises of three Directors, of which one is an Independent Director who chairs the Committee meetings. The Committee members along with the Senior Executives and Business Heads of the Company carry out a detailed review of risk management practices and evaluate their implementation status. The key risk management practices include risk assessment, measurement, monitoring, reporting, mitigation actions, integration with strategy and business planning. The identified key risks at the Entity Level are evaluated on quantitative, semi-quantitative and qualitative aspects of impact for timely decision on its treatment.

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

- Environmental Risk: Due to the adverse impact of its effluents on the eco-system, the Company may face litigation and penalty.
- Economic Risk: Due to downturn or adverse political situations which may negatively impact the –Company's organisational objectives.
- Regulatory Risk: Due to inadequate compliance to regulations, contractual obligations, any other statutory violations and amendments thereto, which may lead to litigations and loss of reputation.
- Operational Risk: Inherent to business operations including manufacturing and distribution operations, tangible or intangible property and any other business activity disruptions.
- Financial Risk: Due to major fluctuations in the currency market, rise in interest rates and possible non recovery of debts, this could impact the organisation.
- HR & Legal Risk: Due to attrition of any Key Managerial Person or disruption of operations due to any other human resources issue.

- Pandemic Risk: Identified recently due to Coronavirus, is having a significant impact across sectors, affecting the way business is being carried out and to be carried out in the future.
- In addition, IT-related risks that could result in loss of important data, etc. leading to disruption in operations. These are addressed through adequate back-up mechanisms, including Disaster Recovery Centre, authorisation verification, regular training programs in line with the business requirement and other preventive measures.

The assets of the Company, including its plant and machinery, work in process inventory and finished stocks are adequately insured against loss or destruction by fire and allied perils. The Company has also taken insurance policies to cover public, product liability and business interruption risks.

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

| Risk                                                                                                                                                                   | Risk Assessment                                                                                                                           | Mitigation Plan                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental / Economic / Regulatory Risks                                                                                                                            |                                                                                                                                           |                                                                                                                                                                                                                 |
| Handling and storage of hazardous materials incl., Ammonia, sulphuric acid, etc.                                                                                       | - Impact on operations<br>- Stoppage of production<br>- Accidents resulting from release of the hazardous materials and consequent claims | • Strict PSMS Implementation<br>• Strict adherence to maintenance/ inspection schedules, training and emergency /disaster management plans.<br>• Public Liability Insurance Policy<br>• ISO 14001 & OHSAS 18001 |
| Emission / Un-treated effluents causing pollution                                                                                                                      | - Revocation of factory license<br>- Civil/criminal action                                                                                | • Augmenting ETP facilities<br>• Strict adherence to PC standards                                                                                                                                               |
| Non-compliance with Legal / Regulatory / Tax Compliance -Including other Countries                                                                                     | - Disruption of operations<br>- Legal proceedings against the Company and its officials.                                                  | • Understanding/awareness of regulations and statutes<br>• Engagement/advice by renowned lawyers and experts<br>• Monitoring regulatory changes                                                                 |
| Non-compliance with FCO Standards & Specifications                                                                                                                     | - Civil/criminal proceedings<br>- Production stoppages<br>- Disallowance of subsidy claims                                                | • Rigid quality checks at Plants<br>• Test verification of bags<br>• Reprocessing of non-standard materials<br>• Better bags handling procedures                                                                |
| Change in Government Subsidy Policies                                                                                                                                  | - Impact on turnover/working capital<br>- Change in distribution pattern                                                                  | • NBS Policy – greater clarity/certainty<br>• Increased focus on non-subsidy Business<br>• Optimisation of railroad transportation.<br>• Liaison with Government                                                |
| Restriction on sale/usage of some crop protection products in India / abroad                                                                                           | - Impact on turnover/profitability<br>- Negative publicity                                                                                | • Development of newer and safer technical;<br>• Extension of product lifecycle                                                                                                                                 |
| Change in climate / Monsoon failure in the target market                                                                                                               | - Impact on turnover/profitability                                                                                                        | • Integrated Nutrient & Agronomist Structure<br>• Diversified Market / High Margin Products                                                                                                                     |
| Operational Risks                                                                                                                                                      |                                                                                                                                           |                                                                                                                                                                                                                 |
| Possibility of reduction of timely supply or non-availability of key raw materials & proper pricing                                                                    | - Impact on revenues.<br>- Increased cost of production<br>- Increase in working capital requirement<br>- Volume shrinkage                | • Forecasting<br>• Close monitoring of the international price of raw materials.<br>• Diversified sourcing & Strategic tie-up<br>• Manufacturing Flexibility                                                    |
| High dependence on certain product categories; molecules which are likely to be obsolete in the near future & lack of new generation molecules and herbicide portfolio | - Impact on turnover/profitability                                                                                                        | • Faster new product pipeline & Registration<br>• Combination molecules Pilot Plant                                                                                                                             |
| Introduction of pest/resistant BT crops or change in crop Pattern                                                                                                      | - Impact on turnover/profitability                                                                                                        | • Identification of emerging pests and suitable molecules<br>• Introduction of new products                                                                                                                     |

| Risk                                    | Risk Assessment                                                                                                                                                                                   | Mitigation Plan                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Risks</b>                  |                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                   |
| Currency and exchange fluctuation risk  | - Under recovery of Subsidy<br>- Impact on profitability                                                                                                                                          | • Close monitoring of exchange trend<br>• Forward covers at appropriate time and Level                                                                                                                                                                                                                                                                            |
| Interest rate risk                      | - Increase in cost of borrowing<br>- Impact on profitability                                                                                                                                      | • Healthy debt-equity and interest cover ratio<br>• Sustain good credit rating                                                                                                                                                                                                                                                                                    |
| Credit risk                             | - Impact on working capital<br>- Dues becoming bad<br>- Loss of interest                                                                                                                          | • Review of credit evaluation and limits<br>• Close monitoring of receivables                                                                                                                                                                                                                                                                                     |
| Liquidity risk                          | - Impact on working capital<br>- Increase in cost of borrowing                                                                                                                                    | • Close monitoring of receivables<br>• Increased working capital facilities<br>• Securitisation of receivables                                                                                                                                                                                                                                                    |
| <b>Legal &amp; Human Resource</b>       |                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                   |
| Contractual Liability Risk              | - Disruption of operations<br>- Impact on turnover & profitability                                                                                                                                | • Contract Management Policy<br>• Standardisation of Contract templates<br>• Legal to approve Changes in contract clauses if any<br>• Monitoring strict adherence<br>• Strengthening legal manpower                                                                                                                                                               |
| Attrition of skilled / trained Manpower | - Disruption of operations<br>- Knowledge dissipation                                                                                                                                             | • Compensation revision in-line with market<br>• Succession Planning<br>• Career planning and training                                                                                                                                                                                                                                                            |
| Pandemic Risks                          | - Health & Safety of Employees - Safeguarding the assets of the Company<br>- Stoppage of Production and despatch activities<br>- Disruption to business in both demand and supply-side activities | • Regular Advisories/Communications to all employees<br>• Monitoring employee health status<br>• Strengthen security & safety procedures<br>• Strict compliance to the policies laid down for shutdown and restarting the production activities.<br>• Identification of Critical Activities and ensure actions are taken<br>• Establish Business Continuity Plans |

INTERNAL CONTROL SYSTEMS

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

The Company has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. The Company has its own corporate internal audit function, ably supplemented by external firms to monitor and assess the adequacy and effectiveness of the Internal Controls and System across all key processes covering various locations. Deviations are reviewed periodically and due compliance is ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to the Board.

HUMAN RESOURCE DEVELOPMENT

People well-being and capability development remain at the forefront of Coromandel's business approach and are being recognised as a key component for achieving organisational goals. Investment in skills and accelerating employees' professional and personal development received adequate importance on the people's agenda during the year.

Talent Development

Talent Management Programs and Skill Development Programs designed to meet specific business requirements have been rolled out at business and functional levels that are aligned to the long-term business plan. Company's Learning and Development Programs cater to a wide variety of employee profiles addressing Sales and Marketing, Manufacturing and Leadership. The Company's flagship digital learning platform Vidhya online is being used extensively for the learning and development of employees.

Following were a few highlights of this year's capability building exercise:

- Branding and Communication: Training modules for leadership team and sales and marketing team in the area of branding and communication. A 5-module program across business units and hierarchy.
- Coromandel Finance Academy – A 18-month program in collaboration with KPMG, customised to build future-ready finance leaders for Finance Managers.
- Customer Centricity Program – A 2-day Customised program for Senior Leaders across SBUs was designed and delivered in collaboration with ISB to reinforce the importance of customer focus within businesses and to realign business agendas with the customer at the core.
- Sales Force Learning Academy – Year 2 and Beyond: Sales Force Learning Academy (SFLA) is conceptualised to augment capabilities in Agri. Domain and Managerial skills of our Frontline and Middle Management Fertilisers Sales and Marketing team.
- Coromandel Knowledge Centre (CKC)at Kakinada: The main objective of the CKC is to build Manufacturing capability with the integrated model of knowledge, best practices sharing involving Safety, Manufacturing, Production, Operations, Engineering, Technology, 5S, TQM, TPM, etc.

Coromandel runs partnership programs with some of the leading academia like ISB, Great Lakes, Indian Institute of Management, IIFT, NAARM, Centre for Creative Leadership, SHRM, ANGRAU, etc. The Company has also used the services of specialised consulting firms like BCG and KPMG to offer a niche and customised programs to strengthen capabilities. These programs include Excel-30, Coromandel Finance Academy, Customer Centricity Program, Sales Force Training Academy, Branding and Communication & Corporate Knowledge Centre. The Company has also strengthened its talent review and succession management processes which include regular

review by the Leadership team, leading to recalibrated offering that helps to develop and nurture future leaders.

Employee Engagement

Our people are the most precious asset and we remain focused on delivering an employee experience wherein they feel strongly connected to the brand, the business and Murugappa Group.

On the basis of the last year feedback from the survey, various employee engagement initiatives were rolled out and the Leadership team at Coromandel continues to review the key engagement agendas for the organisation through specific action plans.

A sustained focus on the role of the manager and developing team effectiveness has been at the core of the action plans. Specific initiatives were launched in the area of Leadership development, Communication, Learning and Development and Recognition at Functional, Business and Organisational levels.

Prevention of Sexual Harassment at Workplace Policy

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

To ensure that all employees are made aware of the policy and various aspects of the act, the Company organised POSH campaigns across locations, covering all employee groups (Management, Non-management and Contract) through workshops. Workshops were conducted for the Leadership and members of IC for understanding the process of dealing with cases of harassment. As per the requirement of the Sexual Harassment of Women at Workplace Act, Coromandel has constituted the IC. During the year 2019-20, no case was reported on sexual harassment.



## CORPORATE SOCIAL RESPONSIBILITY

The Company has been able to make a difference in the lives of many through its various CSR initiatives. Over the past year, the CSR initiatives have facilitated in strengthening the sustainability index of communities around Coromandel's sphere of influence.

Over a period, the CSR activities of the Company have evolved through its multi-stakeholder engagement programmes. The company's various CSR programs focus on inclusive development for one and all. The focus areas of the CSR initiatives continue to be on Education, Healthcare, Environment & Sustainability and Community Development.

### Healthcare

Coromandel undertakes various healthcare initiatives in and around operational areas of operations across states through Coromandel Medical Centres, general & multi-speciality health camps, school camps, the formation of support groups need-based referral support to patients and mobile medical van services. Besides this, a number of awareness camps have been undertaken to increase knowledge levels and imbibe a healthy approach to life. Sanitation drives were also undertaken during monsoon for preventing vector-borne diseases in the operational areas.

The Coromandel Medical Centres reached out to 79,541 patients in FY2019-20. A new initiative that supported diabetes and hypertension patients was the formation of the support groups. 814 people benefitted through these support groups and 144 women with CMC on wheels. The partnership with the Government General Hospital in Kakinada for improving the facilities at the pediatric ward supported the lives of 8,499 infants, who availed the services of the ward.

Coromandel continued to support 'Hrudaya – Cure a little Heart Foundation' to treat the not so privileged children with congenital and acquired heart diseases. A total number of 161 surgeries have taken place in the last five years of association with the organisation. The commitment to ensure quality healthcare to the needy has been strengthened with the support to the AMM Foundation run hospitals namely Sir Ivan Stedeford Hospital, AMM Hospital and AMM Arunachalam Hospital.

### Education

Coromandel has been complementing the efforts of the government in ensuring quality education through its various initiatives. These efforts intend at ensuring quality education to students, reduce dropout rate and broaden vision building.

The education initiatives undertaken by Coromandel are diverse and vary as per the need from location-to-location

and community-to-community. The Coromandel Girl Child Education Scheme, the flagship program of Coromandel has continued its aim of supporting girls in standards IX and X standards. The scheme has reached out to 1,245 girls in 336 government schools and ensured that they continue to shine and set examples for their peers in society.

Coromandel continued to support the young achievers of Udbhav School. The school recorded 97% pass percentage in Class X board exams. The average Pass percentage for level-I (I to V grades) was 100%; level-II (VI & VII grades) was 91% and level-III (VIII to X grades) was 88%. Employees have also been working with the students of class-X to improve their academic performance by providing teaching support and motivating the students on a regular basis. Murugappa Polytechnic College imparts quality education and training of international standards in engineering and technology through continuous improvement, teamwork, growth and innovation. It offers courses in Civil Engineering, Computer Engineering, Electrical Engineering, Electronics and Communication Engineering, Mechanical Engineering and Electronics.

Coromandel also supports education for the children born with a hearing impairment through its contribution to Bala Vidyalaya. The school provides a free learning environment to infants & young children and also diagnoses the hearing loss in children and provides intensive training, so they acquire early verbal languages. This year, the school celebrated its golden jubilee with a range of awareness programs including a seminar, walk and release of short films and a coffee table book. This was done primarily to continue raising awareness about the cause of hearing impairment and the need to identify it early among children. The school has 40 children studying in the school and 15 teachers and 2 audiologists. The school also takes pride in integrating children into regular schools. This year, 12 children got integrated into these schools.

Coromandel has continued its focus of supporting and strengthening government programs. New initiatives have been included to contribute to a wholesome personality of the children in these government schools, including life skill education. They have also been made aware and trained on adolescent health education and the importance of health and hygiene in their lives.

Fundamentals of Chemistry have also been introduced to inculcate interest among the children about Science and specially Chemistry subject. A total number of 10,005 children have been touched with the initiative. The organisation has also undertaken training programmes for youth in retail operations to provide employable opportunities. A total of 285 youth was trained in retail operations and placed in rural areas.



Neo Natal intensive care unit

### Community Development

The Community Development initiatives have been taken up by adopting a partnership model with government agencies, community-based organisations and the local community. The interventions in community development aimed at transforming the lives of the community through a result-oriented participatory approach. The Company's societal commitment has been well appreciated by the stakeholders.

Coromandel has been at the forefront to fight against the COVID-19. The Company has contributed to the PM Cares and CM Relief Funds an amount of ₹ 10 crores. The Company has been actively participating in discussions with the government and think-tanks towards combating the pandemic crisis, through CII and FAI. The Company has been extending its full support towards communities and migrant labourers, providing them food and essential supplies. The Company has also been supporting the district government authorities with material and supplies and providing equipment and resources to medical institutions.

Company has received three national awards for its CSR activities. The Public Relations Society of India (PRSI) National Awards awarded to Coromandel for the Best Private Organisation Implementing CSR and the award for the "Best overall excellence in CSR" by ZEE Business National Leadership Congress and "Best Corporate in Health Category" by CSR Times.

## ENVIRONMENT & SUSTAINABILITY

The Company's commitment to environmental sustainability remains firm. To improve Environmental Management, reporting gap study was carried out and plans were established. Energy-efficient lighting systems were deployed across the organisation. The Company took up the plantation activity under Green Visaka by planting 20,000 saplings and demonstrated the plantation by adopting TERI's improved plantation methodology at the Vizag site.

The bio-diversity effort of having Bird's Paradise inside the factory premises at Kakinada has been recognised by the Government. of Andhra Pradesh by felicitating the State Biodiversity Award in May 2019.

Considering water as a precious commodity, all the units are completely recycling and utilising the waste waters in the process itself and ZLD is maintained always. In addition, work is in place for securing the alternate source of water from tertiary treated wastewater plants and desalination of sea water.

Vizag and Ennore units have won the CII EHS Excellence Award from Southern Region and have been rated 3 stars.

OUTLOOK

Agriculture continues to be a very important sector for the Indian economy. The recent reforms announced by the Government in the agriculture sector augur well for its future growth and farmer's welfare. Indian agriculture will see improved focus on Smart Agri practices like balanced nutrition, precision farming, micro-irrigation, digital connect and shared service model. This will help to fulfill the changing dietary needs, mitigate rising pressure on natural resources and address the farm labour shortages.

The Company as a leading Agri-Inputs solution provider, with its rich experience and connect with farmers, customised product offerings, efficient supply chain and market presence is well placed to seize the opportunity presented by these trends.

The Company takes immense pride in its in-house capabilities on R&D, new product development and technology transfers.

It is strengthening its partnership with leading academic and research centers for developing technologically superior and Smart Agri solutions to cater to the needs of Indian agriculture. Sustainability remains at the core of what the Company does. It will continue to focus on all-round development of farmers by providing sustainable holistic farm solutions.

Overall with good reservoir levels, expected normal monsoon and strengthened business processes, the Company is poised to sustain the growth momentum in FY2020-21, barring any uncertainties that may emerge due to the COVID 19 pandemic.

On behalf of the Board of Directors

Place : Chennai  
Date : May 26, 2020

M M Murugappan  
Chairman

Annexures to Directors' Report

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

Part "A" : Subsidiaries

Annexure - A

(₹ in Lakhs)

| Name of entity                                                 | Parry Chemicals Limited | Dare Investments Limited | Liberty Pesticides and Fertilisers Limited | CFL Mauritius Limited | Coromandel Brasil Limitada | Sabero Australia Pty Limited | Sabero Organics America S.A. | Sabero Europe B. V. | Coromandel Agronegocios de Mexico, S.A de C.V | Sabero Argentina S.A. | Parry America Inc | Coromandel International (Nigeria) Limited | Coromandel Mali SASU |
|----------------------------------------------------------------|-------------------------|--------------------------|--------------------------------------------|-----------------------|----------------------------|------------------------------|------------------------------|---------------------|-----------------------------------------------|-----------------------|-------------------|--------------------------------------------|----------------------|
| Date on which subsidiary is acquired                           | September 25, 2003      | April 13, 2012           | May 08, 2014                               | June 17, 2008         | November 24, 2008          | December 31, 2014            | December 31, 2014            | December 31, 2014   | December 31, 2014                             | December 31, 2014     | April 19, 2018    | October 05, 2018                           | February 04, 2020    |
| Share capital                                                  | 1,000                   | 500                      | 75                                         | 10,281                | 471                        | 41                           | 888                          | 19                  | 29                                            | 18                    | 38                | 23                                         | 6                    |
| Reserves and surplus                                           | 655                     | (219)                    | 201                                        | (10,081)              | (474)                      | (36)                         | (756)                        | (19)                | 108                                           | (10)                  | 2,873             | (23)                                       | 2                    |
| Total liabilities                                              | 5                       | 14                       | 4                                          | 15                    | 86                         | 5                            | 107                          | -                   | 64                                            | 2                     | 836               | 10                                         | -                    |
| Total assets                                                   | 1,660                   | 295                      | 281                                        | 215                   | 83                         | 10                           | 239                          | -                   | 201                                           | 10                    | 3,747             | 10                                         | 8                    |
| Investments (included in Total assets)                         | -                       | 295                      | -                                          | 4,804                 | -                          | 1                            | -                            | -                   | -                                             | -                     | -                 | -                                          | -                    |
| Total income (including other income)                          | 94                      | -                        | 15                                         | #                     | 312                        | 60                           | 242                          | -                   | 312                                           | -                     | 5,960             | -                                          | -                    |
| Profit/(Loss) before tax                                       | 54                      | (1)                      | 15                                         | (26)                  | 69                         | 4                            | 4                            | -                   | 25                                            | -                     | 376               | (23)                                       | -                    |
| Provision for tax                                              | 18                      | -                        | 5                                          | -                     | -                          | -                            | 1                            | -                   | -                                             | -                     | 43                | -                                          | -                    |
| Profit/(Loss) after tax                                        | 36                      | (1)                      | 10                                         | (26)                  | 69                         | 4                            | 3                            | -                   | 25                                            | -                     | 333               | (23)                                       | -                    |
| Proposed dividend (including interim dividend and tax thereon) | -                       | -                        | -                                          | -                     | -                          | -                            | -                            | -                   | -                                             | -                     | -                 | -                                          | -                    |
| % of shareholding                                              | 100%                    | 100%                     | 100%                                       | 100%                  | 100%                       | 100%                         | 99.98%                       | 100%                | 100%                                          | 95%                   | 100%              | 99.99%                                     | 100%                 |
| Reporting period                                               | March 31, 2020          | March 31, 2020           | March 31, 2020                             | March 31, 2020        | March 31, 2020             | March 31, 2020               | December 31, 2019            | May 31, 2019        | December 31, 2019                             | March 31, 2020        | March 31, 2020    | December 31, 2019                          | March 31, 2020       |
| Reporting currency                                             | INR                     | INR                      | INR                                        | USD                   | BRL                        | AUD                          | BRL                          | EUR                 | MXN                                           | ARS                   | USD               | NGN                                        | USD                  |
| Closing exchange rate                                          | -                       | -                        | -                                          | 75.58                 | 14.48                      | 46.24                        | 17.76                        | 77.84               | 3.77                                          | 1.17                  | 75.58             | 0.233                                      | 75.58                |
| #Less than a lakh                                              |                         |                          |                                            |                       |                            |                              |                              |                     |                                               |                       |                   |                                            |                      |

Notes:

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

Part “B” : Joint ventures/ Associates

| (₹ in Lakhs)                                                            |                                        |                                                 |                                       |
|-------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------|---------------------------------------|
| Name of entity                                                          | Coromandel SQM (India) Private Limited | Yanmar Coromandel Agrisolutions Private Limited | Sabero Organics Philippines Asia Inc. |
| Relationship                                                            | Joint venture                          | Joint venture                                   | Associate                             |
| Latest audited balance sheet date                                       | March 31, 2020                         | March 31, 2020                                  | December 31, 2019                     |
| Date on which the Associate or Joint venture was associated or acquired | October 09, 2009                       | July 14, 2014                                   | December 31, 2014                     |
| Number of shares held by the Company                                    | 50,00,000                              | 16,00,00,000                                    | 320                                   |
| Amount of investment (₹ in lakhs)                                       | 500                                    | 1,600                                           | #                                     |
| % of shareholding                                                       | 50%                                    | 40%                                             | 40%                                   |
| Networth attributable to the Company (₹ in lakhs)                       | 1,253                                  | 824                                             | 2                                     |
| Profit/ (loss) for the year                                             |                                        |                                                 |                                       |
| i. Considered in consolidation (₹ in lakhs)                             | 13                                     | 58                                              | 4                                     |
| ii. Not considered in consolidation (₹ in lakhs)                        | 13                                     | 88                                              | 6                                     |

#Less than a lakh

- Notes:**
1. All the joint ventures/ associates have been considered for consolidation.

2. In case of Sabero Organics Philippines Asia Inc., an Associate there is significant influence due to percentage of voting share capital.

|                                                     |                                                       |                                           |
|-----------------------------------------------------|-------------------------------------------------------|-------------------------------------------|
| On behalf of the Board of Directors                 |                                                       |                                           |
|                                                     | <b>Sameer Goel</b><br>Managing Director               | <b>M M Murugappan</b><br>Chairman         |
| Place: Secunderabad / Chennai<br>Date: May 26, 2020 | <b>Jayashree Satagopan</b><br>Chief Financial Officer | <b>P Varadarajan</b><br>Company Secretary |

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

The Members,  
**COROMANDEL INTERNATIONAL LIMITED**  
CIN: L24120TG1961PLC000892  
1-2-10, Sardar Patel Road, Secunderabad,  
Telangana- 500003.

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i)

The Companies Act, 2013 (the Act) and the rules made there under;
- (ii)

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii)

The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv)

The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment. There are no External Commercial Borrowings and Foreign Direct Investment during the year under review;
- (v)

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a)

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b)

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c)

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the company during the audit period);
- d)

The Employee Stock Option Plan, 2016 approved under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Employee Stock Option Scheme, 2007 approved under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e)

The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period);
- f)

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g)

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; ( Not applicable to the company during the audit period) ; and
- h)

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the company during the audit period);
- (vi)

The Management has identified and confirmed the following laws as being specifically applicable to the Company:

1.

Fertiliser Control Order, 1985;

2.

Insecticides Act, 1968 and Insecticides Rules, 1971;

3.

Seeds Act, 1966 and Seeds Rules;

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

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

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

Annexure -B (Contd.)

- (i)

Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii)

The Uniform Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Independent Director and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all the directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meeting are complied with. In respect of the directors who participated through video conferencing during the period under review, the necessary compliances of Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 have been complied with.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the Members who voted against the resolution(s) have been recorded.

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

We further report that the above mentioned Company being a listed entity and this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 issued by Securities and Exchange Board of India.

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

We further report that during the audit period, the Company has

1. Obtained the approval of the Board of Directors at their meeting held on 31<sup>st</sup> January, 2020.
- To acquire 50,00,000 equity shares of Rs. 10/- each of Coromandel SQM (India) Private Limited (CSQM) constituting 50% of equity share capital of CSQM for a sale consideration not exceeding Rs. 12 crore (Rupees twelve crore only).

For **R. SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

Place: Chennai  
Date: May 26, 2020

**CS R. SRIDHARAN**  
CP No. 3239  
FCS No. 4775  
UIN: S2003TN063400  
UDIN: F004775B000275441

Directors’ Responsibility Statement

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

- 1) That in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed and there have been no material departures therefrom;
- 2) That the accounting policies mentioned in the Notes to the Financials Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profits of the Company for the year ended on that date;
- 3) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the annual financial statements have been prepared on a going concern basis;
- 5) That proper internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively;
- 6) That proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

On behalf of the Board of Directors

Place: Chennai  
Date: May 26, 2020

**M M Murugappan**  
Chairman

## Annexure - D

## The details of remuneration during the year 2019-20 as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

| Sr. No | Disclosure Requirement                                                                                                                                                   | Disclosure Details                                                                       |                                                         |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------|
| i.     | Ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial year:                                                | <b>Non- Executive Directors</b>                                                          | <b>Ratio to median remuneration</b>                     |
|        |                                                                                                                                                                          | Mr. M M Murugappan                                                                       | 42.83                                                   |
|        |                                                                                                                                                                          | Mr. V Ravichandran                                                                       | 2.76                                                    |
|        |                                                                                                                                                                          | Dr. B V R Mohan Reddy                                                                    | 3.26                                                    |
|        |                                                                                                                                                                          | Mr. M M Venkatachalam                                                                    | 3.19                                                    |
|        |                                                                                                                                                                          | Ms. Aruna B. Advani                                                                      | 3.06                                                    |
|        |                                                                                                                                                                          | Mr. Prasad Chandran                                                                      | 3.26                                                    |
|        |                                                                                                                                                                          | Dr. R Nagarajan                                                                          | 2.64                                                    |
|        |                                                                                                                                                                          | Mr. K V Parameshwar                                                                      | 3.07                                                    |
|        |                                                                                                                                                                          | Mr. Sumit Bose                                                                           | 3.32                                                    |
|        |                                                                                                                                                                          | <b>Managing Director</b>                                                                 |                                                         |
|        |                                                                                                                                                                          | Mr. Sameer Goel                                                                          | 96.71                                                   |
| ii.    | Percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. | <b>Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary</b> | <b>% increase in remuneration in the financial year</b> |
|        |                                                                                                                                                                          | Mr. M M Murugappan                                                                       | 0.62                                                    |
|        |                                                                                                                                                                          | Mr. V Ravichandran                                                                       | 35.23                                                   |
|        |                                                                                                                                                                          | Dr. B V R Mohan Reddy                                                                    | 45.28                                                   |
|        |                                                                                                                                                                          | Mr. M M Venkatachalam                                                                    | 49.50                                                   |
|        |                                                                                                                                                                          | Ms. Aruna B. Advani*                                                                     | 138.95                                                  |
|        |                                                                                                                                                                          | Mr. Prasad Chandran                                                                      | 43.26                                                   |
|        |                                                                                                                                                                          | Dr. R Nagarajan*                                                                         | 178.41                                                  |
|        |                                                                                                                                                                          | Mr. K V Parameshwar*                                                                     | 176.73                                                  |
|        |                                                                                                                                                                          | Mr. Sumit Bose                                                                           | 46.05                                                   |
|        |                                                                                                                                                                          | Mr. Sameer Goel#                                                                         | (3.06)                                                  |
|        |                                                                                                                                                                          | Mrs. Jayashree Satagopan                                                                 | 23.91                                                   |
|        |                                                                                                                                                                          | Mr. P Varadarajan                                                                        | 3.54                                                    |

**Note:**

- Increase / Decrease in the remuneration of Non-Executive Directors is due to increase/decrease in the meeting held / attended during the year.
- During the year the sitting fees payable to Non-Executive Directors was increased for every Board meeting and Audit Committee meeting and for other Committee meetings with effect from October 22, 2019.
- \*Not comparable as they were directors only for part of the previous financial year 2018-2019.
- # Due to variation in LTA claim.

iii. Percentage increase/(decrease) in the median remuneration of employees in the financial year – **13.50%**.

## Annexure -D (Contd.)

- Number of permanent employees on the rolls of the Company as on March 31, 2020 – **4,894**.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**  
  
The average annual increase in salaries of employees was around 13.09%. Increase in the managerial remuneration for the year was 4.59%.
- Affirmation that the remuneration is as per the remuneration policy of the Company:**  
  
The Company is in compliance with its remuneration policy.

On behalf of the Board of Directors

Place: Chennai  
Date: May 26, 2020

**M M Murugappan**  
Chairman

Annexure - E

The details of employees who have drawn remuneration in excess of ₹ 1,02,00,000/- per annum during the financial year 2019-20 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as follows:

| Sr. No | Name, Age and Qualification                                              | Designation                                                   | Date of commencement of employment | Experience in years | Remuneration Received (₹) | Last Employment                                                             |
|--------|--------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------|---------------------|---------------------------|-----------------------------------------------------------------------------|
| 1.     | Aminul Islam, 55<br>M.Sc, Ph.D. (Organic Chemistry)                      | Sr. Vice President & Head – R&D (CPC)                         | 21-08-2014                         | 25                  | 1,14,23,252               | Sr. Vice President Chemical Research, Aurobindo Pharma Limited              |
| 2.     | Amir Alvi, 52<br>B.Sc. Engineering (Chemical)<br>PGDBM                   | Executive Vice President & Head - Manufacturing (Fertilisers) | 01-03-2013                         | 29                  | 1,21,04,718               | Vice President (Manufacturing) Tata Chemicals Limited.                      |
| 3.     | Amit Rastogi, 55<br>B. Tech, M.S., Ph.D.                                 | Executive Vice President - Technology                         | 25-10-2005                         | 28                  | 1,04,40,118               | GM Technology, Hindalco Industries Limited                                  |
| 4.     | Arun Leslie George, 53<br>M.A(SW), PMIR                                  | Executive Vice President & Head - Retail                      | 01-10-2003                         | 30                  | 1,55,34,907               | Executive Vice President & Head – Retail, Parry (India) Limited             |
| 5.     | Jayashree Satagopan, 52<br>B.Com, C.A., ICWA, CS                         | Executive Vice President & Chief Financial Officer            | 23-10-2017                         | 27                  | 2,21,98,927               | President & CFO<br>PI Industries Limited                                    |
| 6.     | Kalidas Pramanik, 52<br>B.Sc. (Hos) Physics, PGD (IRPM), MBA (Marketing) | Executive Vice President – Marketing (Fertilisers & Organics) | 01-09-2014                         | 26                  | 1,22,62,172               | Director – Sales, ACC Limited                                               |
| 7.     | Manoj Kumar Agarwal,54<br>B. Com, C.A.,                                  | Sr. Vice President & Head – Corporate Strategic Planning      | 17-05-2007                         | 29                  | 1,07,56,472               | Business Head, Glamaramooms Taps Private Limited                            |
| 8.     | Prasannatha Rao B, 59<br>B.Sc., LLB, PGDM(NIPM)                          | Executive Vice President & Head of HR                         | 26-10-2015                         | 31                  | 1,40,95,444               | Vice-President-HR for Global operations<br>Glenmark Pharmaceuticals Limited |
| 9.     | Sameer Goel, 57<br>Masters in Economics, PG Dip. In Management (IIM-A)   | Managing Director                                             | 01-10-2015                         | 33                  | 4,57,19,022               | Country Head-India, Cipla Limited                                           |
| 10.    | S Sankarasubramanian, 50<br>B.Sc., ICWA                                  | President-Fertilisers                                         | 01-12-2003                         | 29                  | 2,06,32,225               | Deputy General Manager – Finance<br>E.I.D Parry (India) Limited             |

Annexure -E (Contd.)

| Sr. No | Name, Age and Qualification                      | Designation                                   | Date of commencement of employment | Experience in years | Remuneration Received (₹) | Last Employment                                                    |
|--------|--------------------------------------------------|-----------------------------------------------|------------------------------------|---------------------|---------------------------|--------------------------------------------------------------------|
| 11.    | S Govindarajan, 57<br>B.Tech (Mech), GDMM (IIMM) | Executive Vice President & Head of Commercial | 26-09-1992                         | 35                  | 1,67,43,947               | Asst. Manager, National Fertilisers Limited                        |
| 12.    | Srikanthan Srinivasan, 58<br>B.E., PGDM (IIM-A)  | Executive Vice President & Head- CPC          | 21-01-2016                         | 32                  | 1,09,62,193               | Sr. Vice President – Nutraceuticals<br>E.I.D Parry (India) Limited |

Notes:

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

On behalf of the Board of Directors

Place: Chennai  
Date: May 26, 2020

M M Murugappan  
Chairman

Annexure - F

FORM MGT 9

EXTRACT OF ANNUAL RETURN

(as on Financial Year ended on 31.03.2020)  
{Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Company (Management and Administration) Rules, 2014}

I REGISTRATION & OTHER DETAILS

|    |                                                                            |                                                                                                                                                                                                                                                                                      |
|----|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | CIN                                                                        | L24120TG1961PLC000892                                                                                                                                                                                                                                                                |
| 2. | Registration Date                                                          | 16/10/1961                                                                                                                                                                                                                                                                           |
| 3. | Name of the Company                                                        | Coromandel International Limited                                                                                                                                                                                                                                                     |
| 4. | Category/Sub-category of the Company                                       | Public Company / Limited by Shares                                                                                                                                                                                                                                                   |
| 5. | Address of the Registered office & contact details                         | Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003, Telangana<br>+91 40 6699 7000                                                                                                                                                                                   |
| 6. | Whether Listed Company                                                     | Yes                                                                                                                                                                                                                                                                                  |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | KFin Technologies Private Limited<br>(Formerly known as Karvy Fintech Private Limited)<br>“Selenium Tower-B”, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana.<br>+91 40 6716 1616<br>Email: einward.ris@kfintech.com |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10 % or more of the total turnover of the Company:

| S. No. | Name and Description of main products / services | NIC Code of the Product / Service | % to total turnover of the Company |
|--------|--------------------------------------------------|-----------------------------------|------------------------------------|
| 1      | Fertilisers                                      | 20122                             | 87%                                |
| 2      | Pesticides                                       | 20211                             | 13%                                |

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and Address of the Company                                                                                             | CIN/GLN               | Holding / Subsidiary / Associate | % of Shares held | Applicable Section |
|--------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|------------------|--------------------|
| 1      | E.I.D Parry (India) Limited<br>Dare House, Parry's Corner, Chennai – 600 001                                                | L24211TN1975PLC006989 | Holding                          | 60.47%           | 2(46)              |
| 2      | Dare Investments Limited<br>Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003                             | U65110TG2012PLC080296 | Subsidiary                       | 100.00%          | 2(87)              |
| 3      | Parry Chemicals Limited<br>Office No.302, A Wing, 3rd Floor<br>Rutu Business Park, Near Rutu Park, Majiwade, Thane - 400601 | U74999MH1995PLC088809 | Subsidiary                       | 100.00%          | 2(87)              |
| 4      | Liberty Pesticides and Fertilisers Limited<br>Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003           | U24124RJ1978PLC001807 | Subsidiary                       | 100.00%          | 2(87)              |
| 5      | CFL Mauritius Limited<br>IFS Court, Bank Street, Twenty Eight Cybercity, Ebene 72201, Republic of Mauritius                 | 081272C1/GBL          | Subsidiary                       | 100.00%          | 2(87)              |

Annexure -F (Contd.)

| S. No. | Name and Address of the Company                                                                                                                                                      | CIN/GLN               | Holding / Subsidiary / Associate | % of Shares held | Applicable Section |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|------------------|--------------------|
| 6      | Coromandel Brasil Limitada<br>Rua Jorge Caixe, 132, Sala 01,<br>Jd Nomura Cotia,<br>Sao Paulo, Brazil                                                                                | 10.599.435/0001-58    | Subsidiary                       | 100.00%          | 2(87)              |
| 7      | Sabero Australia Pty Limited<br>Level 6, 110-116 Sussex Street,<br>Sydney, NSW-2000                                                                                                  | -                     | Subsidiary                       | 100.00%          | 2(87)              |
| 8      | Sabero Europe BV<br>De Boelelaan 7<br>1083HJ Amsterdam                                                                                                                               | -                     | Subsidiary                       | 100.00%          | 2(87)              |
| 9      | Coromandel Agronegocios de Mexico SA de CV -<br>(earlier Sabero Organics Mexico S.A. de C.V.)<br>Campos Eliseos 219, 2, Palmas Polanco,<br>Miguel Hidalgo,<br>Didrito Federal -11560 | -                     | Subsidiary                       | 100.00%          | 2(87)              |
| 10     | Parry America, Inc.<br>1521 N Cooper St #350, Arlington,<br>TX 76011, USA                                                                                                            | -                     | Subsidiary                       | 100.00%          | 2(87)              |
| 11     | Coromandel International (Nigeria) Limited<br>KPMG Tower, 33 Bishop Aboyade Cole Street,<br>Victoria Island, Lagos – 100 272<br>Nigeria                                              | -                     | Subsidiary                       | 99.99%           | 2(87)              |
| 12     | Sabero Organics America S.A.<br>Avenida Raja Gabaglia 1492/605,<br>Gutierrez, Belo Horizont, MG, CEP 30441-194                                                                       | 04-016-649/0001-51    | Subsidiary                       | 99.98%           | 2(87)              |
| 13     | Sabero Argentina S.A.<br>Marcelo T., De Alevar 1430.<br>Argentina                                                                                                                    | -                     | Subsidiary                       | 95.00%           | 2(87)              |
| 14     | Coromandel Mali SASU*<br>Bamako (Mali), s / c AAA Mali SA Hamdallaye<br>ACI 2000 DFA building, rue 317-porte 249<br>BP 3040 Bamako (Mali)                                            | -                     | Subsidiary                       | 100.00%          | 2(87)              |
| 15     | Coromandel SQM (India) Private Limited<br>Coromandel House, 1-2-10, Sardar Patel Road,<br>Secunderabad – 500 003                                                                     | U24100TG2009PTC065404 | Joint Venture                    | 50.00%           | 2(6)               |
| 16     | Yanmar Coromandel Agrisolutions Private Limited<br>Coromandel House, 1-2-10, Sardar Patel Road,<br>Secunderabad – 500 003                                                            | U29253TG2014PTC094854 | Joint Venture                    | 40.00%           | 2(6)               |
| 17     | Sabero Organics Philippines Asia Inc.<br>2005B 20 <sup>th</sup> Floor West Tower, Philippine Stock<br>Exchange, Exchange Road, Ortigas Center,<br>Pasig City 1605                    | -                     | Associate                        | 40.00%           | 2(6)               |

\*Coromandel Mali SASU was incorporated on February 04, 2020 for the purpose of obtaining registration for marketing of agrochemicals and is registered with Ministry in Charge of Statistics, Republic of Mali.

Annexure -F (Contd.)

IV SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(i) Category-wise Shareholding

| Category of Shareholders                  | No. of Shares held at the beginning of the year<br>[As on 01-April-2019] |          |              |                   | No. of Shares held at the end of the year<br>[As on 31-March-2020] |          |              |                   | % Change during the year |
|-------------------------------------------|--------------------------------------------------------------------------|----------|--------------|-------------------|--------------------------------------------------------------------|----------|--------------|-------------------|--------------------------|
|                                           | Demat                                                                    | Physical | Total        | % of Total Shares | Demat                                                              | Physical | Total        | % of Total Shares |                          |
| A. Promoters                              |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| (1) Indian                                |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| a) Individual/ HUF                        | 24,03,641                                                                | -        | 24,03,641    | 0.82              | 18,98,393                                                          | -        | 18,98,393    | 0.65              | -0.17                    |
| b) Central Govt                           | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| c) State Govt(s)                          | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| d) Bodies Corporate                       | 17,71,99,443                                                             | -        | 17,71,99,443 | 60.58             | 17,71,79,973                                                       | -        | 17,71,79,973 | 60.48             | -0.09                    |
| e) Banks / FI                             | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| f) Any other                              | 11,18,433                                                                | -        | 11,18,433    | 0.38              | 14,75,563                                                          | -        | 14,75,563    | 0.50              | 0.12                     |
| Sub Total (A)(1)                          | 18,07,21,517                                                             | -        | 18,07,21,517 | 61.78             | 18,05,53,929                                                       | -        | 18,05,53,929 | 61.63             | -0.15                    |
| (2) Foreign                               |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| a) Individuals (NRI/ Foreign Individuals) | 1,832                                                                    | -        | 1,832        | -                 | 1,832                                                              | -        | 1,832        | -                 | -                        |
| b) Other Individuals                      | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| c) Bodies Corporate                       | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| d) Any other                              | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| Sub Total (A)(2)                          | 1,832                                                                    | -        | 1,832        | -                 | 1,832                                                              | -        | 1,832        | -                 | -                        |
| TOTAL (A) =(A)(1)+(A)(2)                  | 18,07,23,349                                                             | -        | 18,07,23,349 | 61.78             | 18,05,55,761                                                       | -        | 18,05,55,761 | 61.63             | -0.15                    |
| B. Public Shareholding                    |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| 1. Institutions                           |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| a) Mutual Funds/UTI                       | 3,64,71,493                                                              | 26       | 3,64,71,519  | 12.47             | 4,61,27,889                                                        | 26       | 4,61,27,915  | 15.75             | 3.28                     |
| b) Banks / FI                             | 88,745                                                                   | 11,748   | 1,00,493     | 0.03              | 61,288                                                             | 11,408   | 72,696       | 0.02              | -0.01                    |
| c) Central Govt                           | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| d) State Govt(s)                          | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| e) Venture Capital Funds                  | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| f) Insurance Companies                    | 22,12,494                                                                | -        | 22,12,494    | 0.76              | 12,06,455                                                          | -        | 12,06,455    | 0.41              | -0.35                    |
| g) Foreign Institutional Investors        | 1,20,67,638                                                              | -        | 1,20,67,638  | 4.12              | 1,02,61,874                                                        | -        | 1,02,61,874  | 3.50              | -0.62                    |
| h) Foreign Venture Capital Funds          | -                                                                        | -        | -            | -                 | -                                                                  | -        | -            | -                 | -                        |
| i) Others (specify)                       |                                                                          |          |              |                   |                                                                    |          |              |                   |                          |
| Foreign Banks                             | -                                                                        | 1,840    | 1,840        | -                 | -                                                                  | 1,840    | 1,840        | -                 | -                        |
| Alternate Investment Funds                | 15,51,544                                                                | -        | 15,51,544    | 0.53              | 15,14,531                                                          | -        | 15,14,531    | 0.52              | -0.01                    |
| Qualified Institutional Buyer             | -                                                                        | -        | -            | -                 | 87,96,181                                                          | -        | 87,96,181    | 3.00              | 3.00                     |
| Sub-total (B)(1)                          | 5,23,91,914                                                              | 13,614   | 5,24,05,528  | 17.91             | 6,79,68,218                                                        | 13,274   | 6,79,81,492  | 23.20             | 5.29                     |

Annexure -F (Contd.)

| Category of Shareholders                                                        | No. of Shares held at the beginning of the year<br>[As on 01-April-2019] |           |              |                   | No. of Shares held at the end of the year<br>[As on 31-March-2020] |           |              |                   | % Change during the year |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------|--------------|-------------------|--------------------------------------------------------------------|-----------|--------------|-------------------|--------------------------|
|                                                                                 | Demat                                                                    | Physical  | Total        | % of Total Shares | Demat                                                              | Physical  | Total        | % of Total Shares |                          |
| 2. Non-Institutions                                                             |                                                                          |           |              |                   |                                                                    |           |              |                   |                          |
| a) Bodies Corporate                                                             | 1,60,80,092                                                              | 36,847    | 1,61,16,939  | 5.51              | 45,28,181                                                          | 32,027    | 45,60,208    | 1.56              | -3.95                    |
| b) Individuals                                                                  |                                                                          |           |              |                   |                                                                    |           |              |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh          | 2,04,58,795                                                              | 49,91,792 | 2,54,50,587  | 8.70              | 1,90,33,233                                                        | 45,35,418 | 2,35,68,651  | 8.05              | -0.65                    |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 33,86,192                                                                | 18,35,830 | 52,22,022    | 1.79              | 18,40,186                                                          | 16,42,270 | 34,82,456    | 1.19              | -0.60                    |
| c) Others (specify)                                                             |                                                                          |           |              |                   |                                                                    |           |              |                   |                          |
| Clearing Members                                                                | 1,69,046                                                                 | -         | 1,69,046     | 0.06              | 1,23,700                                                           | -         | 1,23,700     | 0.04              | -0.02                    |
| Foreign Banks                                                                   | -                                                                        | -         | -            | -                 | -                                                                  | -         | -            | -                 | -                        |
| Foreign Companies                                                               | -                                                                        | 19,500    | 19,500       | 0.01              | -                                                                  | 19,500    | 19,500       | 0.01              | -                        |
| Foreign Nationals                                                               | 3,180                                                                    | 67,460    | 70,640       | 0.02              | 3,480                                                              | 67,460    | 70,940       | 0.02              | -                        |
| I E P F                                                                         | 30,08,799                                                                | -         | 30,08,799    | 1.03              | 34,19,451                                                          | -         | 34,19,451    | 1.17              | 0.14                     |
| NBFC                                                                            | 1,19,296                                                                 | -         | 1,19,296     | 0.04              | 1,12,470                                                           | -         | 1,12,470     | 0.04              | -                        |
| Non Resident Indians                                                            | 17,71,595                                                                | 4,27,184  | 21,98,779    | 0.75              | 17,17,091                                                          | 3,87,434  | 21,04,525    | 0.72              | -0.03                    |
| NRI Non-Repatriation                                                            | 21,38,743                                                                | -         | 21,38,743    | 0.73              | 21,08,423                                                          | -         | 21,08,423    | 0.72              | -0.01                    |
| Overseas Corporate Bodies                                                       | 48,00,000                                                                | 1,000     | 48,01,000    | 1.64              | 48,00,000                                                          | 1,000     | 48,01,000    | 1.64              | 0.00                     |
| Societies                                                                       | -                                                                        | 4,500     | 4,500        | -                 | -                                                                  | 4,500     | 4,500        | -                 | -                        |
| Trusts                                                                          | 77,701                                                                   | 900       | 78,601       | 0.03              | 39,772                                                             | 900       | 40,672       | 0.01              | -0.02                    |
| Sub-Total (B)(2)                                                                | 5,20,13,439                                                              | 73,85,013 | 5,93,98,452  | 20.31             | 3,77,25,987                                                        | 66,90,509 | 4,44,16,496  | 15.16             | -5.15                    |
| Total Public Shareholding (B)=(B)(1) + (B)(2)                                   | 10,44,05,353                                                             | 73,98,627 | 11,18,03,980 | 38.22             | 10,56,94,205                                                       | 67,03,783 | 11,23,97,988 | 38.36             | 0.15                     |
| C. Shares held by Custodian for GDR & ADR                                       | -                                                                        | -         | -            | -                 | -                                                                  | -         | -            | -                 | -                        |
| Grand Total (A+B+C)                                                             | 28,51,28,702                                                             | 73,98,627 | 29,25,27,329 | 100               | 28,62,49,966                                                       | 67,03,783 | 29,29,53,749 | 100               | -                        |

## Annexure -F (Contd.)

## (ii) Shareholding of Promoter

| S. No.           | Shareholder's Name                                                              | Shareholding at the beginning of the year<br>[As on 1-April-2019] |                                  |                                                | Shareholding at the end of the year<br>[As on 31-March-2020] |                                  |                                                | % change in shareholding during the year |
|------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------|------------------------------------------------|--------------------------------------------------------------|----------------------------------|------------------------------------------------|------------------------------------------|
|                  |                                                                                 | No. of Shares                                                     | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares                                                | % of total Shares of the company | % of Shares Pledged/encumbered to total shares |                                          |
| <b>A.</b>        | <b>Promoters</b>                                                                |                                                                   |                                  |                                                |                                                              |                                  |                                                |                                          |
| 1                | E.I.D. Parry (India) Limited                                                    | 17,71,55,580                                                      | 60.56                            | -                                              | 17,71,55,580                                                 | 60.47                            | -                                              | -0.09                                    |
| 2                | M V Subbiah                                                                     | 2,56,598                                                          | 0.09                             | -                                              | -                                                            | -                                | -                                              | -0.09                                    |
| 3                | Arun Venkatachalam                                                              | 2,03,010                                                          | 0.07                             | -                                              | 2,03,010                                                     | 0.07                             | -                                              | -                                        |
| 4                | S Vellayan                                                                      | 1,68,560                                                          | 0.06                             | -                                              | -                                                            | -                                | -                                              | -0.06                                    |
| 5                | M V Murugappan jointly with M A Alagappan and M M Murugappan (Murugappa & Sons) | 5,670                                                             | -                                | -                                              | -                                                            | -                                | -                                              | -                                        |
| 6                | M V Subbiah Jointly with M A Alagappan and M M Murugappan (Murugappa & Sons)    | -                                                                 | -                                | -                                              | 5,670                                                        | -                                | -                                              | -                                        |
| 7                | V Narayanan                                                                     | 1,40,370                                                          | 0.05                             | -                                              | 1,40,370                                                     | 0.05                             | -                                              | -                                        |
| 8                | V Arunachalam                                                                   | 1,34,770                                                          | 0.05                             | -                                              | 1,34,770                                                     | 0.05                             | -                                              | -                                        |
| 9                | A Venkatachalam                                                                 | 1,22,670                                                          | 0.04                             | -                                              | 1,22,670                                                     | 0.04                             | -                                              | -                                        |
| 10               | A Vellayan                                                                      | 1,18,510                                                          | 0.04                             | -                                              | 1,18,510                                                     | 0.04                             | -                                              | -                                        |
| 11               | Arun Alagappan                                                                  | 1,02,940                                                          | 0.03                             | -                                              | 1,02,940                                                     | 0.04                             | -                                              | -                                        |
| 12               | M M Venkatachalam                                                               | 62,283                                                            | 0.02                             | -                                              | -                                                            | -                                | -                                              | -0.02                                    |
| 13               | M A M Arunachalam                                                               | 78,660                                                            | 0.03                             | -                                              | 78,660                                                       | 0.03                             | -                                              | -                                        |
| 14               | M A Alagappan                                                                   | 34,000                                                            | 0.01                             | -                                              | 34,000                                                       | 0.01                             | -                                              | -                                        |
| 15               | Ambadi Investments Limited                                                      | 7,453                                                             | -                                | -                                              | 7,453                                                        | -                                | -                                              | -                                        |
| 16               | M V Murugappan, HUF                                                             | 2,060                                                             | -                                | -                                              | 2,060                                                        | -                                | -                                              | -                                        |
| 17               | Carborundum Universal Limited                                                   | 330                                                               | -                                | -                                              | 330                                                          | -                                | -                                              | -                                        |
| <b>TOTAL (A)</b> |                                                                                 | <b>17,85,93,464</b>                                               | <b>61.05</b>                     | <b>-</b>                                       | <b>17,81,06,023</b>                                          | <b>60.80</b>                     | <b>-</b>                                       | <b>-0.25</b>                             |
| <b>B.</b>        | <b>Promoter Group</b>                                                           | <b>21,29,885</b>                                                  | <b>0.73</b>                      | <b>-</b>                                       | <b>24,49,738</b>                                             | <b>0.83</b>                      | <b>-</b>                                       | <b>0.10</b>                              |
|                  | <b>Promoter &amp; promoter Group (Total A+B)</b>                                | <b>18,07,23,349</b>                                               | <b>61.78</b>                     | <b>-</b>                                       | <b>18,05,55,761</b>                                          | <b>61.63</b>                     | <b>-</b>                                       | <b>-0.15</b>                             |

## Annexure -F (Contd.)

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

| S. No. | Name of the Shareholder                                                         | Shareholding at the beginning of the Year |                   | Date       | Increase / Decrease in shareholding | Reason   | Cumulative Shareholding during the Year |                   |
|--------|---------------------------------------------------------------------------------|-------------------------------------------|-------------------|------------|-------------------------------------|----------|-----------------------------------------|-------------------|
|        |                                                                                 | No of Shares                              | % of total shares |            |                                     |          | No of Shares                            | % of total shares |
| 1      | E.I.D. Parry (India) Limited                                                    | 17,71,55,580                              | 60.56             | 01/04/2019 |                                     |          | 17,71,55,580                            | 60.56             |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | 17,71,55,580                            | 60.47             |
| 2      | M V Subbiah                                                                     | 2,56,598                                  | 0.09              | 01/04/2019 |                                     |          | 2,56,598                                | 0.09              |
|        |                                                                                 |                                           |                   | 03/06/2019 | -1,32,599                           | Transfer | 1,23,999                                | 0.04              |
|        |                                                                                 |                                           |                   | 28/06/2019 | -1,23,999                           | Transfer | -                                       | -                 |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | -                                       | -                 |
| 3      | S Vellayan                                                                      | 1,68,560                                  | 0.06              | 01/04/2019 |                                     |          | 1,68,560                                | 0.06              |
|        |                                                                                 |                                           |                   | 03/06/2019 | -1,68,560                           | Transfer | -                                       | -                 |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | -                                       | -                 |
| 4      | M M Venkatachalam                                                               | 62,283                                    | 0.02              | 01/04/2019 |                                     |          | 62,283                                  | 0.02              |
|        |                                                                                 |                                           |                   | 27/09/2019 | -62,283                             | Transfer | -                                       | -                 |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | -                                       | -                 |
| 5      | Lakshmi Venkatachalam                                                           | 0                                         | 0.00              | 01/04/2019 |                                     |          | -                                       | -                 |
|        |                                                                                 |                                           |                   | 27/09/2019 | 62,283                              | Transfer | 62,283                                  | 0.02              |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | 62,283                                  | 0.02              |
| 6      | M V Seetha Subbiah                                                              | 53,960                                    | 0.02              | 01/04/2019 |                                     |          | 53,960                                  | 0.02              |
|        |                                                                                 |                                           |                   | 24/05/2019 | -24,525                             | Transfer | 29,435                                  | 0.01              |
|        |                                                                                 |                                           |                   | 27/05/2019 | -12,150                             | Transfer | 17,285                                  | 0.01              |
|        |                                                                                 |                                           |                   | 03/06/2019 | -10,371                             | Transfer | 6,914                                   | 0.00              |
|        |                                                                                 |                                           |                   | 28/06/2019 | -6,914                              | Transfer | -                                       | -                 |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | -                                       | -                 |
| 7      | Valli Subbiah                                                                   | 20,460                                    | 0.01              | 01/04/2019 |                                     |          | 20,460                                  | 0.01              |
|        |                                                                                 |                                           |                   | 28/06/2019 | -20,460                             | Transfer | -                                       | -                 |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | -                                       | -                 |
| 8      | M V Subbiah (Trustee of Shambo Trust)                                           | 0                                         | 0.00              | 01/04/2019 |                                     |          | -                                       | -                 |
|        |                                                                                 |                                           |                   | 03/06/2019 | 2,16,217                            | Transfer | 2,16,217                                | 0.07              |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | 2,16,217                                | 0.07              |
| 9      | M V Subbiah (Trustee of Saraswati Trust)                                        | 0                                         | 0.00              | 01/04/2019 |                                     |          | -                                       | -                 |
|        |                                                                                 |                                           |                   | 03/06/2019 | 95,313                              | Transfer | 95,313                                  | 0.03              |
|        |                                                                                 |                                           |                   | 28/06/2019 | 20,460                              | Transfer | 1,15,773                                | 0.04              |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | 1,15,773                                | 0.04              |
| 10     | M V Murugappan jointly with M A Alagappan and M M Murugappan (Murugappa & Sons) | 0                                         | 0.00              | 01/04/2019 |                                     |          | 5,760                                   | -                 |
|        |                                                                                 |                                           |                   | 04/03/2020 | -5,760                              | Transfer | -                                       | -                 |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | -                                       | -                 |
| 11     | M V Subbiah jointly with M A Alagappan and M M Murugappan (Murugappa & Sons)    | 0                                         | 0.00              | 01/04/2019 |                                     |          | -                                       | -                 |
|        |                                                                                 |                                           |                   | 04/03/2020 | 5,760                               | Transfer | 5,760                                   | -                 |
|        |                                                                                 |                                           |                   | 31/03/2020 |                                     |          | 5,760                                   | -                 |

Annexure -F (Contd.)

(iv) Shareholding Pattern of Top Ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

| S. No. | Name of the Shareholders                        | Shareholding at the beginning of the Year |                                  | Date       | Increase / Decrease in shareholding | Reason   | Cumulative Shareholding during the Year |                                  |
|--------|-------------------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|        |                                                 | No of Shares                              | % of total shares of the company |            |                                     |          | No of Shares                            | % of total shares of the company |
| 1      | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED | 1,00,31,205                               | 3.43                             | 01/04/2019 |                                     |          | 1,00,31,205                             | 3.43                             |
|        |                                                 |                                           |                                  | 05/04/2019 | -28,485                             | Transfer | 1,00,02,720                             | 3.42                             |
|        |                                                 |                                           |                                  | 12/04/2019 | -10,62,000                          | Transfer | 89,40,720                               | 3.06                             |
|        |                                                 |                                           |                                  | 26/04/2019 | -1,75,251                           | Transfer | 87,65,469                               | 3.00                             |
|        |                                                 |                                           |                                  | 17/05/2019 | -1,22,846                           | Transfer | 86,42,623                               | 2.95                             |
|        |                                                 |                                           |                                  | 24/05/2019 | -3,43,910                           | Transfer | 82,98,713                               | 2.84                             |
|        |                                                 |                                           |                                  | 31/05/2019 | 1,25,508                            | Transfer | 84,24,221                               | 2.88                             |
|        |                                                 |                                           |                                  | 07/06/2019 | -39,598                             | Transfer | 83,84,623                               | 2.87                             |
|        |                                                 |                                           |                                  | 14/06/2019 | -53,142                             | Transfer | 83,31,481                               | 2.85                             |
|        |                                                 |                                           |                                  | 21/06/2019 | -93,428                             | Transfer | 82,38,053                               | 2.82                             |
|        |                                                 |                                           |                                  | 28/06/2019 | -79,120                             | Transfer | 81,58,933                               | 2.79                             |
|        |                                                 |                                           |                                  | 05/07/2019 | 1,12,155                            | Transfer | 82,71,088                               | 2.83                             |
|        |                                                 |                                           |                                  | 12/07/2019 | -16,876                             | Transfer | 82,54,212                               | 2.82                             |
|        |                                                 |                                           |                                  | 19/07/2019 | -11,46,302                          | Transfer | 71,07,910                               | 2.43                             |
|        |                                                 |                                           |                                  | 26/07/2019 | -4,61,999                           | Transfer | 66,45,911                               | 2.27                             |
|        |                                                 |                                           |                                  | 02/08/2019 | -1,72,247                           | Transfer | 64,73,664                               | 2.21                             |
|        |                                                 |                                           |                                  | 09/08/2019 | -1,38,905                           | Transfer | 63,34,759                               | 2.17                             |
|        |                                                 |                                           |                                  | 16/08/2019 | -3,82,010                           | Transfer | 59,52,749                               | 2.03                             |
|        |                                                 |                                           |                                  | 23/08/2019 | -751                                | Transfer | 59,51,998                               | 2.03                             |
|        |                                                 |                                           |                                  | 13/09/2019 | -64,001                             | Transfer | 58,87,997                               | 2.01                             |
|        |                                                 |                                           |                                  | 27/09/2019 | -85,361                             | Transfer | 58,02,636                               | 1.98                             |
|        |                                                 |                                           |                                  | 30/09/2019 | -5,054                              | Transfer | 57,97,582                               | 1.98                             |
|        |                                                 |                                           |                                  | 04/10/2019 | -6,074                              | Transfer | 57,91,508                               | 1.98                             |
|        |                                                 |                                           |                                  | 25/10/2019 | -56,181                             | Transfer | 57,35,327                               | 1.96                             |
|        |                                                 |                                           |                                  | 01/11/2019 | -1,82,266                           | Transfer | 55,53,061                               | 1.90                             |
|        |                                                 |                                           |                                  | 15/11/2019 | -140                                | Transfer | 55,52,921                               | 1.90                             |
|        |                                                 |                                           |                                  | 29/11/2019 | -145                                | Transfer | 55,52,776                               | 1.90                             |
|        |                                                 |                                           |                                  | 06/12/2019 | -299                                | Transfer | 55,52,477                               | 1.90                             |
|        |                                                 |                                           |                                  | 13/12/2019 | -17,198                             | Transfer | 55,35,279                               | 1.89                             |
|        |                                                 |                                           |                                  | 27/12/2019 | -44,646                             | Transfer | 54,90,633                               | 1.88                             |
|        |                                                 |                                           |                                  | 17/01/2020 | -1,16,000                           | Transfer | 53,74,633                               | 1.84                             |
|        |                                                 |                                           |                                  | 24/01/2020 | -72,781                             | Transfer | 53,01,852                               | 1.81                             |
|        |                                                 |                                           |                                  | 31/01/2020 | -35,519                             | Transfer | 52,66,333                               | 1.80                             |
|        |                                                 |                                           |                                  | 14/02/2020 | -11,142                             | Transfer | 52,55,191                               | 1.80                             |
|        |                                                 |                                           |                                  | 28/02/2020 | 88,937                              | Transfer | 53,44,128                               | 1.83                             |
|        |                                                 |                                           |                                  | 06/03/2020 | 4,30,482                            | Transfer | 57,74,610                               | 1.97                             |
|        |                                                 |                                           |                                  | 20/03/2020 | 2,88,134                            | Transfer | 60,62,744                               | 2.07                             |
|        |                                                 |                                           |                                  | 27/03/2020 | 18,932                              | Transfer | 60,81,676                               | 2.08                             |
|        |                                                 |                                           |                                  | 31/03/2020 |                                     |          | 60,81,676                               | 2.08                             |

Annexure -F (Contd.)

| S. No. | Name of the Shareholders                | Shareholding at the beginning of the Year |                                  | Date       | Increase / Decrease in shareholding | Reason   | Cumulative Shareholding during the Year |                                  |
|--------|-----------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|        |                                         | No of Shares                              | % of total shares of the company |            |                                     |          | No of Shares                            | % of total shares of the company |
| 2      | DSP BLACKROCK EQUITY OPPORTUNITIES FUND | 69,10,979                                 | 2.36                             | 01/04/2019 |                                     |          | 69,10,979                               | 2.36                             |
|        |                                         |                                           |                                  | 12/04/2019 | 35,462                              | Transfer | 69,46,441                               | 2.37                             |
|        |                                         |                                           |                                  | 19/04/2019 | 1,39,585                            | Transfer | 70,86,026                               | 2.42                             |
|        |                                         |                                           |                                  | 26/04/2019 | 56,390                              | Transfer | 71,42,416                               | 2.44                             |
|        |                                         |                                           |                                  | 26/04/2019 | -71,549                             | Transfer | 70,70,867                               | 2.42                             |
|        |                                         |                                           |                                  | 03/05/2019 | 37,489                              | Transfer | 71,08,356                               | 2.43                             |
|        |                                         |                                           |                                  | 17/05/2019 | 1,58,452                            | Transfer | 72,66,808                               | 2.48                             |
|        |                                         |                                           |                                  | 31/05/2019 | 2,65,301                            | Transfer | 75,32,109                               | 2.57                             |
|        |                                         |                                           |                                  | 07/06/2019 | 2,35,617                            | Transfer | 77,67,726                               | 2.66                             |
|        |                                         |                                           |                                  | 14/06/2019 | 2,17,306                            | Transfer | 79,85,032                               | 2.73                             |
|        |                                         |                                           |                                  | 21/06/2019 | 879                                 | Transfer | 79,85,911                               | 2.73                             |
|        |                                         |                                           |                                  | 28/06/2019 | 52,378                              | Transfer | 80,38,289                               | 2.75                             |
|        |                                         |                                           |                                  | 28/06/2019 | -338                                | Transfer | 80,37,951                               | 2.75                             |
|        |                                         |                                           |                                  | 05/07/2019 | 398                                 | Transfer | 80,38,349                               | 2.75                             |
|        |                                         |                                           |                                  | 12/07/2019 | 262                                 | Transfer | 80,38,611                               | 2.75                             |
|        |                                         |                                           |                                  | 19/07/2019 | 70,000                              | Transfer | 81,08,611                               | 2.77                             |
|        |                                         |                                           |                                  | 19/07/2019 | -100                                | Transfer | 81,08,511                               | 2.77                             |
|        |                                         |                                           |                                  | 26/07/2019 | 2,48,800                            | Transfer | 83,57,311                               | 2.86                             |
|        |                                         |                                           |                                  | 02/08/2019 | 41                                  | Transfer | 83,57,352                               | 2.86                             |
|        |                                         |                                           |                                  | 09/08/2019 | 373                                 | Transfer | 83,57,725                               | 2.86                             |
|        |                                         |                                           |                                  | 16/08/2019 | 131                                 | Transfer | 83,57,856                               | 2.86                             |
|        |                                         |                                           |                                  | 23/08/2019 | 99                                  | Transfer | 83,57,955                               | 2.86                             |
|        |                                         |                                           |                                  | 30/08/2019 | 554                                 | Transfer | 83,58,509                               | 2.86                             |
|        |                                         |                                           |                                  | 06/09/2019 | 197                                 | Transfer | 83,58,706                               | 2.86                             |
|        |                                         |                                           |                                  | 13/09/2019 | 3,921                               | Transfer | 83,62,627                               | 2.86                             |
|        |                                         |                                           |                                  | 27/09/2019 | 3,35,220                            | Transfer | 86,97,847                               | 2.97                             |
|        |                                         |                                           |                                  | 27/09/2019 | -8                                  | Transfer | 86,97,839                               | 2.97                             |
|        |                                         |                                           |                                  | 11/10/2019 | -39                                 | Transfer | 86,97,800                               | 2.97                             |
|        |                                         |                                           |                                  | 18/10/2019 | -117                                | Transfer | 86,97,683                               | 2.97                             |
|        |                                         |                                           |                                  | 25/10/2019 | 27,705                              | Transfer | 87,25,388                               | 2.98                             |
|        |                                         |                                           |                                  | 01/11/2019 | 206                                 | Transfer | 87,25,594                               | 2.98                             |
|        |                                         |                                           |                                  | 08/11/2019 | 104                                 | Transfer | 87,25,698                               | 2.98                             |
|        |                                         |                                           |                                  | 08/11/2019 | -1,77,128                           | Transfer | 85,48,570                               | 2.92                             |
|        |                                         |                                           |                                  | 15/11/2019 | 190                                 | Transfer | 85,48,760                               | 2.92                             |
|        |                                         |                                           |                                  | 22/11/2019 | -229                                | Transfer | 85,48,531                               | 2.92                             |
|        |                                         |                                           |                                  | 29/11/2019 | -104                                | Transfer | 85,48,427                               | 2.92                             |
|        |                                         |                                           |                                  | 06/12/2019 | 443                                 | Transfer | 85,48,870                               | 2.92                             |
|        |                                         |                                           |                                  | 06/12/2019 | -1,31,016                           | Transfer | 84,17,854                               | 2.88                             |
|        |                                         |                                           |                                  | 13/12/2019 | 203                                 | Transfer | 84,18,057                               | 2.88                             |
|        |                                         |                                           |                                  | 20/12/2019 | 319                                 | Transfer | 84,18,376                               | 2.88                             |
|        |                                         |                                           |                                  | 27/12/2019 | -14,166                             | Transfer | 84,04,210                               | 2.87                             |
|        |                                         |                                           |                                  | 31/12/2019 | 77                                  | Transfer | 84,04,287                               | 2.87                             |

Annexure -F (Contd.)

| S. No. | Name of the Shareholders                           | Shareholding at the beginning of the Year |                                  | Date       | Increase / Decrease in shareholding | Reason   | Cumulative Shareholding during the Year |                                  |
|--------|----------------------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|        |                                                    | No of Shares                              | % of total shares of the company |            |                                     |          | No of Shares                            | % of total shares of the company |
|        |                                                    |                                           |                                  | 03/01/2020 | 221                                 | Transfer | 84,04,508                               | 2.87                             |
|        |                                                    |                                           |                                  | 10/01/2020 | 353                                 | Transfer | 84,04,861                               | 2.87                             |
|        |                                                    |                                           |                                  | 24/01/2020 | 4,49,872                            | Transfer | 88,54,733                               | 3.03                             |
|        |                                                    |                                           |                                  | 24/01/2020 | -2,85,474                           | Transfer | 85,69,259                               | 2.93                             |
|        |                                                    |                                           |                                  | 31/01/2020 | 12,46,917                           | Transfer | 98,16,176                               | 3.35                             |
|        |                                                    |                                           |                                  | 07/02/2020 | 4,16,429                            | Transfer | 1,02,32,605                             | 3.50                             |
|        |                                                    |                                           |                                  | 07/02/2020 | -68,185                             | Transfer | 1,01,64,420                             | 3.47                             |
|        |                                                    |                                           |                                  | 14/02/2020 | 90,721                              | Transfer | 1,02,55,141                             | 3.50                             |
|        |                                                    |                                           |                                  | 14/02/2020 | -30                                 | Transfer | 1,02,55,111                             | 3.50                             |
|        |                                                    |                                           |                                  | 21/02/2020 | 3,14,596                            | Transfer | 1,05,69,707                             | 3.61                             |
|        |                                                    |                                           |                                  | 28/02/2020 | 1,95,097                            | Transfer | 1,07,64,804                             | 3.68                             |
|        |                                                    |                                           |                                  | 28/02/2020 | -80,655                             | Transfer | 1,06,84,149                             | 3.65                             |
|        |                                                    |                                           |                                  | 06/03/2020 | 83,317                              | Transfer | 1,07,67,466                             | 3.68                             |
|        |                                                    |                                           |                                  | 13/03/2020 | 3,90,356                            | Transfer | 1,11,57,822                             | 3.81                             |
|        |                                                    |                                           |                                  | 13/03/2020 | -2,30,000                           | Transfer | 1,09,27,822                             | 3.73                             |
|        |                                                    |                                           |                                  | 20/03/2020 | 3,08,674                            | Transfer | 1,12,36,496                             | 3.84                             |
|        |                                                    |                                           |                                  | 27/03/2020 | 94,712                              | Transfer | 1,13,31,208                             | 3.87                             |
|        |                                                    |                                           |                                  | 31/03/2020 | 1,23,377                            | Transfer | 1,14,54,585                             | 3.91                             |
|        |                                                    |                                           |                                  | 31/03/2020 |                                     |          | 1,14,54,585                             | 3.91                             |
| 3      | L&T MUTUAL FUND TRUSTEE LIMITED - L&T MID CAP FUND | 63,85,703                                 | 2.18                             | 01/04/2019 |                                     |          | 63,85,703                               | 2.18                             |
|        |                                                    |                                           |                                  | 05/04/2019 | 89,500                              | Transfer | 64,75,203                               | 2.21                             |
|        |                                                    |                                           |                                  | 26/04/2019 | -1,00,110                           | Transfer | 63,75,093                               | 2.18                             |
|        |                                                    |                                           |                                  | 03/05/2019 | -3,31,405                           | Transfer | 60,43,688                               | 2.07                             |
|        |                                                    |                                           |                                  | 10/05/2019 | -3,91,000                           | Transfer | 56,52,688                               | 1.93                             |
|        |                                                    |                                           |                                  | 17/05/2019 | -2,92,632                           | Transfer | 53,60,056                               | 1.83                             |
|        |                                                    |                                           |                                  | 24/05/2019 | -3,46,398                           | Transfer | 50,13,658                               | 1.71                             |
|        |                                                    |                                           |                                  | 31/05/2019 | -3,35,046                           | Transfer | 46,78,612                               | 1.60                             |
|        |                                                    |                                           |                                  | 07/06/2019 | -2,18,690                           | Transfer | 44,59,922                               | 1.52                             |
|        |                                                    |                                           |                                  | 14/06/2019 | -4,78,100                           | Transfer | 39,81,822                               | 1.36                             |
|        |                                                    |                                           |                                  | 19/07/2019 | 1,54,038                            | Transfer | 41,35,860                               | 1.41                             |
|        |                                                    |                                           |                                  | 23/08/2019 | 1,40,762                            | Transfer | 42,76,622                               | 1.46                             |
|        |                                                    |                                           |                                  | 30/09/2019 | 10,000                              | Transfer | 42,86,622                               | 1.47                             |
|        |                                                    |                                           |                                  | 18/10/2019 | 10,000                              | Transfer | 42,96,622                               | 1.47                             |
|        |                                                    |                                           |                                  | 01/11/2019 | 2,10,296                            | Transfer | 45,06,918                               | 1.54                             |
|        |                                                    |                                           |                                  | 08/11/2019 | 3,577                               | Transfer | 45,10,495                               | 1.54                             |
|        |                                                    |                                           |                                  | 13/12/2019 | 14,920                              | Transfer | 45,25,415                               | 1.55                             |
|        |                                                    |                                           |                                  | 20/12/2019 | 12,900                              | Transfer | 45,38,315                               | 1.55                             |
|        |                                                    |                                           |                                  | 20/03/2020 | 1,03,680                            | Transfer | 46,41,995                               | 1.58                             |
|        |                                                    |                                           |                                  | 31/03/2020 | 35,308                              | Transfer | 46,77,303                               | 1.60                             |
|        |                                                    |                                           |                                  | 31/03/2020 |                                     |          | 46,77,303                               | 1.60                             |

Annexure -F (Contd.)

| S. No. | Name of the Shareholders                 | Shareholding at the beginning of the Year |                                  | Date       | Increase / Decrease in shareholding | Reason   | Cumulative Shareholding during the Year |                                  |
|--------|------------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|        |                                          | No of Shares                              | % of total shares of the company |            |                                     |          | No of Shares                            | % of total shares of the company |
| 4      | UTI - LONG TERM EQUITY FUND (TAX SAVING) | 54,59,299                                 | 1.87                             | 01/04/2019 |                                     |          | 54,59,299                               | 1.87                             |
|        |                                          |                                           |                                  | 12/04/2019 | 2,08,389                            | Transfer | 56,67,688                               | 1.94                             |
|        |                                          |                                           |                                  | 19/04/2019 | -1,784                              | Transfer | 56,65,904                               | 1.94                             |
|        |                                          |                                           |                                  | 03/05/2019 | 46,555                              | Transfer | 57,12,459                               | 1.95                             |
|        |                                          |                                           |                                  | 03/05/2019 | -62,972                             | Transfer | 56,49,487                               | 1.93                             |
|        |                                          |                                           |                                  | 07/06/2019 | -3,803                              | Transfer | 56,45,684                               | 1.93                             |
|        |                                          |                                           |                                  | 14/06/2019 | -9,386                              | Transfer | 56,36,298                               | 1.93                             |
|        |                                          |                                           |                                  | 19/07/2019 | 45,000                              | Transfer | 56,81,298                               | 1.94                             |
|        |                                          |                                           |                                  | 26/07/2019 | 2,69,644                            | Transfer | 59,50,942                               | 2.03                             |
|        |                                          |                                           |                                  | 02/08/2019 | 91,175                              | Transfer | 60,42,117                               | 2.07                             |
|        |                                          |                                           |                                  | 02/08/2019 | -1,785                              | Transfer | 60,40,332                               | 2.06                             |
|        |                                          |                                           |                                  | 23/08/2019 | 1,34,575                            | Transfer | 61,74,907                               | 2.11                             |
|        |                                          |                                           |                                  | 30/08/2019 | 25,000                              | Transfer | 61,99,907                               | 2.12                             |
|        |                                          |                                           |                                  | 13/09/2019 | 2,38,000                            | Transfer | 64,37,907                               | 2.20                             |
|        |                                          |                                           |                                  | 13/09/2019 | -2,38,000                           | Transfer | 61,99,907                               | 2.12                             |
|        |                                          |                                           |                                  | 18/10/2019 | 1,35,000                            | Transfer | 63,34,907                               | 2.17                             |
|        |                                          |                                           |                                  | 25/10/2019 | 3,08,070                            | Transfer | 66,42,977                               | 2.27                             |
|        |                                          |                                           |                                  | 01/11/2019 | 21,000                              | Transfer | 66,63,977                               | 2.28                             |
|        |                                          |                                           |                                  | 08/11/2019 | 7,118                               | Transfer | 66,71,095                               | 2.28                             |
|        |                                          |                                           |                                  | 06/12/2019 | -45,665                             | Transfer | 66,25,430                               | 2.26                             |
|        |                                          |                                           |                                  | 13/12/2019 | -510                                | Transfer | 66,24,920                               | 2.26                             |
|        |                                          |                                           |                                  | 20/12/2019 | 53,230                              | Transfer | 66,78,150                               | 2.28                             |
|        |                                          |                                           |                                  | 24/01/2020 | -1,08,000                           | Transfer | 65,70,150                               | 2.24                             |
|        |                                          |                                           |                                  | 31/01/2020 | -1,41,000                           | Transfer | 64,29,150                               | 2.20                             |
|        |                                          |                                           |                                  | 07/02/2020 | -1,75,929                           | Transfer | 62,53,221                               | 2.14                             |
|        |                                          |                                           |                                  | 21/02/2020 | -50,994                             | Transfer | 62,02,227                               | 2.12                             |
|        |                                          |                                           |                                  | 06/03/2020 | 6,083                               | Transfer | 62,08,310                               | 2.12                             |
|        |                                          |                                           |                                  | 20/03/2020 | -72,000                             | Transfer | 61,36,310                               | 2.09                             |
|        |                                          |                                           |                                  | 27/03/2020 | 50,789                              | Transfer | 61,87,099                               | 2.11                             |
|        |                                          |                                           |                                  | 31/03/2020 |                                     |          | 61,87,099                               | 2.11                             |
| 5      | GROUPE CHIMIQUE TUNISIEN                 | 48,00,000                                 | 1.64                             | 01/04/2019 |                                     |          | 48,00,000                               | 1.64                             |
|        |                                          |                                           |                                  | 31/03/2020 |                                     |          | 48,00,000                               | 1.64                             |
| 6      | KOTAK BLUECHIP FUND                      | 44,30,605                                 | 1.51                             | 01/04/2019 |                                     |          | 44,30,605                               | 1.51                             |
|        |                                          |                                           |                                  | 05/04/2019 | -59,000                             | Transfer | 43,71,605                               | 1.49                             |
|        |                                          |                                           |                                  | 12/04/2019 | 4,50,000                            | Transfer | 48,21,605                               | 1.65                             |
|        |                                          |                                           |                                  | 12/04/2019 | -10,333                             | Transfer | 48,11,272                               | 1.64                             |
|        |                                          |                                           |                                  | 26/04/2019 | 9,856                               | Transfer | 48,21,128                               | 1.65                             |
|        |                                          |                                           |                                  | 10/05/2019 | 29,222                              | Transfer | 48,50,350                               | 1.66                             |
|        |                                          |                                           |                                  | 17/05/2019 | 71,202                              | Transfer | 49,21,552                               | 1.68                             |
|        |                                          |                                           |                                  | 24/05/2019 | 1,59,464                            | Transfer | 50,81,016                               | 1.74                             |
|        |                                          |                                           |                                  | 07/06/2019 | 14,262                              | Transfer | 50,95,278                               | 1.74                             |
|        |                                          |                                           |                                  | 21/06/2019 | 73,566                              | Transfer | 51,68,844                               | 1.77                             |

Annexure -F (Contd.)

| S. No. | Name of the Shareholders | Shareholding at the beginning of the Year |                                  | Date       | Increase / Decrease in shareholding | Reason   | Cumulative Shareholding during the Year |                                  |
|--------|--------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|        |                          | No of Shares                              | % of total shares of the company |            |                                     |          | No of Shares                            | % of total shares of the company |
|        |                          |                                           |                                  | 28/06/2019 | 33,693                              | Transfer | 52,02,537                               | 1.78                             |
|        |                          |                                           |                                  | 05/07/2019 | 69,701                              | Transfer | 52,72,238                               | 1.80                             |
|        |                          |                                           |                                  | 12/07/2019 | 2,21,399                            | Transfer | 54,93,637                               | 1.88                             |
|        |                          |                                           |                                  | 19/07/2019 | 6,30,041                            | Transfer | 61,23,678                               | 2.09                             |
|        |                          |                                           |                                  | 26/07/2019 | 3,15,741                            | Transfer | 64,39,419                               | 2.20                             |
|        |                          |                                           |                                  | 02/08/2019 | 1,81,010                            | Transfer | 66,20,429                               | 2.26                             |
|        |                          |                                           |                                  | 09/08/2019 | 2,94,298                            | Transfer | 69,14,727                               | 2.36                             |
|        |                          |                                           |                                  | 16/08/2019 | 1,28,381                            | Transfer | 70,43,108                               | 2.41                             |
|        |                          |                                           |                                  | 23/08/2019 | 1,68,348                            | Transfer | 72,11,456                               | 2.46                             |
|        |                          |                                           |                                  | 30/08/2019 | 6,138                               | Transfer | 72,17,594                               | 2.47                             |
|        |                          |                                           |                                  | 06/09/2019 | 9,698                               | Transfer | 72,27,292                               | 2.47                             |
|        |                          |                                           |                                  | 13/09/2019 | 65,000                              | Transfer | 72,92,292                               | 2.49                             |
|        |                          |                                           |                                  | 20/09/2019 | 14,970                              | Transfer | 73,07,262                               | 2.50                             |
|        |                          |                                           |                                  | 27/09/2019 | 69,769                              | Transfer | 73,77,031                               | 2.52                             |
|        |                          |                                           |                                  | 30/09/2019 | 1,502                               | Transfer | 73,78,533                               | 2.52                             |
|        |                          |                                           |                                  | 04/10/2019 | 14,813                              | Transfer | 73,93,346                               | 2.53                             |
|        |                          |                                           |                                  | 11/10/2019 | 18,644                              | Transfer | 74,11,990                               | 2.53                             |
|        |                          |                                           |                                  | 18/10/2019 | 2,37,030                            | Transfer | 76,49,020                               | 2.61                             |
|        |                          |                                           |                                  | 25/10/2019 | 53,509                              | Transfer | 77,02,529                               | 2.63                             |
|        |                          |                                           |                                  | 01/11/2019 | -21,000                             | Transfer | 76,81,529                               | 2.63                             |
|        |                          |                                           |                                  | 08/11/2019 | 12,545                              | Transfer | 76,94,074                               | 2.63                             |
|        |                          |                                           |                                  | 08/11/2019 | -4,954                              | Transfer | 76,89,120                               | 2.63                             |
|        |                          |                                           |                                  | 15/11/2019 | 28,244                              | Transfer | 77,17,364                               | 2.64                             |
|        |                          |                                           |                                  | 15/11/2019 | -23,511                             | Transfer | 76,93,853                               | 2.63                             |
|        |                          |                                           |                                  | 22/11/2019 | 78,691                              | Transfer | 77,72,544                               | 2.66                             |
|        |                          |                                           |                                  | 29/11/2019 | 89,305                              | Transfer | 78,61,849                               | 2.69                             |
|        |                          |                                           |                                  | 29/11/2019 | -25,310                             | Transfer | 78,36,539                               | 2.68                             |
|        |                          |                                           |                                  | 06/12/2019 | -21,377                             | Transfer | 78,15,162                               | 2.67                             |
|        |                          |                                           |                                  | 13/12/2019 | 53,650                              | Transfer | 78,68,812                               | 2.69                             |
|        |                          |                                           |                                  | 20/12/2019 | 1,08,447                            | Transfer | 79,77,259                               | 2.73                             |
|        |                          |                                           |                                  | 27/12/2019 | 51,959                              | Transfer | 80,29,218                               | 2.74                             |
|        |                          |                                           |                                  | 31/12/2019 | 12,050                              | Transfer | 80,41,268                               | 2.75                             |
|        |                          |                                           |                                  | 03/01/2020 | 15,484                              | Transfer | 80,56,752                               | 2.75                             |
|        |                          |                                           |                                  | 10/01/2020 | 52,726                              | Transfer | 81,09,478                               | 2.77                             |
|        |                          |                                           |                                  | 17/01/2020 | 1,42,500                            | Transfer | 82,51,978                               | 2.82                             |
|        |                          |                                           |                                  | 17/01/2020 | -17,666                             | Transfer | 82,34,312                               | 2.81                             |
|        |                          |                                           |                                  | 24/01/2020 | 39,766                              | Transfer | 82,74,078                               | 2.83                             |
|        |                          |                                           |                                  | 31/01/2020 | 30,728                              | Transfer | 83,04,806                               | 2.84                             |
|        |                          |                                           |                                  | 07/02/2020 | 1,57,885                            | Transfer | 84,62,691                               | 2.89                             |
|        |                          |                                           |                                  | 14/02/2020 | 55,000                              | Transfer | 85,17,691                               | 2.91                             |
|        |                          |                                           |                                  | 28/02/2020 | 1,18,243                            | Transfer | 86,35,934                               | 2.95                             |
|        |                          |                                           |                                  | 06/03/2020 | 1,18,015                            | Transfer | 87,53,949                               | 2.99                             |

Annexure -F (Contd.)

| S. No. | Name of the Shareholders             | Shareholding at the beginning of the Year |                                  | Date              | Increase / Decrease in shareholding | Reason   | Cumulative Shareholding during the Year |                                  |
|--------|--------------------------------------|-------------------------------------------|----------------------------------|-------------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|        |                                      | No of Shares                              | % of total shares of the company |                   |                                     |          | No of Shares                            | % of total shares of the company |
|        |                                      |                                           |                                  | 13/03/2020        | 65,604                              | Transfer | 88,19,553                               | 3.01                             |
|        |                                      |                                           |                                  | 20/03/2020        | 80,898                              | Transfer | 89,00,451                               | 3.04                             |
|        |                                      |                                           |                                  | 27/03/2020        | 77,074                              | Transfer | 89,77,525                               | 3.06                             |
|        |                                      |                                           |                                  | 31/03/2020        | 19,500                              | Transfer | 89,97,025                               | 3.07                             |
|        |                                      |                                           |                                  | <b>31/03/2020</b> |                                     |          | <b>89,97,025</b>                        | <b>3.07</b>                      |
| 7      | FRANKLIN INDIA EQUITY ADVANTAGE FUND | 41,01,071                                 | 1.40                             | <b>01/04/2019</b> |                                     |          | <b>41,01,071</b>                        | <b>1.40</b>                      |
|        |                                      |                                           |                                  | 05/04/2019        | -5,320                              | Transfer | 40,95,751                               | 1.40                             |
|        |                                      |                                           |                                  | 17/05/2019        | 50,000                              | Transfer | 41,45,751                               | 1.42                             |
|        |                                      |                                           |                                  | 09/08/2019        | 50,000                              | Transfer | 41,95,751                               | 1.43                             |
|        |                                      |                                           |                                  | 23/08/2019        | 1,52,225                            | Transfer | 43,47,976                               | 1.49                             |
|        |                                      |                                           |                                  | 06/09/2019        | 50,000                              | Transfer | 43,97,976                               | 1.50                             |
|        |                                      |                                           |                                  | 13/12/2019        | 42,36,091                           | Transfer | 86,34,067                               | 2.95                             |
|        |                                      |                                           |                                  | 13/12/2019        | -43,80,274                          | Transfer | 42,53,793                               | 1.45                             |
|        |                                      |                                           |                                  | 20/12/2019        | -1,67,466                           | Transfer | 40,86,327                               | 1.40                             |
|        |                                      |                                           |                                  | 27/12/2019        | -38,351                             | Transfer | 40,47,976                               | 1.38                             |
|        |                                      |                                           |                                  | 10/01/2020        | -1,80,401                           | Transfer | 38,67,575                               | 1.32                             |
|        |                                      |                                           |                                  | 17/01/2020        | -2,19,599                           | Transfer | 36,47,976                               | 1.25                             |
|        |                                      |                                           |                                  | 24/01/2020        | -6,50,000                           | Transfer | 29,97,976                               | 1.02                             |
|        |                                      |                                           |                                  | 14/02/2020        | -1,00,000                           | Transfer | 28,97,976                               | 0.99                             |
|        |                                      |                                           |                                  | 21/02/2020        | -96,982                             | Transfer | 28,00,994                               | 0.96                             |
|        |                                      |                                           |                                  | 28/02/2020        | -3,018                              | Transfer | 27,97,976                               | 0.96                             |
|        |                                      |                                           |                                  | 20/03/2020        | -3,00,000                           | Transfer | 24,97,976                               | 0.85                             |
|        |                                      |                                           |                                  | 31/03/2020        | -50,000                             | Transfer | 24,47,976                               | 0.84                             |
|        |                                      |                                           |                                  | <b>31/03/2020</b> |                                     |          | <b>24,47,976</b>                        | <b>0.84</b>                      |
| 8      | INTERNATIONAL MONETARY FUND          | 30,18,194                                 | 1.03                             | <b>01/04/2019</b> |                                     |          | <b>30,18,194</b>                        | <b>1.03</b>                      |
|        |                                      |                                           |                                  | 03/05/2019        | -300                                | Transfer | 30,17,894                               | 1.03                             |
|        |                                      |                                           |                                  | 07/06/2019        | 3,582                               | Transfer | 30,21,476                               | 1.03                             |
|        |                                      |                                           |                                  | 09/08/2019        | -300                                | Transfer | 30,21,176                               | 1.03                             |
|        |                                      |                                           |                                  | 30/09/2019        | -600                                | Transfer | 30,20,576                               | 1.03                             |
|        |                                      |                                           |                                  | 04/10/2019        | 2,278                               | Transfer | 30,22,854                               | 1.03                             |
|        |                                      |                                           |                                  | 11/10/2019        | 4,25,056                            | Transfer | 34,47,910                               | 1.18                             |
|        |                                      |                                           |                                  | 18/10/2019        | -300                                | Transfer | 34,47,610                               | 1.18                             |
|        |                                      |                                           |                                  | 25/10/2019        | -40                                 | Transfer | 34,47,570                               | 1.18                             |
|        |                                      |                                           |                                  | 01/11/2019        | -17                                 | Transfer | 34,47,553                               | 1.18                             |
|        |                                      |                                           |                                  | 15/11/2019        | -300                                | Transfer | 34,47,253                               | 1.18                             |
|        |                                      |                                           |                                  | 22/11/2019        | -300                                | Transfer | 34,46,953                               | 1.18                             |
|        |                                      |                                           |                                  | 29/11/2019        | -600                                | Transfer | 34,46,353                               | 1.18                             |
|        |                                      |                                           |                                  | 06/12/2019        | -1,500                              | Transfer | 34,44,853                               | 1.18                             |
|        |                                      |                                           |                                  | 13/12/2019        | -600                                | Transfer | 34,44,253                               | 1.18                             |
|        |                                      |                                           |                                  | 31/12/2019        | -1,500                              | Transfer | 34,42,753                               | 1.18                             |
|        |                                      |                                           |                                  | 10/01/2020        | -222                                | Transfer | 34,42,531                               | 1.18                             |
|        |                                      |                                           |                                  | 17/01/2020        | -600                                | Transfer | 34,41,931                               | 1.18                             |

Annexure -F (Contd.)

| S.<br>No. | Name of the<br>Shareholders      | Shareholding at the<br>beginning of the Year |                                        | Date       | Increase /<br>Decrease in<br>shareholding | Reason   | Cumulative Shareholding<br>during the Year |                                        |
|-----------|----------------------------------|----------------------------------------------|----------------------------------------|------------|-------------------------------------------|----------|--------------------------------------------|----------------------------------------|
|           |                                  | No of<br>Shares                              | % of total<br>shares of the<br>company |            |                                           |          | No of<br>Shares                            | % of total<br>shares of the<br>company |
| 9         | ITPL - INVESCO INDIA TAX<br>PLAN | 7,77,650                                     | 0.27                                   | 24/01/2020 | -5,317                                    | Transfer | 34,36,614                                  | 1.17                                   |
|           |                                  |                                              |                                        | 31/01/2020 | -962                                      | Transfer | 34,35,652                                  | 1.17                                   |
|           |                                  |                                              |                                        | 07/02/2020 | -1,942                                    | Transfer | 34,33,710                                  | 1.17                                   |
|           |                                  |                                              |                                        | 14/02/2020 | -1,200                                    | Transfer | 34,32,510                                  | 1.17                                   |
|           |                                  |                                              |                                        | 28/02/2020 | -4,776                                    | Transfer | 34,27,734                                  | 1.17                                   |
|           |                                  |                                              |                                        | 06/03/2020 | -82                                       | Transfer | 34,27,652                                  | 1.17                                   |
|           |                                  |                                              |                                        | 31/03/2020 |                                           |          | 34,27,652                                  | 1.17                                   |
|           |                                  |                                              |                                        | 01/04/2019 |                                           |          | 7,77,650                                   | 0.27                                   |
|           |                                  |                                              |                                        | 05/04/2019 | 12,317                                    | Transfer | 7,89,967                                   | 0.27                                   |
|           |                                  |                                              |                                        | 12/04/2019 | 50,704                                    | Transfer | 8,40,671                                   | 0.29                                   |
|           |                                  |                                              |                                        | 26/04/2019 | 2,12,275                                  | Transfer | 10,52,946                                  | 0.36                                   |
|           |                                  |                                              |                                        | 03/05/2019 | 2,38,992                                  | Transfer | 12,91,938                                  | 0.44                                   |
|           |                                  |                                              |                                        | 10/05/2019 | 4,61,714                                  | Transfer | 17,53,652                                  | 0.60                                   |
|           |                                  |                                              |                                        | 17/05/2019 | 1,19,626                                  | Transfer | 18,73,278                                  | 0.64                                   |
|           |                                  |                                              |                                        | 24/05/2019 | 73,639                                    | Transfer | 19,46,917                                  | 0.67                                   |
|           |                                  |                                              |                                        | 31/05/2019 | 4,950                                     | Transfer | 19,51,867                                  | 0.67                                   |
|           |                                  |                                              |                                        | 07/06/2019 | 41,156                                    | Transfer | 19,93,023                                  | 0.68                                   |
|           |                                  |                                              |                                        | 14/06/2019 | 40,435                                    | Transfer | 20,33,458                                  | 0.70                                   |
|           |                                  |                                              |                                        | 12/07/2019 | 2,206                                     | Transfer | 20,35,664                                  | 0.70                                   |
|           |                                  |                                              |                                        | 19/07/2019 | 56,183                                    | Transfer | 20,91,847                                  | 0.72                                   |
|           |                                  |                                              |                                        | 02/08/2019 | 11,069                                    | Transfer | 21,02,916                                  | 0.72                                   |
|           |                                  |                                              |                                        | 09/08/2019 | 2,276                                     | Transfer | 21,05,192                                  | 0.72                                   |
|           |                                  |                                              |                                        | 30/08/2019 | 40,076                                    | Transfer | 21,45,268                                  | 0.73                                   |
|           |                                  |                                              |                                        | 06/09/2019 | 20,596                                    | Transfer | 21,65,864                                  | 0.74                                   |
|           |                                  |                                              |                                        | 20/09/2019 | 49,499                                    | Transfer | 22,15,363                                  | 0.76                                   |
|           |                                  |                                              |                                        | 27/09/2019 | 1,47,462                                  | Transfer | 23,62,825                                  | 0.81                                   |
|           |                                  |                                              |                                        | 27/09/2019 | -2,703                                    | Transfer | 23,60,122                                  | 0.81                                   |
|           |                                  |                                              |                                        | 11/10/2019 | 35,149                                    | Transfer | 23,95,271                                  | 0.82                                   |
|           |                                  |                                              |                                        | 25/10/2019 | -3,807                                    | Transfer | 23,91,464                                  | 0.82                                   |
|           |                                  |                                              |                                        | 01/11/2019 | 42,382                                    | Transfer | 24,33,846                                  | 0.83                                   |
|           |                                  |                                              |                                        | 29/11/2019 | -2,208                                    | Transfer | 24,31,638                                  | 0.83                                   |
|           |                                  |                                              |                                        | 13/12/2019 | 47,839                                    | Transfer | 24,79,477                                  | 0.85                                   |
|           |                                  |                                              |                                        | 13/12/2019 | -34,706                                   | Transfer | 24,44,771                                  | 0.84                                   |
|           |                                  |                                              |                                        | 20/12/2019 | -5,070                                    | Transfer | 24,39,701                                  | 0.83                                   |
|           |                                  |                                              |                                        | 27/12/2019 | 17,971                                    | Transfer | 24,57,672                                  | 0.84                                   |
|           |                                  |                                              |                                        | 10/01/2020 | -35,972                                   | Transfer | 24,21,700                                  | 0.83                                   |
|           |                                  |                                              |                                        | 17/01/2020 | 35,470                                    | Transfer | 24,57,170                                  | 0.84                                   |
|           |                                  |                                              |                                        | 24/01/2020 | -1,80,686                                 | Transfer | 22,76,484                                  | 0.78                                   |
|           |                                  |                                              |                                        | 31/01/2020 | -2,238                                    | Transfer | 22,74,246                                  | 0.78                                   |
|           |                                  |                                              |                                        | 28/02/2020 | 39,080                                    | Transfer | 23,13,326                                  | 0.79                                   |
|           |                                  |                                              |                                        | 13/03/2020 | 24,522                                    | Transfer | 23,37,848                                  | 0.80                                   |
|           |                                  |                                              |                                        | 20/03/2020 | 4,02,824                                  | Transfer | 27,40,672                                  | 0.94                                   |

Annexure -F (Contd.)

| S.<br>No. | Name of the<br>Shareholders | Shareholding at the<br>beginning of the Year |                                        | Date       | Increase /<br>Decrease in<br>shareholding | Reason   | Cumulative Shareholding<br>during the Year |                                        |
|-----------|-----------------------------|----------------------------------------------|----------------------------------------|------------|-------------------------------------------|----------|--------------------------------------------|----------------------------------------|
|           |                             | No of<br>Shares                              | % of total<br>shares of the<br>company |            |                                           |          | No of<br>Shares                            | % of total<br>shares of the<br>company |
|           |                             |                                              |                                        | 20/03/2020 | -1,69,540                                 | Transfer | 25,71,132                                  | 0.88                                   |
|           |                             |                                              |                                        | 27/03/2020 | 42,845                                    | Transfer | 26,13,977                                  | 0.89                                   |
|           |                             |                                              |                                        | 31/03/2020 | 19,294                                    | Transfer | 26,33,271                                  | 0.90                                   |
|           |                             |                                              |                                        | 31/03/2020 |                                           |          | 26,33,271                                  | 0.90                                   |
|           |                             |                                              |                                        | 01/04/2019 |                                           |          | 23,94,234                                  | 0.82                                   |
|           |                             |                                              |                                        | 31/03/2020 |                                           |          | 23,94,234                                  | 0.82                                   |
|           |                             |                                              |                                        | 01/04/2019 |                                           |          | 20,89,473                                  | 0.71                                   |
|           |                             |                                              |                                        | 05/04/2019 | -89,473                                   | Transfer | 20,00,000                                  | 0.68                                   |
|           |                             |                                              |                                        | 26/04/2019 | -1,84,182                                 | Transfer | 18,15,818                                  | 0.62                                   |
|           |                             |                                              |                                        | 03/05/2019 | -24,389                                   | Transfer | 17,91,429                                  | 0.61                                   |
| 10        | SBI MAGNUM MIDCAP<br>FUND   | 23,94,234                                    | 0.82                                   | 24/05/2019 | -1,65,611                                 | Transfer | 16,25,818                                  | 0.56                                   |
|           |                             |                                              |                                        | 14/06/2019 | -1,80,056                                 | Transfer | 14,45,762                                  | 0.49                                   |
|           |                             |                                              |                                        | 06/09/2019 | 2,03,252                                  | Transfer | 16,49,014                                  | 0.56                                   |
|           |                             |                                              |                                        | 13/09/2019 | 2,16,368                                  | Transfer | 18,65,382                                  | 0.64                                   |
|           |                             |                                              |                                        | 20/09/2019 | 1,02,152                                  | Transfer | 19,67,534                                  | 0.67                                   |
|           |                             |                                              |                                        | 27/09/2019 | 1,855                                     | Transfer | 19,69,389                                  | 0.67                                   |
|           |                             |                                              |                                        | 25/10/2019 | 1,27,235                                  | Transfer | 20,96,624                                  | 0.72                                   |
|           |                             |                                              |                                        | 15/11/2019 | -300                                      | Transfer | 20,96,324                                  | 0.72                                   |
|           |                             |                                              |                                        | 13/12/2019 | 51,500                                    | Transfer | 21,47,824                                  | 0.73                                   |
|           |                             |                                              |                                        | 20/12/2019 | 7,517                                     | Transfer | 21,55,341                                  | 0.74                                   |
| 11        | SUNDARAM MUTUAL<br>FUND A/C | 20,89,473                                    | 0.71                                   | 06/03/2020 | -24,156                                   | Transfer | 21,31,185                                  | 0.73                                   |
|           |                             |                                              |                                        | 13/03/2020 | -12,063                                   | Transfer | 21,19,122                                  | 0.72                                   |
|           |                             |                                              |                                        | 31/03/2020 |                                           |          | 21,19,122                                  | 0.72                                   |
|           |                             |                                              |                                        |            |                                           |          |                                            |                                        |

## Annexure -F (Contd.)

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

| S. No.   | For each of the Directors and KMP        | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----------|------------------------------------------|-------------------------------------------|-------------------|-----------------------------------------|-------------------|
|          |                                          | No. of Shares                             | % of Total Shares | No. of Shares                           | % of Total Shares |
| <b>1</b> | <b>V Ravichandran - Director</b>         |                                           |                   |                                         |                   |
|          | At the beginning of the year             | 1,29,670                                  | 0.04              | 1,29,670                                | 0.04              |
|          | Sale on 05.02.2020                       | 3,647                                     | -                 | 1,26,023                                | 0.04              |
|          | Sale on 06.02.2020                       | 635                                       | -                 | 1,25,388                                | 0.04              |
|          | Sale on 17.02.2020                       | 20,718                                    | -                 | 1,04,670                                | 0.04              |
|          | At the end of the year                   | 1,04,670                                  | 0.04              | 1,04,670                                | 0.04              |
| <b>2</b> | <b>M M Venkatachalam - Director</b>      |                                           |                   |                                         |                   |
|          | At the beginning of the year             | 62,283                                    | 0.02              | 62,283                                  | 0.02              |
|          | Transfer on 27.09.2019 (Gift)            | 62,283                                    | -                 | -                                       | -                 |
|          | At the end of the year                   | -                                         | -                 | -                                       | -                 |
| <b>3</b> | <b>B V R Mohan Reddy - Director</b>      |                                           |                   |                                         |                   |
|          | At the beginning of the year             | 48,000                                    | 0.02              | 48,000                                  | 0.02              |
|          | Purchase/Sales during the year           | -                                         | -                 | 48,000                                  | 0.02              |
|          | At the end of the year                   | 48,000                                    | 0.02              | 48,000                                  | 0.02              |
| <b>4</b> | <b>P Varadarajan - Company Secretary</b> |                                           |                   |                                         |                   |
|          | At the beginning of the year             | 11,680                                    | -                 | 11,680                                  | -                 |
|          | Purchase on 04.02.2020 (ESOP)            | 3,480                                     | -                 | 15,160                                  | -                 |
|          | Sale on 11.02.2020                       | 10,000                                    | -                 | 5,160                                   | -                 |
|          | Purchase on 28.02.2020 (ESOP)            | 16,920                                    | -                 | 22,080                                  | 0.01              |
|          | Sale on 11.03.2020                       | 20,000                                    | -                 | 2,080                                   | -                 |
|          | At the end of the year                   | 2,080                                     | -                 | 2,080                                   | -                 |

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

## V INDEBTEDNESS

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

(Amount in ₹)

| Particulars                               | Secured Loans excluding deposits | Unsecured Loans         | Deposits | Total Indebtedness      |
|-------------------------------------------|----------------------------------|-------------------------|----------|-------------------------|
| <b>Indebtedness (01.04.2019) (IND AS)</b> |                                  |                         |          |                         |
| i) Principal Amount                       | 9,72,16,46,721                   | 19,84,77,43,805         | -        | 29,56,93,90,526         |
| ii) Interest due but not paid             | -                                | -                       | -        | -                       |
| iii) Interest accrued but not due         | 90,92,509                        | 3,23,91,906             | -        | 4,14,84,415             |
| <b>Total (i+ii+iii)</b>                   | <b>9,73,07,39,230</b>            | <b>19,88,01,35,711</b>  | <b>-</b> | <b>29,61,08,74,941</b>  |
| <b>Changes during the financial year</b>  |                                  |                         |          |                         |
| * Addition                                | 55,93,77,20,029                  | 1,63,15,92,79,982       | -        | 2,19,09,70,00,011       |
| * Reduction                               | 58,92,21,77,687                  | 1,73,46,78,53,191       | -        | 2,32,39,00,30,878       |
| <b>Net Change</b>                         | <b>-2,98,44,57,658</b>           | <b>-10,30,85,73,209</b> | <b>-</b> | <b>-13,29,30,30,867</b> |
| <b>Indebtedness (31.03.2020) (IND AS)</b> |                                  |                         |          |                         |
| i) Principal Amount                       | 6,73,68,79,280                   | 9,53,91,70,596          | -        | 16,27,60,49,876         |
| ii) Interest due but not paid             | -                                | -                       | -        | -                       |
| iii) Interest accrued but not due         | 1,79,80,775                      | 1,04,12,683             | -        | 2,83,93,458             |
| <b>Total (i+ii+iii)</b>                   | <b>6,75,48,60,055</b>            | <b>9,54,95,83,279</b>   | <b>-</b> | <b>16,30,44,43,334</b>  |

## Annexure -F (Contd.)

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager.

| S. No. | Particulars of Remuneration                                                         | Name of MD / WTD / Manager               | Total Amount (in ₹) |
|--------|-------------------------------------------------------------------------------------|------------------------------------------|---------------------|
|        | <b>Name &amp; Designation</b>                                                       | <b>Sameer Goel<br/>Managing Director</b> |                     |
| 1.     | Gross salary                                                                        |                                          |                     |
|        | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 4,05,17,191                              | <b>4,05,17,191</b>  |
|        | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961                             | 41,388                                   | <b>41,388</b>       |
|        | (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961              | -                                        | -                   |
| 2.     | Stock Option                                                                        | -                                        | -                   |
| 3.     | Sweat Equity                                                                        | -                                        | -                   |
| 4.     | Commission                                                                          |                                          |                     |
|        | - as % of profit                                                                    | -                                        | -                   |
|        | - others, specify                                                                   | -                                        | -                   |
| 5.     | Others - Retirals                                                                   |                                          |                     |
|        | Contribution to Funds                                                               | 51,60,443                                | <b>51,60,443</b>    |
|        | Incentive                                                                           | -                                        | -                   |
|        | <b>Total (A)</b>                                                                    | <b>4,57,19,022</b>                       | <b>4,57,19,022</b>  |
|        | Ceiling as per the Act @ 5 % of Net Profit                                          |                                          | <b>68,62,04,203</b> |

## B. Remuneration to other Directors

| S. No. | Particulars of Remuneration                         | Name of Directors      |                       |                          |                          |                        | Total Amount (in ₹)   |
|--------|-----------------------------------------------------|------------------------|-----------------------|--------------------------|--------------------------|------------------------|-----------------------|
| 1.     | <b>Independent Directors</b>                        | <b>Prasad Chandran</b> | <b>Sumit Bose</b>     | <b>Aruna B. Advani</b>   | <b>R Nagarajan</b>       | <b>K V Parameshwar</b> |                       |
|        | Fee for attending Board / Committee Meetings        | 5,40,000               | 5,70,000              | 4,45,000                 | 2,50,000                 | 4,50,000               | <b>22,55,000</b>      |
|        | Commission                                          | 10,00,000              | 10,00,000             | 10,00,000                | 10,00,000                | 10,00,000              | <b>50,00,000</b>      |
|        | Others, please specify                              | -                      | -                     | -                        | -                        | -                      | -                     |
|        | <b>Total (1)</b>                                    | <b>15,40,000</b>       | <b>15,70,000</b>      | <b>14,45,000</b>         | <b>12,50,000</b>         | <b>14,50,000</b>       | <b>72,55,000</b>      |
| 2.     | <b>Other Non-Executive Directors</b>                | <b>M M Murugappan</b>  | <b>V Ravichandran</b> | <b>M M Venkatachalam</b> | <b>B V R Mohan Reddy</b> |                        |                       |
|        | Fee for attending Board / Committee Meetings        | 2,50,000               | 3,05,000              | 5,10,000                 | 5,40,000                 |                        | <b>16,05,000</b>      |
|        | Commission                                          | 2,00,00,000            | 10,00,000             | 10,00,000                | 10,00,000                |                        | <b>2,30,00,000</b>    |
|        | Others, please specify                              | -                      | -                     | -                        | -                        |                        | -                     |
|        | <b>Total (2)</b>                                    | <b>2,02,50,000</b>     | <b>13,05,000</b>      | <b>15,10,000</b>         | <b>15,40,000</b>         |                        | <b>2,46,05,000</b>    |
|        | <b>Total (B)=(1+2)</b>                              | <b>2,17,90,000</b>     | <b>28,75,000</b>      | <b>29,55,000</b>         | <b>27,90,000</b>         |                        | <b>3,18,60,000</b>    |
|        | <b>Total Managerial Remuneration</b>                |                        |                       |                          |                          |                        |                       |
|        | Overall Ceiling as per the Act @ 11 % of Net Profit |                        |                       |                          |                          |                        | <b>1,50,96,49,247</b> |

Fees and Commission excludes Goods and Services Tax

Annexure - G

Annexure -F (Contd.)

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

| S. No. | Particulars of Remuneration                                                         | Name of Key Managerial Personnel |               | Total Amount (in ₹) |
|--------|-------------------------------------------------------------------------------------|----------------------------------|---------------|---------------------|
|        | Name & Designation                                                                  | Jayashree Satagopan              | P Varadarajan |                     |
|        |                                                                                     | CFO                              | CS            |                     |
| 1.     | Gross salary                                                                        |                                  |               |                     |
|        | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 1,96,79,433                      | 71,26,918     | 2,68,06,351         |
|        | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961                             | 6,21,600                         | 33,048        | 6,54,648            |
|        | (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961              | -                                | -             | -                   |
| 2.     | Stock Option*                                                                       | -                                | -             | -                   |
| 3.     | Sweat Equity                                                                        | -                                | -             | -                   |
| 4.     | Commission                                                                          |                                  |               | -                   |
|        | - as % of profit                                                                    | -                                | -             | -                   |
|        | - Others, specify                                                                   | -                                | -             | -                   |
| 5.     | Others - Contribution to Retiral Funds                                              | 18,97,894                        | 15,06,456     | 34,04,350           |
| Total  |                                                                                     | 2,21,98,927                      | 86,66,422     | 3,08,65,349         |

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

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

Note:

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

On behalf of the Board of Directors

Place : Chennai  
Date : May 26, 2020

M M Murugappan  
Chairman

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

Various Energy conservation steps taken by the Company, as detailed below, have yielded considerable energy savings during the year 2019-20.

Fertiliser Plants

- a. Installed modern combined Heat & Power Atmospheric Fluidised Bed Combustion Boiler and Turbo Generator -II plant with non-condensing turbine, Exhaust steam utilised for process heating. This results in higher thermal efficiency over existing Turbo Generator I which is a condensing turbine. Also, the cost of installation is lower than condensing turbine.
- b. Upgraded Demineralisation Plant with Mixed Bed & Ultra Filtration Units to meet high pressure boiler feed water quality norms.
- c. Installed several Variable Frequency Drives for better control of variable loads.
- d. Modernised electrical low-tension switch gear.
- e. Installed modern energy efficient LED lighting systems.
- f. Modernised Air conditioning systems.
- g. Right sized belt conveying system.
- h. ENCON and Small Group Activity teams have been constituted to constantly look at the energy conservation, other improvement schemes which has resulted in considerable energy savings.
- i. The capital investment on energy conservation equipment: ₹ 57.9 crores.

CPC Plants

- a. Installed high efficiency energy saving E-Glass Proxy FRP Fans for different cooling towers, and energy efficient BLDC ceiling fan at various locations in Ankleshwar plant.
- b. Installed energy efficient motors, and cooling tower pumps.
- c. Installed steam operated Pressure Powered Pump Unit (PPPU) in Malathion/Profenofos & MEE Plants for condensate transfer.
- d. Installed three Dry Vacuum pumps in place of steam ejectors for reducing steam norms.
- e. Installed Continuous Stripping Column for Ammoniacal Nitrogen Removal from Condensate Water for reducing steam norms.
- f. Installed street LED lights and solar lights.
- g. The capital investment on energy conservation equipment: ₹ 1.7 Crores.

SSP Plants

Focused Energy Conservation initiatives were taken up at SSP manufacturing units as detailed below:

- a. Phase-wise replacement of Old motors with Energy Efficient Motors.
- b. Phase-wise replacement of old existing lighting with LED lights.
- c. Power factor improvement.
- d. Improved monitoring of energy consumption by installing digital energy meter.

B. TECHNOLOGY ABSORPTION

- i. Efforts made towards technology absorptions:

Commissioned state of the art Phosphoric acid plant - II, High Rate Thickener for Phosphoric Acid product clarification, Atmospheric Fluidised Bed Combustion Boiler, Turbo Generator with non-condensing turbine system.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

a) Enhanced flexibility in use of raw materials and capacity expansion of phosphoric acid production.

b) High Rate thickener for efficient solids separation from manufactured Phosphoric acid.

Annexure -G (Contd.)

- c)

AFBC Boiler commissioned to generate power in Turbo Generator and supply heat energy for evaporating the manufactured phosphoric acid.
- iii.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a)

The details of technology imported: Design and know-how for the new Phosphoric Acid Plant.

b)

The year of import -2019-20.

c)

Whether the technology been fully absorbed – Fully Absorbed.

d)

If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not applicable.

iv.

Coromandel became member of the Varietal Rice Accelerator Program (VRAP) of International Rice Research Institute (IRRI), Phillippines which will enable the company to evaluate stress tolerant rice varieties suitable for local conditions. Membership is for three years and the fee for each year is USD 10,000.
- RESEARCH AND DEVELOPMENT
- Fertilisers
- Manufacturing technologies based on in-house R&D were implemented successfully for two new Speciality Nutrient products – Novozin and Bosmax. Plant for Liquid Fertilisers was designed and is currently under construction. Technology was developed to remove organic matter from Low Grade rocks which will allow the use of rock phosphate from new sources. New areas for utilization of phosphogypsum were explored through collaborative R&D efforts. The Coromandel Lab at Monash Academy in IIT Bombay made significant progress in the development of next generation “fertilisers” which will offer high nutrient efficiency. A collaborative project was initiated with IIT Kharagpur for rapid testing of soil and plant samples. A Data Analytics algorithm was developed based on the data collected though agronomic research trials for prediction of yield for paddy. A number of new agricultural technologies such as soil moisture sensor were deployed in the R&D farm and demonstrated to farmers. Crop diagnostic equipment were deployed in Nutriclinics to support the advisory work. Four patent applications were filed during the year.
- Coromandel was represented in the following committees of various organizations:
- a)

Working Group on Plant Nutrition Products of International Fertilizer Association

b)

Agricultural Sciences Advisory Committee of Fertiliser Association of India

c)

Advisory Committee on Micronutrient Fortification, International Zinc Association
- Crop Protection Chemicals
- Crop Protection Chemicals (CPC) Business of the Company has three R&D centres at Ankleshwar, Sarigam & Hyderabad and has Technology Transfer (TT) Department at Ankleshwar. Recently packaging development department was established at Hyderabad R&D centre. CPC R&D is focused on development of processes for new off -Patent molecules, its advanced intermediates, improving the process of existing products, developing different type of agrochemical formulation (solo as well as new combination products) and transferring the R&D processes for Technical and formulations to Technology Transfer Team. The Technology Transfer Team is conducting the pilot trial of the R&D processes, designing the manufacturing plants and transferring the technology along with plant design to the manufacturing team for commercialization of the products.
- The packaging development department has been established to meet the requirements and wishes of the customers and other regulatory agencies. This department mainly focuses on development of packaging systems and its test procedure methods for various technical and formulation products and helps to improve, optimize the packaging of existing products. In addition, this department is also working on “Container Content Compatilby” (CCC) studies of existing technical and formulation products to smoothen the packaging process.
- The R&D centre at Hyderabad has strong analytical research laboratory equipped with all essential advanced analytical equipment required for chemical R&D. During the years, the analytical laboratory at the R&D Centre has obtained NABL accreditation for analysing the Pesticide formulation and Technical concentrates, which enables it to undertake the five-batch analysis and residue analysis for product registration purpose. From October 2019 onwards this Centre has started analysing Mancozeb technical samples as per NABL scope which are received from Sarigam manufacturing unit and generated around 70 COA's with NABL Accreditation certificate to foreign customers. During the year 2019-20, Analytical R&D centre has developed the Specification & testing procedures (STP) and method of analysis for the finished products, intermediates and Raw materials for both the technical and formulations as per in house and guidelines of regulatory bodies. Analytical R&D also generated ~11 non-GLP Phys-chem reports for different technical and formulation products for registration team as per requirement of regulatory authorities of different countries.
- The R&D Centre is also focusing on the development of new combination products with the goal to market at least two or three new combination products each year and has taken initiatives to work on new types of formulation like EW (water emulsion), CS (micro encapsulation) and biopesticides formulation. During the year 2019-20, the formulation development team has developed recipe for 16 new combination products, established their stability and prepared sample for field trials. In addition to this the team has also work on formulation development of ~ 40 miscellaneous products for regulatory requirement of various countries.
- Annexure -G (Contd.)
- Company has selected four Technical products for commercialization in the financial year 2021, R&D has transferred their chemical processes to Technology Transfer Team during the financial year 2019-20. The chemistry development team has also developed process chemistry for four new off patent during the financial year 2019-20.
- The CPC R&D has developed novel processes for two technical molecules and filed two Indian patent applications. on ‘**Cyproconazole**’ IN 201941052103 and ‘**Azoxystrobin**’ IN 201941031475. A patent application for the formulation of ‘**Pymetrozine 50 WDG**’ (IN 201941011739) has also been filed for nonaqueous water dispersible granular formulation. With this novel process patent, Crop Protection Business has launched the product “ASTRA” before the expiry of innovator patent on Pymetrozine 50WDG process. It has also filed a patent of addition for combination product (Mancozeb+Azoxystrobin) (IN 201943020981) with improved process using novel rheology modifier.
- During the financial year 2019-20, CPC has successfully launched three new formulation products like **ASTRA**, **MYTHRI** and **XENGA** into market.
- The expenditure incurred on Research and Development:
- (₹ in Lakhs)

| Expenditure on R&D | 2019-20 | 2018-19 |
|--------------------|---------|---------|
| Revenue            | 1,863   | 1,305   |
| Capital            | 98      | 262     |
- C. FOREIGN EXCHANGE EARNINGS AND OUTGO
- (₹ in Lakhs)

| Foreign Exchange Earnings and Outgo | 2019-20  | 2018-19  |
|-------------------------------------|----------|----------|
| Foreign Exchange Earnings           | 67,367   | 83,926   |
| Foreign Exchange Outgo              | 6,27,499 | 8,76,285 |
- On behalf of the Board of Directors
- Place : Chennai  
Date : May 26, 2020
- M M Murugappan  
Chairman
- 92Coromandel International Limited
- Annual Report 2019-2093

Annual Report on CSR Activities

- 1

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
- 2

The Composition of the CSR Committee as at the end of the year  
  
Mr. Sumit Bose  
Mr. M M Venkatachalam  
Mr. V Ravichandran  
Mr. Sameer Goel  
  
₹ 94,530 lakhs  
₹ 1,891 lakhs  
  
₹ 1,891 lakhs  
₹ 220 lakhs  
₹ 2,062 lakhs  
₹ 152 lakhs [out of which committed ₹ 152 lakhs]
- 3

Average net profit of the Company for last three financial years
- 4

Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
- 5

Details of CSR activities/ projects undertaken during the year: 2019-20  
  
a) Total amount to be spent for the year  
b) Amount carried forward from earlier years  
c) Amount spent during the year (as per statement below)  
d) Amount carried forward for the year  
e) Manner in which the amount is spent during the financial year is detailed below:
- (i)

Amount spent on CSR Projects committed during the year 2017-18  
(₹ in Lakhs)

| S. No.         | CSR Project/ activity identified          | Sector in which the project is covered | Name of the District(s)/, State(s)/ where project/programme was undertaken | Amount budgeted | Amount spent in 19-20 | Cumulative spend upto 31 March 2020 | Amount spent directly/ through implementing agency |
|----------------|-------------------------------------------|----------------------------------------|----------------------------------------------------------------------------|-----------------|-----------------------|-------------------------------------|----------------------------------------------------|
| 1              | Improving facility at government hospital | Rural Development                      | Mahbubnagar in Telangana and Visakhapatnam in Andhra Pradesh               | 9.50            | 0.54                  | 9.50                                | Directly                                           |
| 2              | Contribution to increasing green cover    | Environment Sustainability             | Visakhapatnam, Andhra Pradesh and Kakinada in Andhra Pradesh               | 50.00           | 0.32                  | 50.00                               | Directly                                           |
| Sub total- (A) |                                           |                                        |                                                                            | 59.50           | 0.86                  | 59.50                               |                                                    |

(ii)

Amount spent on CSR Projects committed during the year 2018-19  
(₹ in Lakhs)

Annexure -H (Contd.)

| S. No. | CSR Project/ activity identified                                                                                                 | Sector in which the project is covered | Name of the District(s)/, State(s)/ where project/programme was undertaken                                                                                                                                                                        | Amount budgeted | Amount spent in 19-20 | Cumulative spend upto 31 March 2020 | Amount spent directly/ through implementing agency |
|--------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-------------------------------------|----------------------------------------------------|
| 1      | Coromandel Girl Child Education Scheme                                                                                           | Education                              | Srikakulam, Prakasam, East Godavari (Kakinada), Kadapa and Visakhapatnam in Andhra Pradesh, Mahbubnagar, Karimnagar, Nirmal in Telangana, Valsad (Sarigam) Bharuch (Ankleshwar) in Gujarat, Bellary (Hospet) in Karnataka, Jhagram in West Bengal | 60.00           | 26.36                 | 60.00                               | Directly                                           |
| 2      | Improving health conditions for communities through the provision of basic medical services in Ennore, Vizag, Kakinada & Sarigam | Health                                 | Chennai (Ennore) in Tamil Nadu, East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Valsad (Sarigam) in Gujarat                                                                                                                         | 92.00           | 19.32                 | 92.00                               | Directly                                           |
| 3      | Improving government health facilities in Kakinada                                                                               | Health                                 | East Godavari, Andhra Pradesh                                                                                                                                                                                                                     | 8.00            | 8.00                  | 8.00                                | Directly                                           |
| 4      | Improving health of communities through medical camps and other measures                                                         | Health                                 | East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Bharuch (Ankleshwar) in Gujarat, Chennai (Ennore), Vellore (Ranipet) in Tamil Nadu, Meerut in Uttar Pradesh                                                                         | 25.00           | 12.82                 | 25.00                               | Directly                                           |
| 5      | Community Development projects                                                                                                   | Empowerment                            | East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Valsad (Sarigam) and Bharuch (Ankleshwar) in Gujarat, Hospet in Karnataka, Jammu in Jammu & Kashmir, Chennai (Ennore), and Vellore (Ranipet) in Tamil Nadu                          | 142.00          | 35.22                 | 142.00                              | Directly                                           |
| 6      | Supporting livelihood opportunities to women farmers                                                                             | Rural Development                      | Mahbubnagar, Telangana                                                                                                                                                                                                                            | 20.00           | 4.24                  | 20.00                               | Implementing agency                                |
| 7      | Skill development in retail and agri skills                                                                                      | Skill Development                      | Hyderabad, Telangana                                                                                                                                                                                                                              | 75.00           | 46.08                 | 75.00                               | Implementing agency                                |
| 8      | Scholarships for Class XI students                                                                                               | Education                              | Visakhapatnam and Kakinada in Andhra Pradesh, Ennore in Tamil Nadu                                                                                                                                                                                | 10.00           | 10.00                 | 10.00                               | Directly                                           |

Annexure -H (Contd.)

| S. No.          | CSR Project/ activity identified                        | Sector in which the project is covered | Name of the District(s)/, State(s)/ where project/programme was undertaken | Amount budgeted | Amount spent in 19-20 | Cumulative spend upto 31 March 2020 | Amount spent directly/ through implementing agency |
|-----------------|---------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------|-----------------|-----------------------|-------------------------------------|----------------------------------------------------|
| 9               | Contribution towards Nature Conservation                | Environment Sustainability             | Chennai and Kanyakumari in Tamil Nadu                                      | 50.00           | 7.41                  | 50.00                               | Implementing agency                                |
| 10              | Contribution to increasing green cover in Visakhapatnam | Environment Sustainability             | Visakhapatnam in Andhra Pradesh                                            | 50.00           | 50.00                 | 50.00                               | Directly and implementing agency                   |
| Sub total - (B) |                                                         |                                        |                                                                            | 219.46          |                       |                                     |                                                    |

(iii) Amount spent on CSR Projects committed during the year 2019-20

| S. No. | CSR Project/ activity identified                                                                                                 | Sector in which the project is covered | Name of the District(s)/, State(s)/ where project/programme was undertaken                                                                                                                                                                             | Amount budgeted | Amount spent in 19-20 | Cumulative spend upto 31 March 2020 | Amount spent directly/ through implementing agency |
|--------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-------------------------------------|----------------------------------------------------|
| 1      | Contribution to Udbhav School                                                                                                    | Education                              | Hyderabad in Telangana                                                                                                                                                                                                                                 | 45.00           | 45.00                 | 45.00                               | Implementing agency                                |
| 2      | Coromandel Girl Child Education Scheme                                                                                           | Education                              | Srikakulam, Prakasam, East Godavari (Kakinada), Kadapa and Visakhapatnam in Andhra Pradesh, Mahbubnagar, Karimnagar, Nirmal in Telangana, Valsad (Sarigam) Bharuch (Ankleshwar and Dahej) in Gujarat, Bellary (Hospet) in Karnataka, Fazilka in Punjab | 20.00           | 20.00                 | 20.00                               | Directly                                           |
| 3      | Contribution to Balavidyalaya- Supporting children with hearing impairment                                                       | Education                              | Chennai, Tamil Nadu                                                                                                                                                                                                                                    | 39.40           | 39.38                 | 39.38                               | Directly                                           |
| 4      | Improving health conditions for communities through the provision of basic medical services in Ennore, Vizag, Kakinada & Sarigam | Health                                 | Chennai (Ennore) in Tamil Nadu, East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Valsad (Sarigam) in Gujarat                                                                                                                              | 105.63          | 105.63                | 105.63                              | Directly                                           |
| 5      | Improving government health facilities in Kakinada                                                                               | Health                                 | East Godavari, Andhra Pradesh                                                                                                                                                                                                                          | 12.00           | 11.66                 | 11.66                               | Directly                                           |
| 6      | Improving health of communities through medical camps and other measures                                                         | Health                                 | Kurnool, Vijayawada, East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Warangal in Telangana, Bharuch (Ankleshwar) in Gujarat, Chennai (Ennore), Vellore (Ranipet) in Tamil Nadu                                                           | 20.00           | 2.57                  | 2.57                                | Directly                                           |

Annexure -H (Contd.)

| S. No. | CSR Project/ activity identified                                                 | Sector in which the project is covered | Name of the District(s)/, State(s)/ where project/programme was undertaken                                                                                                                                                                    | Amount budgeted | Amount spent in 19-20 | Cumulative spend upto 31 March 2020 | Amount spent directly/ through implementing agency |
|--------|----------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-------------------------------------|----------------------------------------------------|
| 7      | Contribution to Hrudaya Cure A Little Heart Foundation                           | Health                                 | Hyderabad, Telangana                                                                                                                                                                                                                          | 30.00           | 30.00                 | 30.00                               | Directly                                           |
| 8      | Establishment of Hospital at Kakinanda                                           | Health                                 | East Godavari, Andhra Pradesh                                                                                                                                                                                                                 | 155.00          | 155.00                | 155.00                              | Directly/ Implementing agency                      |
| 9      | Community Development projects                                                   | Empowerment                            | East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Valsad (Sarigam) and Bharuch (Ankleshwar) in Gujarat, Hospet in Karnataka, Jammu in Jammu & Kashmir, Chennai (Ennore), and Ranipet in Tamil Nadu, Kota and Udaipur in Rajasthan | 206.83          | 206.83                | 206.83                              | Directly                                           |
| 10     | Supporting livelihood opportunities to women farmers                             | Rural Development                      | Sangareddy, Telangana                                                                                                                                                                                                                         | 15.00           | 15.00                 | 15.00                               | Implementing agency                                |
| 11     | Skill development in retail and agri skills                                      | Skill Development                      | Hyderabad, Telangana                                                                                                                                                                                                                          | 75.00           | 56.55                 | 56.55                               | Implementing agency                                |
| 12     | Nature conservation                                                              | Environment Sustainability             | Chennai in Tamil Nadu                                                                                                                                                                                                                         | 50.00           | 50.00                 | 50.00                               | Implementing agency                                |
| 13     | Contribution to increasing green cover in Visakhapatnam                          | Environment Sustainability             | Vishakhapatnam in Andhra Pradesh                                                                                                                                                                                                              | 90.00           | 49.18                 | 49.18                               | Directly and implementing agency                   |
| 14     | Contribution towards meeting running expenses in Murugappa Polytechnic College   | Education                              | Chennai, Tamil Nadu                                                                                                                                                                                                                           | 67.07           | 67.07                 | 67.07                               | Implementing agency                                |
| 15     | Contribution towards construction and improvement in Sir Ivan Stedeford Hospital | Health                                 | Chennai, Tamil Nadu                                                                                                                                                                                                                           | 400.00          | 400.00                | 400.00                              | Implementing agency                                |
| 16     | Contribution towards meeting running expenses in AMM Hospital                    | Health                                 | Sivaganga, Tamil Nadu                                                                                                                                                                                                                         | 69.65           | 69.65                 | 69.65                               | Implementing agency                                |

| S. No. | CSR Project/ activity identified                                          | Sector in which the project is covered | Name of the District(s)/, State(s)/ where project/programme was undertaken                                                                                                                                        | Amount budgeted | Amount spent in 19-20 | Cumulative spend upto 31 March 2020 | Amount spent directly/ through implementing agency |
|--------|---------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-------------------------------------|----------------------------------------------------|
| 17     | Contribution towards meeting running expenses in AMM Arunachalam Hospital | Health                                 | Cuddalore, Tamil Nadu                                                                                                                                                                                             | 98.48           | 98.48                 | 98.48                               | Implementing agency                                |
| 18     | Mobile health care program                                                | Health                                 | Valsad, Gujarat                                                                                                                                                                                                   | 33.06           | 33.06                 | 33.06                               | Implementing agency                                |
| 19     | Studies on Water related – Eco Sanitation and Safe Drinking Water-MCRC    | Health                                 | Kancheepuram, Villupuram, Sivaganga, Karur, Dindigul and Coimbatore in Tamil Nadu                                                                                                                                 | 51.36           | 51.36                 | 51.36                               | Implementing agency                                |
| 20     | Contribution to the corpus of AMM Foundation                              | Corpus                                 | Chennai, Tamil Nadu                                                                                                                                                                                               | 239.88          | 239.88                | 239.88                              | Implementing agency                                |
| 21     | Support to government schools in East Godavari, Andhra Pradesh            | Education                              | East Godavari, Andhra Pradesh                                                                                                                                                                                     | 25.00           | -                     | -                                   | Directly                                           |
| 22     | Disaster relief fund- COVID 19                                            | Disaster Relief                        | Visakhapatnam and East Godavari (Kakinada) in Andhra Pradesh, Valsad (Sarigam) and Bharuch (Ankleshwar, Dahe) in Gujarat, Jammu in Jammu & Kashmir, Chennai (Ennore) and Ranipet in Tamil Nadu, Kota in Rajasthan | 80.00           | 29.98                 | 29.98                               | Directly                                           |
| 23     | Expenditure towards administration expenses                               | Overheads                              |                                                                                                                                                                                                                   | 65.00           | 65.00                 | 65.00                               |                                                    |
|        | Sub total- (C)                                                            |                                        |                                                                                                                                                                                                                   | 1,993.36        | 1,841.27              | 1,841.27                            |                                                    |
|        | Total amount spent during the year (A+B+C)                                |                                        |                                                                                                                                                                                                                   |                 | 2,061.59              |                                     |                                                    |

6 Some of the CSR projects for which amount was committed could not be completed due to COVID 19 situation.

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

Sameer Goel  
Managing Director

Place: Secunderabad / Kolkata  
Date: May 26, 2020

Sumit Bose  
Chairperson-CSR Committee

On behalf of the Board of Directors

## Report on Corporate Governance

### Annexure - I

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

#### Company's Philosophy

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

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

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

The following is a report on the Corporate Governance.

#### 1. Board of Directors

##### Composition and size of the Board

The Board of Directors, as at the end of the year on March 31, 2020, comprised of ten Directors of which Managing Director is an Executive Director. Out of nine Non-Executive Directors, five are Independent Directors and four are Non-Independent Directors. One Independent Director is a Woman Director. The

Independent Directors have been issued formal letter of appointment and the terms and conditions of their appointment have been disclosed on the website of the Company. The Independent Directors have given declarations to the Company about their independence to enable the Board for determining its composition as envisaged in Regulation 17 of the Listing Regulations and further confirming compliance as per Section 149 of the Companies Act, 2013 read with the Rules made thereunder.

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

##### Board Meetings and Attendance

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

| S. No. | Date of Meeting   | Board Strength | No. of Directors present |
|--------|-------------------|----------------|--------------------------|
| 1.     | April 23, 2019    | 10             | 09                       |
| 2.     | July 22, 2019     | 10             | 10                       |
| 3.     | October 22, 2019  | 10             | 09                       |
| 4.     | October 22, 2019* | 10             | 10                       |
| 5.     | January 31, 2020  | 10             | 10                       |
| 6.     | March 20, 2020    | 10             | 10                       |

\* The Second Board meeting held on October 22, 2019 was adjourned and concluded on October 23, 2019.

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

Annexure -I (Contd.)

| Name and Designation of the Director | Category of Directorship    | Attendance Particulars |          | No. of other Directorships and Committee Memberships / Chairmanship |                       |          |
|--------------------------------------|-----------------------------|------------------------|----------|---------------------------------------------------------------------|-----------------------|----------|
|                                      |                             | Board Meetings         | Last AGM | Directorships in other public companies as on March 31, 2020*       | Committee**<br>Member | Chairman |
| Mr. M M Murugappan<br>Chairman       | Non-Executive & Promoter    | 6                      | Yes      | 8                                                                   | 6                     | 4        |
| Mr. V Ravichandran<br>Vice Chairman  | Non-Executive               | 5                      | Yes      | 4                                                                   | 1                     | 1        |
| Mr. Prasad Chandran<br>Director      | Non-Executive & Independent | 6                      | Yes      | 2                                                                   | 2                     | 1        |
| Dr. B V R Mohan Reddy<br>Director    | Non-Executive               | 6                      | Yes      | 2                                                                   | 1                     | Nil      |
| Mr. M M Venkatachalam<br>Director    | Non-Executive & Promoter    | 6                      | Yes      | 7                                                                   | 6                     | 2        |
| Mr. Sumit Bose<br>Director           | Non-Executive & Independent | 6                      | Yes      | 3                                                                   | 3                     | 2        |
| Ms. Aruna B. Advani<br>Director      | Non-Executive & Independent | 5                      | Yes      | 1                                                                   | 1                     | Nil      |
| Dr. R. Nagarajan<br>Director         | Non-Executive & Independent | 6                      | Yes      | Nil                                                                 | Nil                   | Nil      |
| Mr. K V Parameshwar<br>Director      | Non-Executive & Independent | 6                      | Yes      | 1                                                                   | 1                     | Nil      |
| Mr. Sameer Goel<br>Managing Director | Executive                   | 6                      | Yes      | Nil                                                                 | Nil                   | Nil      |

\* Excludes Directorships in private, foreign and Section 8 companies.  
\*\* Represents Memberships of Audit and Stakeholders Relationship Committee of Public Limited Companies.

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

Details of Directorship in other Listed entities as on March 31, 2020:

| Name of Director      | Name of Listed Entity                                | Category                           |
|-----------------------|------------------------------------------------------|------------------------------------|
| Mr. M M Murugappan    | Carborundum Universal Limited                        | Non-Executive & Promoter; Chairman |
|                       | Tube Investments of India Limited                    | Non-Executive & Promoter; Chairman |
|                       | Cholamandalam Financial Holdings Limited             | Non-Executive & Promoter; Chairman |
|                       | Cholamandalam Investment and Finance Company Limited | Non-Executive & Promoter;Chairman  |
|                       | Mahindra and Mahindra Limited                        | Non-Executive & Independent        |
|                       | Cyient Limited                                       | Non-Executive                      |
| Mr. V Ravichandran    | E.I.D Parry (India) Limited                          | Non-Executive, Chairman            |
|                       | Cholamandalam Financial Holdings Limited             | Non-Executive                      |
| Mr. Prasad Chandran   | HDFC Life Insurance Company Limited                  | Non-Executive & Independent        |
| Dr. B V R Mohan Reddy | Cyient Limited                                       | Executive, Chairman                |
| Mr. M M Venkatachalam | E.I.D Parry (India) Limited                          | Non-Executive & Non- Independent   |
|                       | The Ramco Cements Limited                            | Non-Executive & Independent        |
|                       | Ramco Systems Limited                                | Non-Executive & Independent        |
|                       | Coromandel Engineering Company Limited               | Non-Executive, Chairman            |
| Mr. Sumit Bose        | HDFC Life Insurance Company Limited                  | Non-Executive & Independent        |
|                       | BSE Limited                                          | Non-Executive & Independent        |
| Ms. Aruna B. Advani   | -                                                    | -                                  |
| Dr. R Nagarajan       | -                                                    | -                                  |
| Mr. K V Parameshwar   | -                                                    | -                                  |
| Mr. Sameer Goel       | -                                                    | -                                  |

Annexure -I (Contd.)

The brief profiles of Directors forming part of this Annual Report gives an insight into the education, expertise, skills and experience of Directors, thus bringing in diversity to the Board's perspectives. In terms of the requirement of the Listing Regulations, the Board has identified the core skills/ expertise/ competencies of the Directors in the context of the Company's business for effective functioning and as available with the Board. These are as follows:

| Name                  | Financial Management | Governance Practices | Corporate Strategy | Business Strategy | General Management |
|-----------------------|----------------------|----------------------|--------------------|-------------------|--------------------|
| Mr. M M Murugappan    | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |
| Dr. BVR Mohan Reddy   | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |
| Mr. Sumit Bose        | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |
| Mr. Prasad Chandran   | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |
| Mr. V Ravichandran    | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |
| Dr. R Nagarajan       | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |
| Mr. K V Parameshwar   | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |
| Mr. M M Venkatachalam | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |
| Ms. Aruna B. Advani   | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |
| Mr. Sameer Goel       | ✓                    | ✓                    | ✓                  | ✓                 | ✓                  |

Independent Directors Meeting

A Meeting of the Independent Directors chaired by Mr. Sumit Bose was held on March 20, 2020 which was attended by all the Independent Directors. The Independent Directors have evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company. The Board was briefed on the deliberations made at the Independent Directors Meeting. The details of the Familiarization Program imparted to Independent Directors of the Company are available on website of the Company at [https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/FamiliarisationProgramme\\_2020.pdf](https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/FamiliarisationProgramme_2020.pdf)

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and CSR Committee. Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of participation in the meetings

and contribution, independence of judgments safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. During such evaluation, the Director whose performance was evaluated was not present at the meeting. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The Company has received the requisite declarations from its Independent Directors confirming that they meet the criteria of independence prescribed both under the Companies Act, 2013 and the Listing Regulations. The Board at its meeting held on May 26, 2020 has taken on record the declarations received from the Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent of Management.

2. Audit Committee

Brief description of Terms of Reference

The terms of reference of the Audit Committee encompass the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations and, inter alia, include overseeing the financial reporting process and disclosure of financial information, recommending the appointment / re-appointment of statutory auditors and fixation of audit fee, review of financial statements before submission to the Board, review of adequacy of internal control system, findings of internal audit, whistle blower mechanism, related party transactions, scrutiny of inter-corporate loans & investments, approval and review of related party transactions, valuation of assets/undertakings of the

Annexure -I (Contd.)

Company, appointment of registered valuers, reviewing the compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, etc. The Audit Committee also reviews the financial statements of unlisted subsidiary companies and, in particular, the investments made by them.

Composition, Meetings and Attendance

The Audit Committee as at the end of the year March 31, 2020 consisted of 6 (six) directors of which 4 (four) were Independent Directors. During the year, the Committee had five meetings on April 23, 2019; July 22, 2019; October 22, 2019; January 31, 2020 and March 20, 2020.

Details of attendance of the Members at such meetings are given as follows:

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

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

The Chairman of the Audit Committee, Mr. Sumit Bose, was present at the Annual General Meeting of the Company held on July 22, 2019.

3. Nomination & Remuneration Committee

Brief description of Terms of Reference

The terms of reference of the Nomination & Remuneration Committee include inter alia, to formulate the criteria for appointment of Directors/Senior Management including determining qualifications, positive attributes and independence of Directors, recommend to the Board the appointment of Directors, recommend re-election of Directors retiring by rotation, recommend the remuneration including pension rights and periodic increments of the Managing/Whole-time Director(s), determine the annual incentive of the Managing/Whole-time Director(s), recommend the commission payable annually to each of the Non-Whole-time Directors to the Board within

the limits fixed by shareholders, formulate, implement, administer and superintend the Employee Stock Option Plan/Scheme(s) of the Company, devise policy on Board diversity, formulate criteria for evaluation of Independent Directors/Board, evaluation of the Directors' performance, recommend Remuneration policy to the Board and ensuring Board Diversity, recommend to the Board, all remuneration in whatever form, payable to the Senior Management etc.

Composition, Attendance and Meetings

- During the year, the Committee had four meetings on April 23, 2019; July 08, 2019; July 22, 2019 and October 22, 2019. Details of the composition of the Nomination & Remuneration Committee and attendance of Members during the year are as follows:

| Name                  | Designation | Category of Directorship    | Attendance |
|-----------------------|-------------|-----------------------------|------------|
| Mr. Sumit Bose        | Chairman    | Non-Executive & Independent | 4          |
| Dr. B V R Mohan Reddy | Member      | Non-Executive               | 3          |
| Mr. M M Venkatachalam | Member      | Non-Executive               | 3          |
| Ms. Aruna B. Advani   | Member      | Non-Executive & Independent | 2          |

4. Remuneration to Directors

Managing / Executive Director

- The compensation of the Managing / Executive Director comprises of fixed component and a performance incentive/commission. The compensation is determined based on levels of responsibility and scales prevailing in the industry. The performance incentive/commission is determined based on certain pre-agreed performance parameters.
- The Managing / Executive Director is not paid sitting fees for any Board/ Committee meetings attended by him.

Non-Executive Directors

- The compensation of the Non-Executive Directors is in the form of commission paid out of profits. Though the shareholders have approved payment of commission upto 1% of net profits of the Company for each year calculated as per the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the commission paid to the Directors is usually restricted to a fixed sum, which is within the limits.
- The sitting fees/commission is reviewed periodically taking into consideration various factors such as

Annexure -I (Contd.)

performance of the Company, time spent by the directors for attending to the affairs and business of the Company and extent of responsibilities cast on directors under general law and other relevant factors. Depending on the time and efforts put in by the directors towards the affairs of the Company, the directors are also paid a differential remuneration. The aggregate commission paid to all Non-Executive Directors currently is well within the limit of 1% of net profits as computed in the manner laid down in Section 198 of the Companies Act, 2013, and as approved by the shareholders. The Non-Executive Directors are also paid sitting fees as permitted under the relevant statutory provisions for every Board/ Committee meeting attended by them.

- During the year the sitting fees payable to Non-Executive Directors was increased from ₹ 25,000 to ₹ 50,000 for every Board meeting and Audit Committee meeting and for other Committee meetings from ₹ 15,000 to ₹ 30,000 with effect from October 22, 2019.

Shareholdings

- The details of Shareholdings of the Non-Executive Directors in the Company as at March 31, 2020 are as follows:

| Name                  | No. of Shares |
|-----------------------|---------------|
| Mr. M M Murugappan    | Nil           |
| Mr. V Ravichandran    | 1,04,670      |
| Mr. Prasad Chandran   | Nil           |
| Dr. B V R Mohan Reddy | 48,000        |
| Mr. M M Venkatachalam | Nil           |
| Mr. Sumit Bose        | Nil           |
| Ms. Aruna B. Advani   | Nil           |
| Dr. R Nagarajan       | Nil           |
| Mr. K V Parameshwar   | Nil           |

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, 2020 is as follows:

(Amount in ₹.)

| Name                       | Mr. Sameer Goel<br>Managing Director |
|----------------------------|--------------------------------------|
| Salary                     | 3,03,75,575                          |
| Contribution to Funds      | 67,79,151                            |
| Value of Perk & Allowances | 2,23,899                             |
| Incentives                 | 1,22,28,591                          |
| Total                      | 4,96,07,216                          |

Mr. Sameer Goel was appointed as Managing Director of the Company for a period of five years

from October 01, 2015 to September 30, 2020. Notice period for termination of contract of service is 3 months. No severance pay is payable.

A sum of ₹ 1,04,44,720/- was paid during the year towards incentives for the year 2018-19, as against ₹ 1,11,87,571/- provided in the accounts for that year.

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

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

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

|                                      |          |
|--------------------------------------|----------|
| Options Granted                      | 6,56,900 |
| Options Vested                       | 4,59,830 |
| Options cancelled                    | Nil      |
| Options Lapsed                       | Nil      |
| Options Exercised                    | Nil      |
| Balance Outstanding (vested options) | 4,59,830 |

- The details of sitting fees paid and commission payable to Non-Executive Directors for the financial year ended March 31, 2020, are as under:

(Amount in ₹.)

| Non-Executive Directors | Sitting Fees@ | Commission@  |
|-------------------------|---------------|--------------|
| Mr. M M Murugappan      | 2,50,000      | 2,00,00,000# |
| Mr. V Ravichandran      | 3,05,000      | 10,00,000    |
| Mr. Prasad Chandran     | 5,40,000      | 10,00,000    |
| Dr. B V R Mohan Reddy   | 5,40,000      | 10,00,000    |
| Mr. M M Venkatachalam   | 5,10,000      | 10,00,000    |
| Mr. Sumit Bose          | 5,70,000      | 10,00,000    |
| Ms. Aruna B. Advani     | 4,45,000      | 10,00,000    |
| Dr. R. Nagarajan        | 2,50,000      | 10,00,000    |
| Mr. K V Parameshwar     | 4,50,000      | 10,00,000    |

@ Excludes Goods and Services Tax

# Subject to approval of shareholders at the ensuing AGM as required by SEBI Listing Regulations.

## Annexure -I (Contd.)

## 5. Stakeholders Relationship Committee

## Brief description of Terms of Reference

The terms of reference of this Committee, inter alia, include formulation of investor servicing policies, review and redressal of investor complaints and approval/overseeing of transfers, transmissions, transpositions, splitting, consolidation of securities, issue of new / duplicate certificates, demat/remat requests, administering the unclaimed shares suspense account, allotment of shares on exercise of Options by employees under the Employees Stock Option Scheme/Plan and performing other functions as delegated to it by the Board from time to time.

## Composition, Attendance &amp; Meetings

- During the year, the Committee had two meetings on October 22, 2019 and March 20, 2020. Details of the composition of the Stakeholders Relationship Committee and attendance of Members during the year are as follows:

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

- Name, designation and address of the Compliance Officer:  
Mr. P Varadarajan  
Company Secretary  
Coromandel International Limited  
Coromandel House, 1-2-10 Sardar Patel Road  
Secunderabad – 500 003  
Phone: +91 40 66997000 / 7300 / 7500  
Fax: 040 27844117  
Email ID: [investorsgrievance@coromandel.murugappa.com](mailto:investorsgrievance@coromandel.murugappa.com)
- During the year, the Company had received 16 complaints from the investors and all of them were resolved satisfactorily. There were no complaints pending at the end of the financial year.
- In order to facilitate faster redressal of investors' grievances the Company has created an exclusive email ID "Investorsgrievance@coromandel.murugappa.com". Investors and shareholders may lodge their queries / complaints addressed to this email ID which would be attended immediately.

## 6. Risk Management Committee

## Terms of Reference

The terms of reference of Risk Management Committee inter alia, include:

- To review and evaluate management's identification of all major Risks to the business and also cyber security;
- To assess the adequacy of management's Risk Assessment, its plans for Risk control or mitigation;
- To review, assess and discuss with the Management
  - any significant risks or exposures,
  - the steps management has taken to minimize such risks or exposures;
- To review and approve/amend from time to time the Company's underlying policies with respect to risk assessment and risk management.

## Composition, Attendance &amp; Meetings

- The Risk Management Committee as at the end of the year consists of 3 Directors. During the year, the Committee had two meetings on August 08, 2019 and March 20, 2020.
- Details of composition and attendance of Members during the year are as follows:

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

## 7. Corporate Social Responsibility Committee

## Terms of Reference

The terms of reference of Corporate Social Responsibility Committee, inter alia, include:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy including any amendments thereto from time to time, which shall include, inter-alia:
  - indicate the list of projects or programs or activities (hereinafter referred to as CSR activities) to be undertaken by the company falling under the purview of Schedule VII of the Act.
  - specify the modalities of execution of CSR activities and monitoring process of the same.

## Annexure -I (Contd.)

- To recommend the amount of expenditure to be incurred on the each of the CSR activities referred above;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- To examine and report to the Board regarding the CSR activities undertaken;
- Such other matters as may be required to discharge their responsibilities under the Act and the rules made thereunder.

## Composition, Attendance &amp; Meetings

- During the year, the Committee had two meetings on April 17, 2019 and October 22, 2019.
- Details of the composition of the Corporate Social Responsibility Committee and attendance of Members during the year are as follows

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

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

## 8. Banking and Borrowing Committee

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

The Committee consists of 3 members. Dr. BVR Mohan Reddy, Director is the Chairman and Mr. V Ravichandran and Mr. Sameer Goel are the other two members of the Committee. During the year, the Committee had one meeting on March 10, 2020 and the same was attended by all the three members.

## 9. Subsidiary Companies

The Company does not have any material unlisted Indian subsidiary in terms of Regulation 24 of the Listing Regulations. The Minutes of the Meetings of Board of Directors of all the subsidiary companies are periodically placed before the Board of Directors of the Company. The Policy on Material Subsidiary is available on the website of the Company at [https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/PolicyOnMaterialSubsidiaries\\_2020.pdf](https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/PolicyOnMaterialSubsidiaries_2020.pdf).

## 10. General Body Meetings

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

| Financial Year | Location                                                 | Date          | Time     |
|----------------|----------------------------------------------------------|---------------|----------|
| 2016-17        | Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, | July 28, 2017 | 10.30 AM |
| 2017-18        |                                                          | July 27, 2018 | 10.30 AM |
| 2018-19        | Sarojini Devi Road, Secunderabad                         | July 22, 2019 | 10.30 AM |

## Postal Ballot

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

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

## Financial Year 2018-19:

- Special resolution was passed to re-appoint Mr. Prasad Chandran as an Independent Director of the Company.
- Special resolution was passed to approve the payment of remuneration to Non-Executive Directors.
- Special resolution was passed to approve the payment of remuneration to Mr. M M Murugappan, Chairman and Non-Executive Director.

## Financial Year 2016-17 and 2017-18:

No Special resolution was passed during the financial years 2016-17 and 2017-18.

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

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

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

As per the provisions of Section 152 of the Companies Act, 2013, two-thirds of the Directors should be retiring Directors. One-third of these retiring Directors are required to retire every year and if eligible, these Directors qualify for re-appointment. Mr. M M Venkatachalam (DIN 00152619) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Sumit Bose was appointed as an Independent Director of the Company for a period of 5 years w.e.f. March 21, 2016 and his term of five years as an Independent Director ends on March 20, 2021. As per provisions of Section 149 of the Companies Act, 2013, Mr. Sumit Bose is eligible for reappointment as an Independent Director for a second term by passing special resolution and is proposed to be

Annexure -I (Contd.)

re-appointed for a second term for the period from March 21, 2021 to March 29, 2024.

Notice has been received from a member proposing the re-appointment of Mr. Sumit Bose at the ensuing Annual General Meeting and the re-appointment of Mr. Sumit Bose as Independent Director has been recommended by the Nomination and Remuneration Committee.

Mr. Sameer Goel was appointed as Managing Director of the Company for a period of five years effective October 01, 2015 and his current term of office as Managing Director of the Company ends on September 30, 2020. Pursuant to the provisions of Section 196 of the Companies Act, 2013, the Board has recommended to the shareholders the re-appointment of Mr. Sameer Goel as Managing Director for the period from October 01, 2020 to January 31, 2023.

Mr. M M Murugappan, Chairman is brother of Mr. M M Venkatachalam and hence they are related to each other. None of the other directors are related to each other.

Brief resume and profile of the directors seeking reappointment along with the additional information required as per Regulation 36(3) of the Listing Regulations is given below:

Mr. M M Venkatachalam

Mr. M M Venkatachalam, aged 61 years, holds a graduate degree from the University of Agricultural Sciences, Bangalore and a Master's degree in Business Administration from George Washington University, USA. In an illustrious career of more than two and a half decades, he has held several leadership positions in various Murugappa Group Companies. He is presently the Chairman of Coromandel Engineering Company Limited, Ambadi Enterprises Limited and Parry Agro Industries Limited. He also serves on the Boards of Ramco Cements Limited, Ramco Systems Limited and E.I.D Parry (India) Limited.

Mr. Sumit Bose

Mr. Sumit Bose, aged 66 years, holds a Master's degree in Social Policy and Planning from London School of Economics and Masters of Arts from St. Stephen's College, Delhi. Having joined Indian Administrative Service in 1976, he has served in various positions with the Government of Madhya Pradesh and the Government of India, retiring as the Union Finance Secretary. In the Finance Ministry he served as Secretary (Department of Revenue), Secretary (Expenditure) and Secretary (Disinvestment) as well as Secretary in the Thirteenth Finance Commission. Post retirement, he was a member of the Expenditure Management Commission and the Committee to Review the Fiscal Responsibility Legislation. He also chaired a number of committees of the Ministry of Rural Development and the Ministry of Defence. He had served on the Board of Oil and Natural Gas Corporation Limited till recently, and is currently on the Boards of HDFC Life Insurance Company Limited,

TATA AIG General Insurance Co., Limited and BSE Limited. He is also on the Boards of non-profit organisations such as Vidhi Centre for Legal Policy, WaterAid India, Parivaar and Foundation to Educate Girls Globally.

Mr. Sameer Goel

Mr. Sameer Goel, aged 57 years, holds a Post Graduate Diploma in Management from IIM Ahmedabad, and Bachelor's degree in Economics from St. Stephens College, New Delhi. Having started his career in 1987 with Glaxo Smith Kline Consumer Healthcare (GSK) as Area Sales Manager, he rose from ranks in a career spanning more than 25 years, donning various roles in India, UK, UAE, Nigeria and South Africa and was serving as Vice President for Africa when he moved from GSK. Prior to joining Coromandel, he worked in Cipla Limited as Country Head - India. He has extensive experience in managing businesses, driving sales across multiple geographies and building B2C businesses. He is on the Board of Fertiliser Association of India and is an Ambassador to International Fertiliser Association. He is also serving as the Vice Chairman of CII-Telangana.

10b. Other Directorships

The Details of other Directorships and Committee Memberships of Mr. M M Venkatachalam, Mr. Sumit Bose and Mr. Sameer Goel, directors are as follows:

Mr. M M Venkatachalam

| Name of the Company                    | Chairmanship/ Directorship | Committee                                              | Chairman / Member  |
|----------------------------------------|----------------------------|--------------------------------------------------------|--------------------|
| Coromandel Engineering Company Limited | Chairman                   | -                                                      | -                  |
| The Ramco Cements Limited              | Director                   | Audit Committee<br>Stakeholders Relationship Committee | Member<br>Chairman |
| Parry Agro Industries Limited          | Director                   | Audit Committee<br>Stakeholders Relationship Committee | Member<br>Chairman |
| Ramco Systems Limited                  | Director                   | Audit Committee                                        | Member             |
| E.I.D Parry (India) Limited            | Director                   | Audit Committee                                        | Member             |
| Ambadi Investments Limited             | Director                   | -                                                      | -                  |
| Ambadi Enterprises Limited             | Director                   | -                                                      | -                  |

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

Annexure -I (Contd.)

Mr. Sumit Bose

| Name of the Company                        | Chairmanship/ Directorship | Committee       | Chairman / Member |
|--------------------------------------------|----------------------------|-----------------|-------------------|
| BSE Limited                                | Director                   | Audit Committee | Chairman          |
| HDFC Life Insurance Company Limited        | Director                   | Audit Committee | Member            |
| Tata AIG General Insurance Company Limited | Director                   | Audit Committee | Chairman          |

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

Mr. Sameer Goel

| Name of the Company                 | Chairmanship/ Directorship | Committee | Chairman / Member |
|-------------------------------------|----------------------------|-----------|-------------------|
| The Fertiliser Association of India | Director                   | -         | -                 |

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

10c. Shareholding of the Directors seeking re-appointment as on March 31, 2020:

| Name                  | Category                                | No. of Shares |
|-----------------------|-----------------------------------------|---------------|
| Mr. M M Venkatachalam | Non-Executive, Non-Independent Director | Nil           |
| Mr. Sumit Bose        | Non-Executive, Independent Director     | Nil           |
| Mr. Sameer Goel       | Executive – Managing Director           | Nil           |

11. Disclosures

• CEO and CFO Certification

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

• Related Party Transactions

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

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

The Company has framed a Policy on Related Party transactions and the same is available on website of the Company at [https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/PolicyOnRelatedPartyTransactions\\_2020.pdf](https://coromandel.biz/pdf/2020-2021/InvestorsInformation/PoliciesAndCodes/PolicyOnRelatedPartyTransactions_2020.pdf)

• Compliance

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

• Code of Conduct

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

• Risk Management

The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. A Risk Management Committee, constituted by the Board comprised of Mr. Prasad Chandran, Independent Director and Chairman of the Committee, Mr. V Ravichandran, Vice Chairman and Mr. Sameer Goel, Managing Director. This Committee is empowered to monitor the Risk management and their mitigation processes.

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

• Vigil Mechanism

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

## Annexure -I (Contd.)

## • Pecuniary transactions with Non-Executive Directors

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

## • Strictures/Penalty

There were no strictures or penalties imposed on the Company by either Stock Exchanges or Securities and Exchange Board of India or any statutory authority for non-compliance on any matter related to capital markets during the past three years, except for the year 2017-18 wherein SEBI has passed an Order against Liberty Urvarak Limited (LUL), a company which has since been merged into the Company, levying a penalty of ₹ 2 Lakhs for delay in making disclosure under SEBI (Substantial

Acquisition of Shares and Takeover) Regulations, 2011 in respect of acquisition of shares of Liberty Phosphate Limited (LPL) in the year 2012, before LPL and LUL was acquired by the Company. The penalty amount has been paid by the erstwhile promoters of LUL.

## • Management Discussion and Analysis

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

## 12. Means of Communication

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

## 13. General Shareholder Information

|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date, Time & Venue of AGM                                                                                                       | July 24, 2020 at 10:30 a.m. IST<br>Pursuant to the Circular No. 20/2020 dt. May 05, 2020 of Ministry of Corporate Affairs, the AGM will be convened though Video Conferencing (VC)/ Other Audio Visual Means (OAVM).                                                                                                                                                                                    |
| Financial Calendar                                                                                                              | i. Financial Year – April to March<br>ii. First Quarter Results – within 45 days of the end of the quarter.<br>iii. Half-yearly Results – within 45 days of the end of the quarter.<br>iv. Third Quarter Results – within 45 days of the end of the quarter.<br>v. Results for the year ending March 31, 2021 – within 60 days of the end of the quarter.                                               |
| Date of Book Closure                                                                                                            | July 18, 2020 to July 24, 2020<br>(both days inclusive)                                                                                                                                                                                                                                                                                                                                                 |
| Dividend 2019-20                                                                                                                | Proposed Dividend: ₹12/- per share (1,200%), subject to approval by members at the AGM.                                                                                                                                                                                                                                                                                                                 |
| Dividend Payment date (s)                                                                                                       | Dividend: On or after July 30, 2020                                                                                                                                                                                                                                                                                                                                                                     |
| Listing of Shares                                                                                                               | Company's shares are listed at:<br><b>1. BSE Limited</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai 400 001<br><b>2. National Stock Exchange of India Limited</b><br>Exchange Plaza, 5th Floor,<br>Plot No.C/1, G Block<br>Bandra-Kurla Complex,<br>Bandra (E), Mumbai - 400 051<br>Listing fees for the financial year 2020-21 have been paid to both the above "mentioned" Stock Exchanges. |
| Stock Code                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                         |
| o BSE Limited                                                                                                                   | 506395                                                                                                                                                                                                                                                                                                                                                                                                  |
| o National Stock Exchange of India Limited                                                                                      | COROMANDEL                                                                                                                                                                                                                                                                                                                                                                                              |
| ISIN for (shares) of NSDL & CDSL                                                                                                | INE169A01031                                                                                                                                                                                                                                                                                                                                                                                            |
| Market Price Data: High, Low during each month in last Financial year/Performance in comparison to BSE Sensex and S&P CNX Nifty | Refer annexure 'I (i)' of this section                                                                                                                                                                                                                                                                                                                                                                  |

## Annexure -I (Contd.)

|                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registrars and Share Transfer Agent                                                                     | M/s KFin Technologies Private Limited<br>(Formerly known as Karvy Fintech Private Limited.)<br>"Selenium Tower-B", Plot No. 31 & 32, Gachibowli,<br>Financial District, Nanakramguda, Serilingampally,<br>Hyderabad - 500032, Telangana.<br>Tel.No.(040) 67161616 - 1527<br>Fax No. (040) 23420814<br>E-mail Id: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Share Transfer System                                                                                   | Company Secretary has been authorised to approve request for share transfers upto 1,000 shares. The Company Secretary jointly with the Chief Financial Officer or the Managing Director, has been authorised to approve transfers upto 5,000 shares. Share transfers in excess of 5,000 shares are approved by Stakeholders Relationship Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Employee Stock Option Scheme                                                                            | <b>ESOP Scheme, 2007</b><br>The Company has earmarked 1,27,85,976 equity shares of ₹ 1/- each under the Employee Stock Option Scheme 2007. Each Option is convertible into an equity share of ₹ 1/- each. The number of vested Options outstanding as on March 31, 2020 are 2,150. The first vesting is exercisable over a period of three years from the date of vesting. The second, third and fourth vesting are exercisable over a period of 6 years from the date of vesting.<br><b>ESOP Scheme, 2016</b><br>The Company has earmarked 1,45,81,000 equity shares of ₹ 1/- each under the Employee Stock Option Scheme 2016. Each Option is convertible into an equity share of ₹ 1/- each. Options granted under this ESOP 2016 would vest on or after 1 (one) year from the date of grant but not later than 4 (four) years from the date of grant of such Options. The number of vested Options outstanding as on March 31, 2020 are 8,21,850. The vested Options are exercisable within a period of 5 years from the date of vesting. The Company has granted 1,26,840 options to the employees during the year under the ESOP Scheme 2016. |
| Distribution of Shareholding and Shareholding pattern as on March 31, 2020                              | Refer annexure 'I (ii)' of this section                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Dematerialisation of shares and Liquidity                                                               | 97.71% of the shareholding has been dematerialized as on March 31, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Outstanding GDR / ADR / Warrants / Convertible instruments, Conversion Date and likely impact on Equity | The Company has not issued any GDR / ADR / Warrants or any convertible instrument, which is likely to have impact on the Company's Equity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Commodity price risk or foreign exchange risk and hedging activities                                    | As the Company is not engaged in commodity business, commodity risk is not applicable. Foreign Exchange risk is managed/hedged in accordance with the Policy framed by the Company for that purpose and periodical update is given to the Board on a quarterly basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## Annexure -I (Contd.)

|                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plant Locations                                                                                                                                                                                                                                                                                  | <p>The Company's plants are located at</p> <p>a) Malkapuram, Visakhapatnam, Andhra Pradesh</p> <p>b) Beach Road, Kakinada, Andhra Pradesh</p> <p>c) Ennore, Chennai, Tamil Nadu</p> <p>d) Ranipet, North Arcot, Tamil Nadu</p> <p>e) Ankleshwar, Gujarat</p> <p>f) Baribrahmana, Jammu &amp; Kashmir</p> <p>g) Hospet, Karnataka</p> <p>h) Udaipur, Rajasthan</p> <p>i) Baroda, Gujarat</p> <p>j) Kota, Rajasthan</p> <p>k) Raigad, Maharashtra</p> <p>l) Khargone, Madhya Pradesh</p> <p>m) Raebareli, Uttar Pradesh</p> <p>n) Sarigam, Gujarat</p> <p>o) Dahej, Gujarat</p> <p>p) Thyagavalli, Tamil Nadu</p>                                                                                                                                                                                                                            |
| Registered Office / Address for Correspondence                                                                                                                                                                                                                                                   | <p>Coromandel International Limited</p> <p>Coromandel House</p> <p>1-2-10, Sardar Patel Road,</p> <p>Secunderabad - 500 003</p> <p>Tel. No. +91 40 6699 7000 / 7300 / 7500</p> <p>Fax: +91 40 2784 4117</p> <p>email: <a href="mailto:investorsgrievance@coromandel.murugappa.com">investorsgrievance@coromandel.murugappa.com</a></p> <p>Website: <a href="https://coromandel.biz/">https://coromandel.biz/</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Nomination Facility                                                                                                                                                                                                                                                                              | <p>Section 72 of the Companies Act 2013, provides the facility of nomination to share / debenture / deposit holders. The facility is mainly useful for all those holding the shares / debentures / deposits in single name. In cases where the securities / deposits are held in joint names, the nomination will be effective only in the event of the death of all the holders.</p> <p>Investors are advised to avail this facility, especially investors holding securities in single name.</p> <p>The nomination form may be had on request from the Company's Registrars &amp; Transfer Agent 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 Participants directly, as per the format prescribed by them.</p> |
| Details of all credit ratings obtained by the Company along with any revisions thereto during the year 2019-20, for all debt instruments of such entity or any fixed deposit program or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad. | <p>Your Company has been credit rated by CRISIL Limited (CRISIL) and India Ratings &amp; Research Private Limited (India Ratings &amp; Research).</p> <p>The Company's long-term credit rating by 'CRISIL' continued to be 'CRISIL AA+ (stable)' and short-term debt rating at 'CRISIL A1+'. The Company's long-term credit rating by 'India Ratings &amp; Research (A Fitch Group Company)' continued to be 'IND AA+ (stable)' and short-term debt rating at 'IND A1+'.</p> <p>This reflects a very high degree of safety regarding timely servicing of financial obligations and also a vote of confidence reposed in your Company's financials.</p>                                                                                                                                                                                     |

## 14. Discretionary Requirement

|                       |                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) The Board          | The Company maintains an office for Non-Executive Chairman at the Company's expense and has also allowed reimbursement of expenses incurred in performance of his duties.                                                                                                                                                                               |
| b) Shareholder Rights | Quarterly financial results are published in leading newspapers, viz. The Business Line (all editions - English) and vernacular – Andhra Prabha (Hyderabad Edition - Telugu). 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. |

## Annexure -I (Contd.)

|                                        |                                                                                                         |
|----------------------------------------|---------------------------------------------------------------------------------------------------------|
| c) Separate posts of Chairman and CEO  | The Company has a separate post of Chairman                                                             |
| d) Modified opinion(s) in audit report | All the financial statements received during the last five (5) years were with unmodified audit opinion |
| e) Other Discretionary Requirements    | At present, other discretionary requirements have not been adopted by the Company                       |

## 15. Other Requirements

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| a) | Unclaimed shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          |
|    | Following is the reconciliation of unclaimed shares in "Coromandel International Limited – Unclaimed Suspense Account", pursuant to Schedule V of the Listing Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |
|    | Number of shareholders as on April 01, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 952      |
|    | Outstanding shares in the suspense account lying as on April 01, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3,90,945 |
|    | Number of shareholders who approached the Company for transfer of shares from suspense account during the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 27       |
|    | Number of shareholders to whom shares were transferred from suspense account during the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 27       |
|    | Number of shareholders whose shares were transferred from suspense account to IEPF during the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 820      |
|    | Aggregate number of shareholders at the end of the year as on March 31, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 105      |
|    | Aggregate number of shares at the end of the year as on March 31, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 8,639    |
|    | All corporate benefits that accrue on these shares such as bonus shares, split, etc., shall also be credited to the Unclaimed Suspense Account and the voting rights on such shares shall remain frozen till the rightful owner of such shares claim the shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          |
| b) | Compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |
|    | Company has complied with all the relevant corporate governance requirements stipulated in the Listing Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |
| c) | Transfer of Unpaid / Unclaimed Dividend and Shares to Investor Education and Protection Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
|    | Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), mandates the companies to transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). During the year under review, the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Further, the Rules mandate that the shares on which dividend remains unpaid or unclaimed for a period of seven consecutive years or more be transferred to the IEPF. |          |
|    | Accordingly, during the year 2019-20, the Company has transferred to IEPF unpaid/unclaimed dividends and the shares on which the dividends remains unpaid or unclaimed for a consecutive period of seven years as detailed below:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |

## Annexure -I (Contd.)

|    |                                                                                                                                                                                                                             |                                                                                                                                |     |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----|
| f) | Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.                       | No such instance occurred                                                                                                      |     |
| g) | Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. | ₹ 2,23,07,570 by the Company and ₹ 8,50,692 (rupee equivalent) by its subsidiary – CFL Mauritius Limited, Total ₹ 2,31,58,262. |     |
| h) | Status of complaints in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as on March 31, 2020.                                                                     | - Number of complaints filed during the financial year                                                                         | Nil |
|    |                                                                                                                                                                                                                             | - Number of complaints disposed of during the financial year                                                                   | Nil |
|    |                                                                                                                                                                                                                             | - Number of complaints pending as on end of the financial year                                                                 | Nil |

## Annexure – I (i)

| Period | BSE Limited (₹) |        | Sensex Index |           | National Stock Exchange of India Limited (₹) |        | S&P CNX Nifty Total Return Index Value |           |
|--------|-----------------|--------|--------------|-----------|----------------------------------------------|--------|----------------------------------------|-----------|
|        | High            | Low    | High         | Low       | High                                         | Low    | High                                   | Low       |
| Apr-19 | 510.95          | 419.75 | 39,487.45    | 38,460.25 | 511.60                                       | 417.65 | 11,856.15                              | 11,549.10 |
| May-19 | 440.00          | 393.60 | 40,124.96    | 36,956.10 | 440.65                                       | 393.60 | 12,041.15                              | 11,108.30 |
| Jun-19 | 441.40          | 401.40 | 40,312.07    | 38,870.96 | 441.00                                       | 401.30 | 12,103.05                              | 11,625.10 |
| Jul-19 | 432.00          | 348.60 | 40,032.41    | 37,128.26 | 426.00                                       | 348.05 | 11,981.75                              | 10,999.40 |
| Aug-19 | 389.00          | 336.50 | 37,807.55    | 36,102.35 | 390.00                                       | 336.60 | 11,181.45                              | 10,637.15 |
| Sep-19 | 436.95          | 374.00 | 39,441.12    | 35,987.80 | 436.85                                       | 372.60 | 11,694.85                              | 10,670.25 |
| Oct-19 | 484.00          | 400.00 | 40,392.22    | 37,415.83 | 483.00                                       | 399.95 | 11,945.00                              | 11,090.15 |
| Nov-19 | 498.25          | 457.00 | 41,163.79    | 40,014.23 | 499.00                                       | 456.10 | 12,158.80                              | 11,802.65 |
| Dec-19 | 534.40          | 473.50 | 41,809.96    | 40,135.37 | 534.90                                       | 471.05 | 12,293.90                              | 11,832.30 |
| Jan-20 | 641.35          | 524.00 | 42,273.87    | 40,476.55 | 641.45                                       | 524.10 | 12,430.50                              | 11,929.60 |
| Feb-20 | 643.95          | 579.00 | 41,709.30    | 38,219.97 | 642.00                                       | 578.60 | 12,246.70                              | 11,175.05 |
| Mar-20 | 633.45          | 444.20 | 39,083.17    | 25,638.90 | 632.85                                       | 443.20 | 11,433.00                              | 7,511.10  |

## Annexure – I (ii)

## Distribution of Holdings as on March 31, 2020

| No. of equity shares held | No. of Shares       | % of Shares   | No. of Shareholders | % of Shareholders |
|---------------------------|---------------------|---------------|---------------------|-------------------|
| 1-5,000                   | 1,79,58,488         | 6.13          | 57,402              | 98.44             |
| 5,001- 10,000             | 29,33,038           | 1.00          | 410                 | 0.70              |
| 10,001- 20,000            | 27,30,028           | 0.93          | 193                 | 0.34              |
| 20,001- 30,000            | 16,30,881           | 0.56          | 67                  | 0.12              |
| 30,001- 40,000            | 17,07,398           | 0.58          | 48                  | 0.08              |
| 40,001- 50,000            | 10,54,235           | 0.36          | 23                  | 0.04              |
| 50,001- 1,00,000          | 36,51,745           | 1.25          | 49                  | 0.08              |
| 1,00,001 & Above          | 26,12,87,936        | 89.19         | 119                 | 0.20              |
| <b>Total</b>              | <b>29,29,53,749</b> | <b>100.00</b> | <b>58,311</b>       | <b>100.00</b>     |
| <b>Physical Mode</b>      | <b>67,03,783</b>    | <b>2.29</b>   | <b>12,071</b>       | <b>20.70</b>      |
| <b>Demat Mode</b>         | <b>28,62,49,966</b> | <b>97.71</b>  | <b>46,240</b>       | <b>79.30</b>      |

## Annexure -I (Contd.)

## Shareholding Pattern as on March 31, 2020

| Category                                                  | No. of shares       | Percentage    |
|-----------------------------------------------------------|---------------------|---------------|
| Promoters                                                 | 18,05,55,761        | 61.63         |
| Mutual Funds                                              | 4,61,27,915         | 15.75         |
| Banks, Financial Institutions                             | 72,696              | 0.02          |
| Alternate Investment Fund                                 | 15,14,531           | 0.52          |
| Insurance Company                                         | 12,06,455           | 0.41          |
| Foreign Institutional Investor/Foreign Portfolio Investor | 1,02,61,874         | 3.51          |
| Private Bodies Corporates                                 | 1,33,56,389         | 4.56          |
| Indian Public                                             | 2,70,51,107         | 9.23          |
| NBFCs Registered with RBI                                 | 1,12,470            | 0.04          |
| Non-Resident Indians                                      | 42,12,948           | 1.44          |
| Foreign Nationals                                         | 70,940              | 0.02          |
| Foreign Bank                                              | 1,840               | 0.00          |
| Overseas Corporate Bodies                                 | 48,01,000           | 1.64          |
| Trusts                                                    | 40,672              | 0.01          |
| Clearing Members                                          | 1,23,700            | 0.04          |
| Foreign Companies                                         | 19,500              | 0.01          |
| Societies                                                 | 4,500               | 0.00          |
| IEPF                                                      | 34,19,451           | 1.17          |
| <b>Total</b>                                              | <b>29,29,53,749</b> | <b>100.00</b> |

On behalf of the Board of Directors

Date: May 26, 2020  
Place: Chennai

**M M Murugappan**  
Chairman

Annexure -I (Contd.)

Annexure – I (iii)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

The Members,  
**Coromandel International Limited**  
1-2-10, Sardar Patel Road,  
Secunderabad, Hyderabad  
Telangana – 500 003

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **COROMANDEL INTERNATIONAL LIMITED** (CIN: L24120TG1961PLC000892) having its Registered Office at 1-2-10, Sardar Patel Road, Secunderabad, Hyderabad, Telangana - 500003, (hereinafter referred to as “The Company”) produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in)and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31<sup>st</sup> March 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such other statutory authority.

| S. NO | DIN      | NAME OF THE DIRECTOR | DESIGNATION                              | DATE OF APPOINTMENT |
|-------|----------|----------------------|------------------------------------------|---------------------|
| 1.    | 00170478 | M M Murugappan       | Non-Executive – Chairman                 | 31/01/2018          |
| 2.    | 07298938 | Sameer Goel          | Managing Director                        | 01/10/2015          |
| 3.    | 00110086 | V Ravichandran       | Non-Executive – Non-Independent Director | 15/07/2004          |
| 4.    | 00152619 | M M Venkatachalam    | Non-Executive –Non-Independent Director  | 23/01/2007          |
| 5.    | 00058215 | B V R Mohan Reddy    | Non-Executive – Non-Independent Director | 22/01/2008          |
| 6.    | 00200379 | Prasad Chandran      | Non-Executive – Independent Director     | 18/04/2014          |
| 7.    | 03340616 | Sumit Bose           | Non-Executive – Independent Director     | 21/03/2016          |
| 8.    | 00029256 | Aruna B. Advani      | Non-Executive – Independent Director     | 30/08/2018          |
| 9.    | 02705175 | R. Nagarajan         | Non-Executive – Independent Director     | 01/10/2018          |
| 10.   | 08244973 | K V Parameshwar      | Non-Executive – Independent Director     | 01/10/2018          |

Ensuring the eligibility of, for the appointment/ continuity of, every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R. Sridharan & Associates  
Company Secretaries

CS R. Sridharan  
CP No. 3239  
FCS No. 4775  
UIN: S2003TN063400  
UDIN: F004775B000275441

Place : Chennai  
Date : May 26, 2020

Annexure -I (Contd.)

INDEPENDENT AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of  
**Coromandel International Limited**

1. This certificate is issued in accordance with the terms of our engagement letter reference no. ST/067/2019 dated September 04, 2019.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Coromandel International Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements’ Responsibility

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

Auditor’s Responsibility

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sumit Trivedi  
Partner  
Membership No.209354  
UDIN:20209354AAAAFN2053

Secunderabad,  
May 26, 2020

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, 2020 as envisaged in Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On behalf of the Board of Directors

Sameer Goel  
Managing Director

Place: Secunderabad  
Dated: May 26, 2020

Business Responsibility Report 2019-20

Annexure - J

Preface:

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

About Coromandel International Limited

Coromandel International Limited is amongst India’s pioneers and leading agri solutions provider, offering diverse products and services across the farming value chain. It operates in two major segments: Nutrient and other allied businesses and Crop Protection. These include Fertiliser, Crop Protection, Specialty Nutrients and Organic compost businesses. The Company is 2<sup>nd</sup> largest manufacturer and marketer of Phosphatic fertiliser in

India. The Company’s Crop Protection products are marketed in India as well as in international geographies, offering wide range of technical and formulation products. The Specialty Nutrients business of the Company focuses on water soluble fertiliser and secondary & micro nutrients segments. The Company is a leading marketer of Organic fertiliser in India and has recently added bio pesticide solutions to its portfolio. It also operates a network of around 750 rural retail outlets across Andhra Pradesh, Telangana, Karnataka and Maharashtra. Through these Retail outlets, the Company offers farming services including crop advisory, soil testing and farm mechanization to around 3 million farmers. The Company has a strong R&D and Regulatory setup, supporting the businesses in process development and new product introduction. The Company has 16 manufacturing facilities, producing wide range of Nutrient and Crop Protection products, which are marketed through an extensive network of dealers and its own retail centers.

For more details, visit [www.coromandel.biz](http://www.coromandel.biz)

Business Responsibility Report: 2019-20

Section A: General Information about the Company

|    |                                                                                |                                                                                                                                                                                                                                   |
|----|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Corporate Identity Number                                                      | L24120TG1961PLC000892                                                                                                                                                                                                             |
| 2  | Name of the company                                                            | Coromandel International Limited                                                                                                                                                                                                  |
| 3  | Registered address                                                             | Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad - 500 003, Telangana                                                                                                                                                    |
| 4  | Website                                                                        | <a href="http://www.coromandel.biz">www.coromandel.biz</a>                                                                                                                                                                        |
| 5  | E-mail id                                                                      | <a href="mailto:mail@coromandel.murugappa.com">mail@coromandel.murugappa.com</a>                                                                                                                                                  |
| 6  | Financial Year reported                                                        | 2019-20                                                                                                                                                                                                                           |
| 7  | Sector(s) that the Company is engaged in (industrial activity code-wise)       | Fertilisers & Chemicals<br>Fertiliser – 20122   Pesticides – 20211                                                                                                                                                                |
| 8  | List three key products/services that the Company manufactures/provides        | Fertilisers, Crop Protection Products and Speciality Nutrients                                                                                                                                                                    |
| 9  | Total number of locations where business activity is undertaken by the Company | 16 Manufacturing Locations in India<br>AP - Vizag, Kakinada   TN: Ennore, Ranipet, Thyagavalli   JK: Jammu   GJ: Ankleshwar, Dahej, Sarigam, Nandesari   RJ: Udaipur, Kota   MP: Nimrani   KA-Hospet , UP – Raebareli   MH – Pali |
| 10 | Markets served by the Company                                                  | India, Latin America, APAC, Africa, Europe, Australia and New Zealand                                                                                                                                                             |

Section B: Financial Details of the Company

|   |                                                                          |                                                                                                                                                          |
|---|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Paid up capital                                                          | ₹ 29.30 Crores                                                                                                                                           |
| 2 | Total turnover                                                           | ₹ 13,155 Crores                                                                                                                                          |
| 3 | Total profit after tax                                                   | ₹ 1,059 Crores                                                                                                                                           |
| 4 | Total spending on CSR as percentage of PAT (%)                           | 2 %                                                                                                                                                      |
| 5 | List of the activities in which expenditure in 4 above has been incurred | CSR Activities of Coromandel are focused on Health, Education and Community Development. For details refer Annual Report -Annexure- H on CSR activities. |

Annexure J (Contd...)

Section C: Other Details

|   |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                       |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Does the Company have any Subsidiary Company/ Companies?                                                                                                                                            | Yes                                                                                                                                                                                                                                                                   |
| 2 | Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)                                       | <div>The subsidiaries of Coromandel are primarily either investment companies or companies holding product registration in foreign countries for export of the Company's products. Hence, this is not applicable.</div> <div>Number of subsidiary companies: 13</div> |
| 3 | Do any other entity/entities (e.g. suppliers, distributors) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate % of such entity/entities? | No                                                                                                                                                                                                                                                                    |

Section D: BR information

|   |                                           |                                                                                                                                                                                                                |
|---|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Details of Director(s) responsible for BR | <div>Mr. Sameer Goel, Managing Director<br/>DIN: 07298938</div> <div>BR Head:<br/>Mr. Sameer Goel, Managing Director<br/>DIN: 07298938   Phone: 040 - 27841368<br/>Email: GoelS@coromandel.murugappa.com</div> |
|---|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

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

Annexure J (Contd...)

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

Coromandel Policies Mapping to BR Principles

| S. No. | Principle                                                                                                                                                    | Applicable Policies                                                                                                                                                        |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability                                                                 | <div>Values and Beliefs, called the 'Five Lights'</div> <div>Whistle Blower policy</div> <div>Code of Conduct</div> <div>Coromandel Guide to Business Conduct (CGBC)</div> |
| 2      | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle                                      | <div>Environment, Quality, Occupational Health and Safety Policy (EQOHS Policy)</div>                                                                                      |
| 3      | Businesses should promote the wellbeing of all employees                                                                                                     | <div>HR Policy</div> <div>Communication policy</div> <div>Prevention of Sexual Harassment Policy</div> <div>Training Policy</div> <div>5S policy</div>                     |
| 4      | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. | <div>CSR Policy</div> <div>Values and Beliefs, called the 'Five Lights'</div>                                                                                              |
| 5      | Businesses should respect and promote human rights                                                                                                           | <div>Values and Beliefs, called the 'Five Lights'</div> <div>Whistle Blower policy</div> <div>Code of Conduct</div>                                                        |
| 6      | Business should respect, protect, and make efforts to restore the environment                                                                                | <div>Environment, Quality, Occupational Health and Safety Policy (EQOHS Policy)</div>                                                                                      |
| 7      | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner                                                   | <div>Values and Beliefs, called the 'Five Lights'.</div> <div>Coromandel Guide to Business Conduct (CGBC)</div>                                                            |
| 8      | Businesses should support inclusive growth and equitable development                                                                                         | <div>CSR Policy</div>                                                                                                                                                      |
| 9      | Businesses should engage with and provide value to their customers and consumers in a responsible manner                                                     | <div>Values and Beliefs, called the 'Five Lights'</div> <div>Environment, Quality, Occupational Health and Safety Policy (EQOHS Policy)</div>                              |

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

| S. No. | Questions                                                                                                                         | P 1            | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|--------|-----------------------------------------------------------------------------------------------------------------------------------|----------------|-----|-----|-----|-----|-----|-----|-----|-----|
| 1      | The company has not understood the Principles                                                                                     | Not Applicable |     |     |     |     |     |     |     |     |
| 2      | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles |                |     |     |     |     |     |     |     |     |
| 3      | The company does not have financial or manpower resources available for the task                                                  |                |     |     |     |     |     |     |     |     |
| 4      | It is planned to be done within next 6 months                                                                                     |                |     |     |     |     |     |     |     |     |
| 5      | It is planned to be done within the next 1 year                                                                                   |                |     |     |     |     |     |     |     |     |
| 6      | Any other reason (please specify)                                                                                                 |                |     |     |     |     |     |     |     |     |

Annexure J (Contd...)

3. Governance related to BR

- Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:  
  
The BR Performance revolves around a number of policies which is assessed by the BR Head monthly, quarterly and annually based upon its importance and impact on the environment and Company's operations & activities.
- Publication of BR or a Sustainability Report and its frequency:  
  
This is the fourth Business Responsibility Report of the Company for the Financial Year 2019-20 which forms part of the Company's Annual Report for FY 2019-20. The same can be accessed at [https://coromandel.biz/inv\\_report.html](https://coromandel.biz/inv_report.html) . Previous reports were made for the financial year 2016-17, 2017-18 and 2018-19.

Section E: Principle-wise performance

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

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

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

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

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

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

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

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

During the year 2019-20, 8 complaints were received by the Ombudsman under Whistle Blower Policy which were enquired into and suitable actions were taken thereon and no complaints were pending as on 31 March, 2020. Quarterly report on such complaints and action taken thereon are reported to the Audit Committee.

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

The core operating principles of Coromandel are Knows, Cares and Fulfils, in which, 'CARE' emphasizes on environment, community, partners, employees and shareholders. Coromandel has its own Fertiliser Technology Centre, FTC, at Vizag, recognized by Department of Scientific & Industrial Research (DSIR) of Ministry of Science & Technology and a R&D center at Hyderabad for Crop Protection Products. The FTC at Vizag is responsible for developing the manufacturing process for any new Fertiliser and improving the processes for existing products. Extensive trials are carried out in the pilot plants to improve the efficiency of processes, quality of products, delivery of nutrients to crops etc. Coromandel also has a lab space at IIT-Bombay – Monash Academy for development of innovative, patented and scientifically differentiated products. Coromandel also has an exclusive R&D facility at Thyagavalli, Tamil Nadu, and continuously invests in R&D activities to develop new neem based / Bio - pesticides products.

Coromandel has a New Product Introduction Team (NPIT) which comprises of members from Technology, Marketing, Finance and Manufacturing. This team collects feedback from the company's Agronomists about the problems of

Annexure J (Contd...)

farmers relating to plant nutrition and decides on the new products to address these problems. NPIT closely monitors the development, testing and launch of new products. The work of NPIT is governed by the primary consideration of providing the farmer with better products which deliver value in terms of yield and quality of produce.

The Company ensures safe and optimal utilization of the resources. Coromandel is primarily a phosphatic fertiliser company, hence it is focused on the life cycle of Phosphorus, a key nutrient for crops. The major source of Phosphorus is mined rock phosphate which is transported from North Africa and Middle East which increases its environmental footprint. Coromandel is working on several parallel approaches to improve the nutrient efficiency of Phosphorus including Nano, Coatings, Gels etc. Coromandel's Plant Nutrition R&D group is developing products that will have much higher P efficiency, thus maximizing the utilization of P by the crops and simultaneously reducing the loss of P to the environment.

Coromandel continuously engages with the customer to educate them on safe usage of product. Also, Coromandel's Agronomic R&D conducts number of trials in farmers' fields to generate data on the performance of new and existing products. The Benefit Cost Ratio (BCR) and the Value Proposition for each product are determined through these trials. Education material for teaching the farmers about the benefits of various products is prepared and shared with Marketing. Coromandel's Agronomic R&D works closely with the farmers to collect information about their practices. This knowledge is considered as Farmers' Practices and is treated as the knowledge created by the farmers. The company ensures that its R&D work gives due recognition to Farmers' Practices.

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

- Sulphur enhanced fertiliser grades, 24-24-0-8S & 20-20-0-13S are manufactured with unique technology such that it maximizes the availability of Sulphur to the crop and minimizing leaching losses of Sulphur
- GroPlus – Enhanced SSP for improving the P efficiency of SSP
- Kash – Potash fertiliser from sugarcane waste
- Sulphmax – Sulphur fertiliser with high S efficiency
- Organic Fertilisers - City Compost : Recycling of nutrients and carbon in organic waste
- Zinc Fortified Fertilisers – improving crop productivity and human health
- Bio-Pesticides: Coromandel acquired Bio-Pesticides unit towards producing and delivering sustainable and environment friendly products

Coromandel has been a leader in promoting organic fertilisers (Municipal compost, sugarcane filter-cake compost, oilseed cakes, Potash derived from molasses) to farmers for sustaining

the soil health and improving productivity, by sustaining nutrient availability to crops and enriching organic carbon content of soil. In the year 2019-20, the company has sold 26,193 MTs of City Compost which is made after composting city waste. The company has also sold 12,453 MTs of PM compost which is made from sugarcane filter cake which is generated as by-product in sugar mill.

To further support its customers and provide balanced nutrition for crops, Coromandel has launched new products in 2019-20.

The Speciality Nutrient Division has launched:

- Gromor Fitsol Pomegranate: Crop specific Fertigation product for Pomegranate crop
- Bosmax: New variant of Sulphur products with Boron & Elemental Sulphur
- Novozin: Started manufacturing of Zinc 12% (chelated) at Vizag Plant. Earlier the same product was procured from domestic sources.

The Crop Protection division has launched new products for increased value addition to the customer:

|                 |                                                                |
|-----------------|----------------------------------------------------------------|
| Astra           | Insecticide for Brown Plant Hopper in rice                     |
| Arithri         | For root growth and development                                |
| Xenga           | Herbicide for grass and broad-leaved weeds in rice             |
| Fornax SC       | Insecticides for lepidopteran pests in cotton, rice, sugarcane |
| Fornax Granules | Insecticide for stem borers in sugarcane and rice              |
| Mythri          | Insecticide for mites and thrips in chilli                     |

Further during the year, Coromandel has produced new grade of 15:15:15 that has unique 1:1:1 ratio of N,P,K for the soils that offers balance nutrition to the soils with Low P grade. For balanced nutrition of specific crops and fertigation of sulphur & micronutrient deficit soils, unique grades and products launched in the year include:

- NovoZin, a Zinc fortified Water soluble Fertiliser grade
- BosMax, a Boron fortified Sulphur Fertiliser
- GroSmart Brand for sulphur enhanced grades

To ensure sustainable sourcing for manufacturing process, SSP business has entered into an annual supply agreement for Sulphuric Acid with Hindustan Zinc. For other raw material i.e., Rock Phosphate the company has a sustainable source from local mines i.e. Rajasthan States Mines & Minerals Limited, Udaipur. Imported Rock is being sourced from Egypt which is also a sustainable source. Almost 100% of Acid is sourced on annual agreement. More than 50% Rock is sourced from local mines. For inbound logistics, the business is finalizing contracts on annual basis with RFQ – Negotiation – Finalization.

## Annexure J (Contd...)



NovZin WSF grade



BosMax - GSulphur



GroSmart Brand

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

During the year 2019-20, the Company has:

- Reduced the specific water consumption by 0.18 m3/ MT at Ennore unit
- Reduced the specific power consumption by 0.47 kWh/ MT at Kakinada Unit
- Reduced the specific power consumption in the GSSP unit from 12 to 11 units through production and power factor improvement
- Sourcing of Ammonia 20% solution instead of preparing inhouse by using anhydrous NH<sub>3</sub> gas in Acephate and Propineb manufacturing process reducing ammonia norms by 30% and 15% respectively at Sarigam Unit
- Three Dry Vacuum pumps have been installed in place of steam ejectors reducing ethyl acetate and steam norms by 20% and 15% respectively for Acephate process in Sarigam unit

Coromandel consistently has been receiving the awards for its various environment friendly and sustainable manufacturing practices. In 2019-20, Coromandel Vizag Unit was awarded CII Energy Efficient Unit for 6th consecutive year.

Coromandel has consistently ensured that the manufacturing processes and technologies employed are resource efficient and sustainable. In 2019-20, the Company has inaugurated a 450 MTPD Phosphoric Acid plant II at Vizag. The production



has been stabilized. An additional evaporation system has been commissioned for the Phosphoric Acid plant that utilizes additional waste steam generated from Sulphuric acid – 1 with improved specific steam generation in sulphuric acid. Also, additional 10 Acres of HDPE lining for Gypsum handling has been provided at the Vizag Unit. Special grade gypsum manufacturing has been initiated for commercialization and customer benefit. For power generation, AFBC boiler with 6.5 MW TG-II & with upgraded DM Water plant also has been commissioned.

Coromandel encourages the local and small vendors for supply of consumables, engineering stores and carrying out job contracts in order to develop sustainable capabilities. In SSP, few of the annual maintenance contracts, packing contract and other services like fabrication, non-critical project procurement etc. are done from local & small vendors. As a strategy, Coromandel's Sarigam unit is working towards sourcing from local available vendors rather than import sources for better control and to support & strengthen Indian/Local vendors.

Coromandel strives towards sustainable way of utilizing and recycling of resources.

- Coromandel totally reprocesses off spec material generated during granulation of fertilisers, which constitutes 7-9 % of production volume during 2019-20
- Power generated from waste heat at Vizag unit amounted to 33% in 2018-19, increased to 37.7% in 2019-20 after successful commissioning of 6.5 MW TG-II during the year
- Waste Utilisation during the year
  - Waste Water – Vizag Plant is a zero-discharge facility, all waste water generated in the process is recovered, treated and reused in process.
  - P<sub>2</sub>O<sub>5</sub> sludge - contained in Phosphoric acid is totally reprocessed in production process.
  - Sulphur sludge – contained in raw Sulphur is totally reprocessed in production process.
  - Spent Catalyst, waste oil – recycled through authorized re-processors.

## Annexure J (Contd...)

- Scrap material – like torn HDPE bags & Metal scrap, recycled through licensed vendors
- Production of Single Super Phosphate produces waste in the form of Silica and oversize/undersize granule which are recycled further:
  - Precipitated silica is recycled in the production operation and generation is below 5 %
  - Off spec. material if generated, is recycled back to the process, percentage of recycle in the process 5-10%.
  - Scrap material like torn HDPE bags and MS scrap are recycled by licensed vendor as applicable. Scarp material is < 5%
- 12% reduction in mother liquor in Mancozeb product was achieved by ANF water wash recycling in Mancozeb-B plant at Sarigam unit.
- In Trimethyl Phosphite (TMP) production at Sarigam plant, effluent is generated in aqueous form with dissolved ammonium chloride which is recovered by Multiple Effect Evaporator and 50% condensate is recycled to TMP plant which is further used in process
- 10% reduction in waste water generation achieved in Mancozeb plant at Dahej by reuse and recycle in process after passing the high TDS process effluent through Multiple Effect Evaporators followed by UV filtration and finally passing through RO membrane for getting the water quality suitable for reuse in process.
- Coromandel's R&D work on Organic fertilisers focuses on recycling of nutrients from waste streams such as agricultural residue, sewage, city waste etc. Most of the raw materials used for the manufacture of phosphatic fertilisers are imported. Coromandel's Fertiliser Technology Centre at Visakhapatnam evaluates various raw materials which have a lower environmental footprint. For example, use of Low Grade rock eliminates the need for scarce High Grade rock. Similarly, lower P losses with gypsum during the manufacture of Phosphoric acid allow the use of gypsum as building material.

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

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

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

As on March 31, 2020 there were 4,894 Permanent employees (3,551 Management staff, 1,265 Non-Management staff (NMS) and 78 Trainees) with 168 female employees and 5

differently abled employees. Also, there are around 6,786 off-roll/contract employees.

During the year 2019-20, industrial relations across all plants of Coromandel continued to remain cordial. There are 1,265 workmen on roll across all units of Coromandel. There are 8 workmen unions recognized across Coromandel. 900 workmen (71%) are the members of the unions. There are significant number of inter-state migrant workmen in SSP & CPC businesses as contract workmen. After capacity expansion of Phos Acid Plant at Visakhapatnam unit, a comprehensive manpower study was conducted during the year 2019-20 to ascertain optimum utilization of non management staff, management staff and contract workmen. Adequate control measures have been deployed for engagement of contractual staff across the Company. Statutory compliances were monitored and tracked for closure of any significant observations. Education and training of shop floor employees as per unit requirements have been well deployed across the Company. Family picnics, annual communication meetings and other structured social gatherings as part of Employee Engagement and Work life balance across Coromandel have received good support and applause from all employees. As part of fulfilment and support of the Trade union social responsibility management extended its cooperation at various places to sustain the initiative. Safety surveillance has been improved at vulnerable areas at various plants across Coromandel by installing CCTVs. There were change initiatives in behavioral competencies with a special focus on contract workmen at Kakinada, which has won awards and accolades from the Group level.

Coromandel has a policy on Prevention of Sexual Harassment (POSH) to ensure a harassment free workspace for the employees. Sexual harassment cases are dealt as per the Company policy on prevention of sexual harassment. All the employees are communicated on regular basis on the various aspects of prevention of sexual harassment at work through e-articles and other means of communication.

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



Annexure J (Contd...)

| S.No | Category                                | No. of complaints filed during 2019-20 | No. of complaints as on end of 2019-20 |
|------|-----------------------------------------|----------------------------------------|----------------------------------------|
| 1    | Child labour/forced /involuntary labour | Nil                                    | Nil                                    |
| 2    | Sexual Harassment                       | Nil                                    | Nil                                    |
| 3    | Discriminatory employment               | Nil                                    | Nil                                    |

Coromandel encourages its employees to showcase their talent and skills at prestigious platforms and actively supports their participation in various internal and external platforms. ‘Pride of Murugappa’ is one such platform where employees across group companies share and learn best practices. In 2019-20, Coromandel has won the Overall Champion Award in ‘Pride of Murugappa’ (POM – 2019) across all the Group companies, where it has received 9 awards which is 31% of the total number of awards given this year.

Coromandel continues to emphasize on employee well-being, health and engagement of its employees. In this regard, the Company has launched the HRMS module in 2019-20, which has automated most of the HR process and brought in uniformity of the processes across all locations of Coromandel, for the convenience and benefit of its employees. Through the module, HR processes like hiring, recruitments, exit etc., which were earlier manual, have been digitalized. Also, a number of mobile applications have been launched like Alt Worklife, Zippi Messenger & Jinie Chatbot, through which employees can easily manage their attendance, leaves or other HR specific processes. Also, the Company engages with its employees by actively driving initiatives like Health awareness workshops & seminars, safety week celebrations, defensive driving workshops, employee assistance program (EAP) which offers counselling for emotional well-being of employee and his/her family.

Coromandel ensures continuous skill and competence upgrading of all its employees by providing access to necessary learning opportunities on an equal and non-discriminatory basis. The learning & development process of Coromandel aims to build employee capabilities in line with the current and future core competency requirements of the organization. The Company has deployed various key developmental initiatives in 2019-20.

**CREAM [Critical Resources & Emerging Aspirational Managers]** : 30 Marketing Officers from Fertilisers in the grades of CF3 and MG3 are identified for the CREAM (Critical Resources & Emerging Aspirational Managers) program to develop the talent for critical roles and retention of talent to be future ready for an agile Organization.

**Leadership Development:** Initiated a structured process of conducting a development centre to identify and nurture High Potentials (HiPos) to develop a strong Leadership pipeline across Fertiliser, SND, Organic and Crop Protection businesses.

- In Fertiliser and Organic Fertiliser business,** a focused **EXCEL 30 program** was conceptualized and launched. EXCEL 30 is a comprehensive 18 months Leadership

Development program for identified 30 HiPOs through Talent management program

- STEP Up [Supporting Talent to Evolve & Progress]:** Promotion process from NM to MS- Shortlisted 22 out of 29 applications as per the eligibility
- Leadership Program for Young managers:** Identifying young employees for developing talent for Critical leadership role for junior level managers grade across Manufacturing and Marketing & Sales

Retail Business Unit designed and delivered various interventions to build people capabilities in line with the core competency requirements as below:

- SPEED** (Sales Performance Thru Energy, Execution and Discipline): The program was designed and rolled out for Area Manager Retail Operations (AMROs) to enhance their capabilities in delivering their current responsibilities while preparing them for next level. The program was designed and delivered with external facilitator to 63 AMROs in 2 batches across the Retail Business Unit.
- KRISHI KAUSHAL:** To inculcate in-depth knowledge on Crops and Various Agri related aspects to RSMs and FSAs, Krishi Kaushal initiated in association with Agri institutions at zone level with geography specific and crop specific inputs. Associated with Agri institutions like Research Stations and KVKs. Total 21 Programs were organized across the Zones in FY 19-20.
- Agri and Technical Training:** To strengthen agri and technical skills of the field team, various technical, behavioral and crop based programs were delivered. Total 7,567 Man days covered in 2019-20.
- Retail product training:** For supporting scientists at store programs, training program was organized for scientists on retail products to familiarize with the products at stores

**Performance Management:** With employee development at the core, and to help talent flourish, CPC has launched a structured framework for NMS to MS upgradation process for its technical plants. A competency assessment has been done for identified NMS staff. Based on the test scores, qualified employees are promoted from non-management to management cadre. In 2019-20, 27 employees out of 37 were promoted.

**Uberisation:** To measure and improve the employees (RSMs and AMROs) performance, Retail SBU has implemented the Uberisation quarterly performance rating application.

Annexure J (Contd...)

Feedback Rating will be given by their reporting managers for employees every quarter in the form of Stars based on the 4 parameters i.e, Profitability, Compliance, Customer Advocacy and Technical Skills.

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

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

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

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

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

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

Coromandel Girl Child Education Scheme

The Coromandel Girl Child Education Scheme was launched in 2005 in recognition of the strong support received from the farmers of Andhra Pradesh and to help the girl child in her quest for education in rural areas. 1,210 girls have been provided assistance through the scheme in 2019-20 from rural government schools. The objective of the scheme is to provide financial assistance to the meritorious girl students of rural areas studying in classes IX & X. The scheme has also been extended to cover students from standards XI and XII. The objective is also to achieve equalization of educational opportunities, and to promote the development of talent from rural areas and educating talented rural girl children in government schools.

Coromandel Medical Centres

The Coromandel Medical Centres offer out-patient facilities for attending to any general medical ailment. A subsidized admission fee is charged from the patients and medicines are dispensed on a cost to cost basis. The facilities provided at the centre include injections/ IV fluid, nebulisation, and instant sugar testing in addition to X-Ray and ECG services. Diagnostic services were also added to the CMCs to address the issue of expensive diagnostic services. The implementation of medical Services has been done in various locations like Visakhapatnam, Kakinada, Ennore & Sarigam. A total of 79,541 patients have rendered the services. Support groups have also been formed to provide awareness on hypertension and diabetes to the patients. Currently 809 patients are part of the support groups initiated in all the four locations.

Farmer Advisory services

Coromandel continuously facilitates the farming community through various services for improving the crop yield like free soil testing for balanced nutrient inputs, farm advisory support through Agronomist team, unique grade & fortified fertilisers and providing complete farming solution. In 2019-20, 30,351 farmer education meetings or seminars were carried out by Retail and Fertiliser Businesses.

Principle 5: Businesses should respect and promote human rights

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

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



Annexure J (Contd...)

Coromandel measures the progress on Human rights protection through metrics like

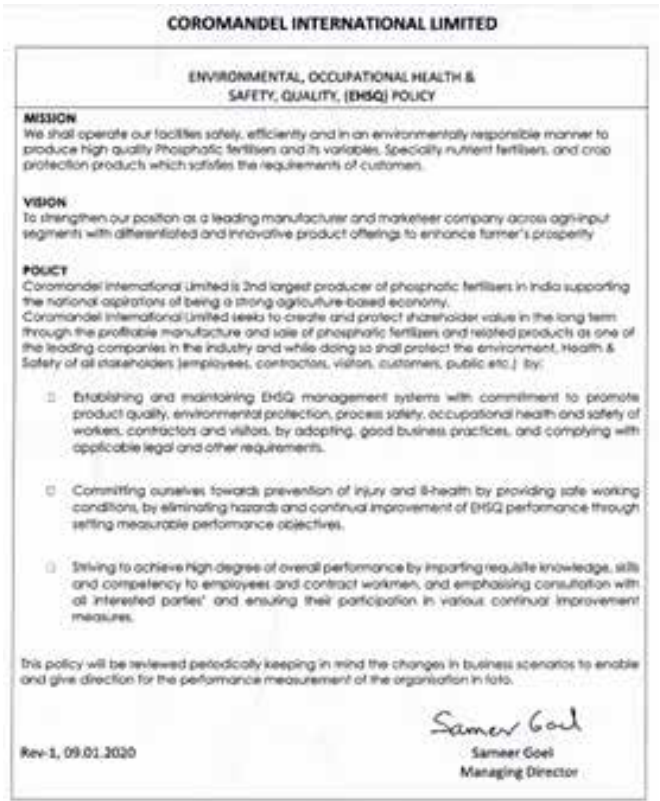
- Training Mandays and employee coverage for awareness on Policies and CGBC
- Employee Engagement survey outcomes on respective parameters
- Number of grievances received and addressed
- Internal HR and Management audit points and closures
- 5S audit score for work environment

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

There were no complaints on violation of human rights in 2019-20.

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

Coromandel continually strives to minimize the environmental impact and operational safety risks of its operation through sustainable practices and responsible use of natural resources through effective implementation of Integrated Environment, Occupational Health & Safety, Quality (EHSQ) Policy. The policy covers the entire operations of Coromandel and applies to its Employees, Contractors, Vendors, Visitors and other



Revised EHSQ Policy

stakeholders. The policy has been revised in 2019-20, as per ISO 45001: 2018 safety management system, incorporating vision & mission, inclusion of provision of safe working conditions by eliminating hazards and continual improvement etc.

Coromandel deems safety of personnel as its top most priority and drives the safety process and programs with a goal of Zero harm. A fundamental part of the Company's annual business planning process is environmental management, wherein each business has to frame the strategy and improvement projects for continual improvement of environment Management system. The Company is also actively involved in sustainable development through various environmental activities at a large scale like development of green belt, continual improvement in consumption of Raw materials along with efficient energy saving practices and water conservation by recycling the waste water, rain water harvesting etc.

Company has adopted “Enterprise Risk Management” Approach (ERM) model to address the environmental and operations risks which challenge business continuity. As a part of this, the environmental and safety risks are thoroughly evaluated and addressed across the organization. Manufacturing sites undergo environmental impact assessment studies, as required to understand and mitigate the long-term impacts. Also, life cycle studies are carried out for environmental concerns like plastic waste management.

Fertiliser manufacturing operations at Vizag and Ennore units use 50 % of its energy from the waste heat recovered from its captive Sulphuric acid plants, further reducing carbon footprint of the organizations.

At Coromandel, all major manufacturing processes have installed continuous Emission Monitoring Systems (CEMS) in all process stacks and online (CAAQMS) Continuous Ambient Air Quality Monitoring System through which real time data is uploaded to respective Pollution Control Board Websites which are open to public viewing. In SSP, acid tank farm dyke walls strengthening has been done to prevent spillage or leakages. An additional ₹ 65 Lakhs has been spent on prevention or control of acid spill at Nimrani and Baroda Units.

As a part of ISO 14001:2015, the Company has deployed various Environmental Management Programmes (EMPs) like imperious secondary containment in PA tank area, installation of gypsum neutralization process, installation of LED electrical lamps instead of high energy consuming lamps, replacement of old wound motors by new motors to conserve energy, installation of energy savers in all air conditioner units implemented across units, to prevent and reduce environmental impacts due to the manufacturing process and related activities. In SSP units, a total of 3 EMPs (Environment Management Programs) were implemented in the units, namely Sound / Noise Pollution Controls, Dust level Control through installation of Twin Vertex type Cyclones (Hospet and Udaipur) and Plantation. In 2019-20, under IMS certification, EMS 14001: 2007 was re-certified by BSI for SSP units.

Annexure J (Contd...)

Considering water as precious commodity, all the Fertiliser units are completely recycling and utilizing the waste waters in the process itself and Zero Liquid discharge (ZLD) is always maintained. In SSP plants, zero liquid discharge is ensured across all operations, including handling of raw materials to finish goods. Additional investment of ₹ 300 Lakhs has been done to ensure and monitor Zero Liquid Discharge to complete revamp for scrubber System.

- HF analyzer installation at Baroda unit to ensure and maintain environmental norm
- AMC given to maintain and control the pollution system and measure like scrubber, flow meter, analyzers, humidifier etc

The Company gives utmost importance to employee's health, Safety and Environment and has adopted the Zero harm policy. The Company has put in robust process safety performance indicators to track its SHE performance. Employees are encouraged to raise ‘near-miss’ safety concerns and these inputs are periodically monitored, analysed and action taken. The company has rolled-out the behaviour-based safety program “Safe start” to improve on the safety culture within the organization and control incidents. The company has also introduced the 12 Life Saving Rules to further strengthen its safety practices.

The Company implemented the additional five elements which are enablers under advanced risk-based Process Safety Management Systems (PSMS), expanding management's commitment and involvement towards Plant safety. The company carried out Quantitative Risk Assessment (QRA) at all Fertiliser sites to enhance the contingency plans & emergency procedures to deal with societal risk. All key manufacturing sites have taken-up structural integrity upgrading program to mitigate risks related to asset integrity.

In its endeavor to continuously improve the environmental performance, various initiatives have been adopted in its manufacturing processes, to promote use of energy efficient and environment friendly technologies. Some of the environment improvement initiatives across few of the units includes:

- **Vizag Plant:**
  - CFO for PA expansion has been obtained from APPCB and successfully commissioning of the PA-2 projects with all environmental safeguard measures in place
  - Online stack analysers installation at PAP 2
  - Gypsum lining 10 acres with recycling arrangement
  - Initiation of TERI plantation
  - Installation of Pulse jet Bag Filters at ball mill (PAP-2)
  - Conversion of earlier dumping yard into weigh bridge
  - Improvements in analysers at old Ball mill area

- ZLD tank at ETP area
- Stack platform replacement and repair for C train stack
- Use of natural light for all the new godowns constructions
- Conversion of open godown to closed godown
- Upgradation of DM water plant with Ultra filtration technique
- By increased use of Molten sulphur at Visakhapatnam, there is overall reduction in fugitive emission and also reduction in greenhouse gases to the tune of 4,700 MT/yr of CO2.
- Use of closed pipe conveyor at Visakhapatnam Unit for the elimination of fugitive dust emission during the transformation and reduced power consumption
- **Ennore Plant:**
  - Digital Hazardous waste display installed. Gypsum yard HDPE lining impervious layer work in progress covering around 2 acres.
  - Installation of MED plants at Ennore unit which will use sea water thus saving of natural water also energy.
- **Kakinada Plant:**
  - In house initiatives were taken to improve the aesthetic of the plant through the landscaping and horticulture development
- **Sarigam Unit:**
  - Three Dry Vacuum pumps have been installed in place of steam ejectors reducing ethyl acetate and steam norms by 20% and 15% respectively for Acephate process.
  - As existing scrubbers for Chlorine and Ammonia was found inadequate for worst case leakage scenarios, new scrubbers have been designed and installed to handle single Chlorine tonner and single ammonia bullet leakage scenarios
  - As a strategic initiative to control fugitive emissions, detailed study of current venting system, loading and unloading activities, human exposure, etc was carried out and Fugitive Emissions Control Scrubbers have been installed for Multipurpose Plant, Phosphorus Trichloride plant and Trimethyl Phosphite plant
  - Fogging system has also been installed to control dust and odour issues across the site for particular areas
- **Dahej Unit:**
  - The unit has installed Solar street lights along the periphery of the plant and all the industrial lighting fixtures were converted to energy efficient LED.

Annexure J (Contd...)

To further strengthen its commitment to environment, Coromandel Vizag plant has adopted certain new and emerging technologies for environment conservation. Some of these include:

- Miyawaki plantation which is under progress
- Gypsum lining through CPCB approved methodology with sump and pump arrangement
- HF analysers with latest TDLAS technology installed at PAP-2
- SO2 analysers also with CPCB approved technology installed at Boiler

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

- Around 20,000 samplings completed during FY 19-20 and till date total 90,000 saplings planted in Visakhapatnam city under Green Visakha with the help of District Forest Officer & VUDA
- At Ennore, plantation has taken place in and around plant premises. Banyan trees plantation has taken place around the peripheral areas in Ammonia tank area
- Around 300 acres of Kakinada Plant is covered till date by Green Belt. Construction of Birds Paradise at Kakinada unit which has been featured in BBC documentary in the field of Biodiversity conservation.

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

- **Vizag Plant:**
  - Installation of Variable Frequency Drives in Sep 2019 with an investment of ₹ 140 Lakhs which resulted in energy saving of 3,28,765 kWh /year units
  - Modernisation of electrical Low-Tension switchgear which has resulted in Energy saving of 1,92,000 kWh /year
  - Modern Energy Efficient LED lighting system which has resulted in Energy saving of 12,52,826 kWh / year
- **Ennore Plant:**
  - 90 Nos. Energy efficiency motor replaced instead of normal motor
- **Kakinada Plant:**
  - Kakinada unit makes use of Solar energy as a renewable source of energy. It is having Solar water heating facility for the boiler feed water heating purpose. This helps in reducing Natural gas consumption for preheating purpose through the two sets of heater available, the temperature

of water can be increased up to 80°C producing 1,20,000 liters per day.

- Beside these, for reducing grid power consumption company has taken the following initiatives:
  - Installed 450 no's of LED Energy Saving lights resulted in savings of 2,77,777 Units per year
  - Installed 40 no's of IE3 motor installation of below 5 HP ratings resulted in savings of 92,592 Units/ year
  - Installed BLDC replacing conventional fans resulted in savings of 36,900 Units per year

- **SSP plants:**
  - Installation of VFD (variable frequency drive) was done at Udaipur, Baroda, Ranipet and Nimrani Units
  - Installation of LED lights has been done across Units based on replacement strategy
  - IE 3 motor replacement and Energy efficiently motor procurement has been done in the project
  - To improve scrubber system efficiency invested ₹ 255 Lakhs on revamp of scrubber system
- **Ankleshwar Unit:**
  - About 1,06,051 KWH of energy saving achieved by installation of energy efficient motors at various locations in the plant
  - About 1,97,810 KWH of energy saving achieved by installation of energy efficient cooling tower pumps with motors in Utility section
  - About 41,451 KWH of energy saving achieved by installation of high efficiency energy saving E-Glass Proxy FRP Fans for different cooling towers
  - About 5,465 KWH of energy saving achieved by installation of energy efficient BLDC ceiling fan at various locations in the plant
  - About 19,320 KWH of energy saving achieved by installation of steam operated pressure powered pump unit (PPPU) in Malathion/Profenofos & MEE Plant for condensate transfer

Coromandel has also received recognition for its various environmental initiatives during 2019-20:

- Vizag and Ennore units have received CII EHS excellence awards – 3 star rating from CII Southern Region
- The bio-diversity effort of having Bird's Paradise inside the factory premises at Kakinada has been recognised by the Government of Andhra Pradesh by felicitating with the State Biodiversity Award in the month of May'2019

Annexure J (Contd...)



Various environmental studies were conducted based on requirement for continuous improvement. Some of the key initiatives in 2019-20 include:

- Safety Culture Survey: The company carried out Safety Culture Survey for the second consecutive year through UK, HSL and overall rating was comparatively higher than the average of the participating companies and Coromandel's own performance in the year 2018-19.
- Quantitative Risk Assessment (QRA): The study has been done by IoMOSSIAC to identify risk at Sarigam unit and subsequent recommendations have been implemented.
- DuPont has been engaged for 2 years to bring cultural change in Safety and enhance Process Safety at Sarigam Site. Process Hazard Analysis of all plants at Sarigam site has been done. All Critical and medium risk recommendations are implemented and validated by Dupont.
- Aloha software was introduced to conduct dispersion studies of any hazardous chemicals.
- Top 5 Risk Scenarios of Sarigam site were identified and Risk Containment of the same has been done and recommended safeguard has been introduced to reduce risk.
- Hazardous Area Classification Audit has been conducted by MS CHOLA at Sarigam Unit.

During 2019-20, there was one case filed in the court which is sub-judice presently and no open show causes from CPCB / SPCB. During the year 2019-20, the Total Recordable Injury Rate (TRIR) per million-man hours stood at 0.58 for fertiliser and SSP business and total reportable injury cases for the year was 5 out of which regretfully 2 were fatal injury cases and 3 were medical treatment cases. These injury cases were thoroughly investigated and subjected to root cause analysis and action plans chalked out and implemented to prevent recurrence.

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

Coromandel engages in policy advocacy in a responsible manner through its membership in various industry forums & associations. Coromandel continues to share its rich experience to provide incisive insights and detailed inputs to

key decision makers in planning better policies in the setting of new industry standards and regulatory development pertaining to areas such as fertiliser policies, subsidy policies, industry economic reforms, improving industry standards, development of new and unique grades of products for enhanced crop yields, inclusive development policies.

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

Coromandel Leadership team plays an active role in industry federations. For example, Mr. Sameer Goel, Managing Director, is a Director in FAI, Mr. Srikanthan S, EVP & Business Head (Crop Protection) is among the Board of Directors CCFI while Dr. Kuppusamy, Sr.GM & Head-Regulatory Affairs (Crop Protection) and Dr. Rajul Edoliya, VP & Head-Business Development & Regulatory Affairs (Crop Protection) are Technical Committee members in CCFI. Mr. B. Prasannatha Rao, Executive VP and Head of HR, is a member of National Human Resource Development (NHRD) and Mr. Arun Leslie George, Executive VP and Head of Retail Business, is a member of Board of Apprenticeship training. Also, Dr. Amit Rastogi, EVP-Technology is a member of Working Group on Nutrient Stewardship in IFA and a member of Agricultural Sciences Advisory Committee in FAI, Mr. Amir Alvi, EVP & Head – Manufacturing (Fert.) is a member of technical committees in FAI & IFA while Mr. Kalidas P, EVP & Head – Sales & Marketing (Fert. & Org.) is a member of FAI and Mr. Pradeep Kumar, VP & Head of HR(Fert.. Org. & SND) is a member of NHRD & CII. Coromandel's engagement with the relevant authorities for responsible advocacy is guided by the values of integrity, respect and responsibility and with sustainable value for all stakeholders. Few of the key areas that Coromandel has advocated in last few years through industry associations for the advancement and benefits of farmers, as well as production augmentation and employment generation are mentioned below.

1. Direct Benefit transfer
2. Environmental Clearance for new manufacturing projects
3. GST rate on Fertiliser
4. Quality testing of SSP
5. Priority of 'Make in India' concept for Fertiliser industry
6. Balanced use of Fertiliser Nutrients
7. Neem oil coating of Urea
8. Micro Nutrient Fortification

## Annexure J (Contd...)

9. Use of Sulphur enhanced Fertiliser
10. Promoting organic manure
11. Usage of Gypsum; and
12. Indigenous sourcing of Potash

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

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

Coromandel International Limited has put in place 'Policy on Corporate Social Responsibility' to guide its efforts on CSR initiatives that contribute to inclusive growth and equitable development. Coromandel primarily seeks to impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing. Coromandel is dedicated to the cause of empowering people, educating them and in improving their quality of life. While it undertakes program based on the identified needs of the community, education, healthcare and community development initiatives shall remain its priority and major domain areas to make a meaningful impact on their lives in our geographical locations.

The two most important stakeholders of Coromandel are farmers and surrounding community villagers.

- Businesses have forged long and enduring partnerships through crop development and procurement activities; and
- Communities residing near our manufacturing units, situated in urban and semi-rural locations.

Coromandel engages with several stakeholders such as suppliers, distributors, local communities, government and other entities in the value chain. The Company collaborates with all relevant stakeholders as part of its BR initiatives.

Coromandel has developed various monitoring and evaluation tools to understand and assess the social and economic impact of various CSR initiatives. As part of which, Coromandel with support from Sigma Research & Consulting Private Limited is undertaking an impact and perception study among its social stakeholders.

Coromandel always tries to innovate and invest in research and development initiatives which gives significant results and directly or indirectly promoting the wellbeing of society and help in mitigating the adverse impact on the stakeholders socially and economically.

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

Coromandel undertakes CSR initiatives/projects directly or through AMM Foundation of Murugappa group or through any other NGO, Trust or agencies and entities as it deems suitable. Coromandel is creating a meaningful and measurable positive impact on the lives of economically, physically and socially challenged communities by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities living close to Coromandel's area of operation.

#### Performance 2019-20

##### CSR Interventions:

##### Supporting children with hearing impairment (Balavidyalaya Trust)

Balavidyalaya is credited to be the first "oral" school for infants with hearing impairment, in India. The aim of the school is to diagnose hearing loss in infants and young children and fit them with suitable hearing aids. The school also helps children acquire early verbal language skills and help them to get integrated academically and socially into the normal schools.

The school provides a free learning environment to children born with hearing impairment. All the children attending the school belong to economically deprived backgrounds.

##### Government General Hospital

Coromandel has refurbished the Paediatric Ward in the Government General Hospital in Kakinada and undertaken civil renovation, electrical wiring, provided lighting fixtures and new UPS, roof treatment and constructed additional wash rooms in 2014. To further improve the quality of the treatment 6 ventilators with compressors have been provided along with various other medical equipment. Apart from that Coromandel is committed in providing continuous support in maintaining the ward by providing housekeeping and security services, to ensure that the quality is maintained.

##### Hrudaya - Cure A Little Heart Foundation

Hrudaya Foundation has been providing yeomen services to humanity by carrying out surgeries on children affected with Congenital Heart Diseases. The number of children affected with CHD has been increasing in a geometric progression, in which only 6% to 8% of them are lucky to receive the medical treatment. The rest are not diagnosed and treated on time or that their parents cannot afford the cost of surgery and treatment. The cost for each cardiac surgery is approximately ₹1.5 to ₹2.0 Lakhs. This surgery betters their chances of life and helps them lead a normal healthy life thereafter. With Coromandel's support 28 surgeries have taken place for children suffering from heart ailment in 2019-20 and 133 surgeries in all have been supported in the past five years.

##### Federation of Farmers Associations (FFA)

Federation of Farmers Associations (FFA) is a grassroot-level organisation involved in policy advocacy, technology transfer

## Annexure J (Contd...)

and encouraging investments in agriculture. The organisation has experience in various districts of Andhra Pradesh, where they have worked extensively in improving the lives of the marginalised farmers through a multi-pronged approach. They are currently working with the women groups of Gummadidala block of Sangareddy district on empowering women with livelihood skills to improve their economic standards. A total of 350 women have been trained on tailoring and distributed sewing machines. They have also been trained on establishing market linkages, to enable them to approach textile houses, for suitable orders.

##### Retail Agri skill training for rural youth

Coromandel is undertaking agri skill training with Access Livelihood Foundation on retail store management. To impart the necessary skills required for retail store management to youth from rural areas. The following set of skills will be imparted to the trainees through this skill development initiative with well experienced and qualified trainers. (i) Technical skills, (ii) Self transforming skills, (iii) Operational and Marketing skills and (iv) soft skills. 295 candidates have completed eight batches of training & 30 students trained through Anudip Employability Skill Development initiative on web designing and IT related courses.

##### Nature Conservation

Coromandel has collaborated with the Madras Crocodile Bank Trust and Centre for Herpetology which is one of the largest reptile zoos in the world and one of the oldest non-government environmental organizations in Asia. The primary aim of the organization is to promote the conservation of reptiles and amphibians on the Indian subcontinent. MCBT has 16 of the world's 23 species of crocodilians on exhibit; exhibits of the 4 deadliest snakes of India; and attracts a larger number of visitors.

##### Green Visakha project

Visakhapatnam is one of the most polluted cities in the country. The state government has taken an initiative of planting trees and ensuring that the pollution levels are decreased. The project envisages plantation of trees in areas which are not covered. For this the locations have been identified, outside the Plant. Till date, Coromandel has planted around 20,000 plants across 44 acres of land.

Coromandel has spent around 2% of its average net profit for the preceding financial years on its CSR activities across locations in the domain of education, health care and community development. Year wise CSR expenditure given below:

| Year         | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|--------------|---------|---------|---------|---------|---------|
| INR in Lakhs | 1,075   | 1,097   | 1,271   | 1,328   | 2,111   |

##### Awards:

In 2019-20, Coromandel won 3 prestigious National level awards, the details as follows:

1. Coromandel International Limited has received The Public Relations Society of India (PRSI) National Awards under the category of 'Best Private Organization Implementing CSR' which was held on the 13<sup>th</sup> December 2019 in Hyderabad.



2. Coromandel also won the CSR Times award for Best Corporate in Health category on 18<sup>th</sup> September 2019 at National CSR Summit at New Delhi. The application was for the preventive healthcare practices through the Coromandel Medical Centre.



3. Coromandel won the ZEE Business National CSR Leadership Congress & Awards for Best Overall Excellence in CSR held on 18<sup>th</sup> September 2019



## Annexure J (Contd...)

Coromandel works towards ensuring sustainability of its CSR programs beyond project period by creating an enabling environment for community adoption of such programs. Through its partner NGOs, Coromandel facilitates in empowering community members through structures such as

Women Federations through capacity building measures so that the CSR interventions become self-sustaining programs beyond the project period. These impact the household on a larger scale and also help in improving the socio-economic condition of the family.

*Impacted lives of more than 3.8 Lakh community members through CSR initiatives*

### Impact: 3,81,021 Beneficiaries (2019-20)



#### Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Coromandel believes that customer-centricity is the key to long-term business sustainability. The Company has made successful engagement and provides value to the customers and consumers in a responsible manner. "To enhance prosperity of farmers through quality farm solutions with sustainable value for all stakeholders", the Company continuously strives to enhance the value addition to the farmers through its various products and services which enable farmers to take informed decisions towards enhancing productivity. During the year 2019-20, around 10,23,747 farmers were covered by Coromandel Retail division and around 5,80,000 farmers by Crop-Protection business through various outreach programs. Crop Protection division through its digital activation initiative has also sent multimedia messages educating farmers on key products to around 1,50,000 farmers of Andhra Pradesh.

Coromandel enables overall well-being of customers and the society through its various best practices and value added services at no additional cost to customers/farmers with various aspects:

1. Nutri-clinics: Integrated Nutrient Clinics were setup which act as one stop solution for every agri-input related need (soil tests, crop advisory, etc.) of the farmers. In 2019-20, 30 Gromor Nutri-clinics have been established
2. Scientist at Store : In order to provide value added expert technical advisory to farmers, Retail business has provided for an agricultural expert to be available at the Gromor stores on a fixed day in a week. The expert will provide expert advice to the farmers on various aspects of crop management. The initiative has been launched during the kharif season of 2019 with 27 eminent scientists. A total of 2,113 Scientist at Store meetings were conducted from June 2019- March 2020 in 270 MGCs.

## Annexure J (Contd...)

3. Farm Advisory Services: Coromandel provides farm advisory services through various modes viz., 'Hello Gromor' Centre (Toll free helpline for farmers), voice SMSes, extensive farmers' group meetings, seminars, webinars and village sessions, Interactive touch screen kiosks, etc.
4. Agronomists: Coromandel's team of Agronomists work closely with the farmers to educate them about the usage of various farm inputs and overall solutions to the customer needs. 60 agronomists are working across the country and promoting Integrated Nutrient Management for various crops and region.
5. Soil testing services: Application of right nutrients to soil ensures higher crop yields and also reduces the cost of nutrient application.

The products of Coromandel are in adherence with and governed by respective Government rules and regulations like Fertiliser Control Order (FCO) and Central Insecticides Board & Registration Committee (CIB&RC). Hence, there is no restriction or barrier of entry for other market players and customers are having the full freedom to select the products of their choice.

Coromandel discloses all the relevant information on safe and judicious usage of its product through various channels like packaging, labeling, leaflets and website. Crop protection chemicals/specialty nutrients products are provided with the info on safe handling, dosage to crop, time and method of application, thus encouraging consumers to use products in a responsible manner. Product details and state wise, crop wise fertigation schedules also provided to customer in SND knowledge portal of Coromandel. The Toll-free (Hello Gromor center) phone number are provided in all packs for enabling customers to register their queries and complaints.

Coromandel ensures that all the claims made in advertising are backed by the results established through pilot experiments, field studies and demonstrations carried out in fields and with proper registration of products as per all legal requirements.

Coromandel continuously educates and creates awareness to farmers on optimal usage of fertilisers and effects of usage of higher dosage of fertilisers and crop protection chemicals through its extensive soil testing, farm advisory, Store Advisory Board Meeting, Farmer panel Feedback and farmer education sessions.

- Soil tests : To educate the farmer on importance of soil health through Mana Gromor Centers Company has conducted 22,685 soil tests during the year 2019-20 through Mobile soil test kits. The Retail team visits the villages with the Mobile soil testing kits and performs the soil tests in front of the farmers and gives the prescriptions to the farmers and educates them on soil health.
- Number of SBZ (Sulphur, Boron & Zinc) soil analysis carried out and given recommendations were – 7,450.

- 21,884 farmer meetings by Retail and 8279 by Fertilisers were conducted in 2019-20 to educate farmers on various aspects of agriculture
- A total of 188 Crop Seminars, 450 Crop demonstrations, 30 exhibitions/stalls and 360 Field days/Crop shows were organized by the Fertiliser business
- Organic Business conducted 43,374 number of Organic Carbon test to make farmer aware about status of organic carbon in the soil while a total of 31,172 OC/SBZ tests were organized by Fertiliser Business
- Crop Protection Business has held farmer awareness meetings in collaboration with two leading Indian agricultural universities on agronomic practices of key crops, responsible use of crop protection chemicals and Coromandel products.

The key customer-friendly initiatives in 2019-20 include:

- **Loyalty program:** Loyalty program was launched from September'19 to March'20 by Retail. Approximately 10 Lakhs farmers got enrolled under the loyalty program.
- **HNI Loyalty program:** Separate loyalty programs was also run for HNI customers for the period October'19 to March'20. 1.28 Lakhs HNI customers were identified for HNI loyalty scheme. Apart from loyalty benefits, services like satellite based agro advisory, expert advisory, soil testing, daily field visits are also provided to HNI farmers.
- **Gromor Rythu Sambaraalu Scheme:** In order to encourage customers to visit Gromor centres, "Gromor Rythu Sambaralu" scheme was launched from December'19 to March'20. Under the scheme, farmers received useful gift items through lucky draw conducted at stores.
- **Satellite based Agro advisory:** To promote precision farming, satellite based Agro advisory program has been started across Andhra Pradesh, Telangana, Karnataka and Maharashtra. Under the program, stress maps of fields are provided to farmers and advisory is provided by Gromor staff after ground truthing. For the year 2019-20, around 14000 farmer fields have been Geo-tagged and technical advisory was provided.
- Crop Protection Business also conducts **Gromor Suraksha Days** every Wednesday to create awareness among farmers regarding the need of PPEs.
- Specialty Nutrient division has launched a farmer level scheme launched for **Bosmax** through the QR code app

Coromandel promotes increased usage of Organic compost to rejuvenate the soil condition and enhance crop yield, thereby reduce the excessive application/consumption of chemical fertilisers. Coromandel continually develops unique grades of products that enable slow release of nutrient to soil for enhanced retention/availability of nutrient to crops and thereby reducing seepage of nutrients.

Coromandel tracks grievances from the farmer, related to products and services and creates necessary improvement for farm productivity. The number of calls by **Hello Gromor** for the year 2019-20 on farm advisory to farmers is as below:

- o In-bound calls – 6,392
- o Outbound calls – 19,151

Fertiliser Business also receives customer feedback directly from its Sales and agronomy teams during customer outreach activities or through retailer. Sales team attends to these complaints and they rope in Agronomy if the complaint is related to technical knowledge and product quality. The complaint is addressed by Agronomist team or escalated further for resolution of complaint. There is also a tele-calling officer who collects feedback for Gromor 14:35:14. The Company has also developed an online grievance tracking and redressal tool, TIME, to address product and packing related complaints from farmers and dealers. Speciality Nutrients has launched a customer complaint app for the internal team. The same to be used by the field team to raise any complaints in markets with a proper escalation mechanism.

Customer feedback is taken with utmost seriousness and attempts are made to satisfactorily close all customer feedback or complaints expeditiously. Around 190 complaints were received and addressed through CRM calls of 'Hello Gromor' for the year 2019-20.

During the year one complaint was filed against the Company before a Consumer Forum and the number of complaints / cases outstanding as on 31 March 2020 was 20. These complaints are contested claims and pending before consumer forum. There were no cases filed and pending against the Company with respect to unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

Coromandel conducted various market research studies through external agencies and internal teams during the FY 19-20, to understand the farmer's perception and satisfaction level across SBUs. Some of the important surveys done include:

**Retail division:**

- **Net Promoter Score:** To understand the satisfaction level of customers and loyalty towards brand. A total of **29,171** farmers were surveyed for NPS and NPS score for 2019-20 was 5.
- **Cotton seed preference study:** To undertake cotton seed brand preference study to determine the most preferred cotton seed brands by the farmers and the most stocked brands by retailers.
- **Repeat purchase study:** To understand the buying behaviour of customers and identify the reasons for repeat purchase. The outcome has provided insights into Product range stocked, Brand and SKU availability, Credit period offered, Payment options and Fairness of pricing are the major driver for store selection.

**Fertiliser division:**

- NPS survey for Gromor 14:35:14 in Andhra Pradesh, Telangana, Maharashtra, West Bengal.
- Research on acceptance of Small pack in AP – paddy nursery, MH and WB – vegetable farmers
- A Dipstick study to understand customer feedback for the new product GroSmart

**Crop Protection division:**

- The Business has conducted a marker research study though Kantar to study effectiveness of our branding activities. The Business intends to leverage the survey outcomes to streamline its branding activities for better reach of the customer.

**Speciality Nutrients division:**

- Customer feedback survey done for the newly launched products.

**On behalf of the Board of Directors**

Place: Chennai  
Date: May 26, 2020

**M M Murugappan**  
Chairman

# Standalone Financial Statements

INDEPENDENT AUDITOR’S REPORT

To The Members of Coromandel International Limited  
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Coromandel International Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr.No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Auditor’s Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | <b>Revenue Recognition – Sale of goods</b><br><br><i>Refer to note 2.3 ‘Revenue recognition’, note 2.25.1 ‘Critical judgements in applying accounting policies’ and note 2.25.2 ‘Key sources of estimation uncertainty’ to the standalone financial statements.</i><br><br>Revenue from sale of goods is recognised when the control of goods is transferred to the customers. In accordance with the accounting policy, control is transferred either when the product is delivered to the customer’s site or when the product is shipped, depending on the applicable terms. The Management has exercised judgement in applying the revenue accounting policy while recognising revenue. | We have performed the following principal audit procedures in relation to revenue recognised.<br><br>Understood the revenue recognition process, evaluated the design and implementation, and operating effectiveness of internal controls relating to revenue recognised.<br><br>Selected samples and tested the operating effectiveness of internal controls, relating to transfer of control. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.<br><br>Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.<br><br>In respect of the selected sample of transactions:<br><ul style="list-style-type: none"><li>Tested whether the revenue is recognised upon transfer of control to customer.</li><li>We have evaluated the delivery and shipping terms of the contracts for revenue recognised during the period.</li><li>We have also tested the location stock reports from Company warehouses, where applicable, for confirmation on sales quantity made during the year.</li></ul> |

| Sr.No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Auditor’s Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"><li>Tested that the revenue recorded is after considering the applicable rebates and discounts.</li><li>We have tested on a sample basis (including for sales near to the period end) the acknowledgments of customers. In respect of sales of fertiliser products we have also agreed the quantities sold as per the Company books with the customer acknowledgements as per the iFMS portal of the Department of Fertilisers.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2      | <b>Subsidy income / Government subsidies and related receivables</b><br><br><i>Refer to note 2.3 ‘Revenue recognition’ and note 2.25.2 ‘Key sources of estimation uncertainty’ to the standalone financial statements.</i><br><br>Subsidy income pertaining to the Nutrient and other allied business is recognised on the basis of the rates notified from time to time by the Department of Fertilisers, Government of India (‘GOI’) in accordance with the Nutrient Based Subsidy (‘NBS’) policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including Direct Benefit Transfer (‘DBT’) System which was introduced by Government of India.<br><br>For the year ended March 31, 2020, subsidy income of ₹ 3,25,119 lakhs is recognised. Recognition and realisability of subsidy income is dependent on GOI Policy and its various initiatives/schemes. | The following principal audit procedures have been performed by us in relation to subsidy income recognition.<br><br><ul style="list-style-type: none"><li>We have read the relevant circulars and notifications issued by GOI from time to time with regard to the subsidy policies.</li><li>We have had robust interactions with the relevant personnel in the Company with regard to the updates of GOI Policy and their interpretations of the relevant circulars and notifications.</li><li>Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing subsidy income.</li><li>We have tested the NBS rates considered by the Company for the product subsidy with the applicable circulars and notifications.</li><li>We have correlated the sales quantity considered for subsidy income with the actual sales made by the Company.</li><li>We have also agreed the quantities sold as per the Company books with the customer acknowledgements as per the iFMS portal of the Department of Fertilisers and tested the DBT claims made by the Company.</li><li>We have enquired from the Management and discussed with Those Charged With Governance, the appropriateness of the subsidy rates applied to recognise subsidy income.</li></ul> <b>Valuation of subsidy receivables:</b><br><br>Following are the principal audit procedures performed by us for testing valuation of subsidy receivables:<br><ul style="list-style-type: none"><li>We have analysed and discussed the status of outstanding subsidy receivables and its realisability with the Management.</li><li>We have tested the sanction notes received from the GOI for receipts.</li><li>We have tested the credits in the bank statements for the receipts.</li><li>We have tested whether the deductions made by the GOI have been adjusted in the books of accounts.</li></ul> |
| 3      | <b>Implementation of new IT system used for accounting/financial reporting</b><br><br>The Company implemented a new IT system which is an enterprise resource planning application used for accounting/financial reporting with effect from November 1, 2019 (“Go-Live date”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | We have performed the following principal audit procedures involving our IT Specialists in relation to the new IT system implementation:<br><ul style="list-style-type: none"><li>We understood the Management’s implementation plan of the new IT system and the changes from legacy versus the new IT system insofar as accounting/ financial reporting is concerned.</li><li>Tested the completeness and accuracy of migration of relevant financial and accounting data/information/balances from legacy IT system to the new IT system.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Sr.No. | Key Audit Matter                                                                                                                                                               | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | Matters which required significant audit attention in relation to the above implementation included:                                                                           | <ul style="list-style-type: none"><li>We tested the IT general controls of the new IT system relevant to financial reporting, including relevant interfaces.</li><li>We tested the design and implementation, and operating effectiveness of the relevant business cycle automated controls of the new IT system.</li><li>We tested the completeness and accuracy of information used for controls and also the information produced by the new IT system.</li></ul> |
| (i)    | Complete and accurate migration of relevant financial and accounting data/information/balances from legacy IT system to the new IT system.                                     | The above procedures were in addition to the relevant planned procedures for the legacy IT system used by the Company upto the Go-Live date.                                                                                                                                                                                                                                                                                                                         |
| (ii)   | Assessment and evaluation of relevant application systems, programs, processes, interfaces, reports and controls insofar as they relate to accounting and financial reporting. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (iii)  | IT general controls relevant for financial reporting.                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance

with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g)

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h)

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i.

The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii.

The Company did not have any long-term contracts including derivative contracts for
- which there were any material foreseeable losses.

iii.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS

Chartered Accountants

(F.R.N. 008072S)

Sumit Trivedi

Partner

(Membership No.209354)

UDIN:20209354AAAAFK2635

Secunderabad, May 26, 2020

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Coromandel International Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Secunderabad, May 26, 2020

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

Sumit Trivedi  
Partner  
(Membership No.209354)  
UDIN:20209354AAAAFK2635

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i)

(a)

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b)

The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c)

According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

| Particulars   | Carrying Amount<br>(₹ in Lakhs) | Remarks                                                                                        |
|---------------|---------------------------------|------------------------------------------------------------------------------------------------|
| Freehold land | 75                              | 446.92 acres of land located at Pattamadai is pending registration in the name of the Company. |

In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement as at the balance sheet date, except the following:

| Particulars    | Carrying Amount<br>(₹ in Lakhs) | Remarks                                                                                                                                        |
|----------------|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Leasehold Land | 18                              | Lease deed in respect of land admeasuring 3.52 acres at Madri, Udaipur taken on lease is pending to be transferred in the name of the Company. |
| Leasehold Land | 23,567                          | Lease deed in respect of land admeasuring 321.22 acres at Vishakhapatnam is pending to be executed.                                            |

- (ii)

As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii)

According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a)

The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b)

The loans granted by the Company are repayable on demand.

(c)

There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv)

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v)

According to the information and explanations given to us, the Company has not accepted any deposit falling within the purview of the provisions of Section 73 to 76 of the Companies Act, 2013. There are no unclaimed deposits.
- (vi)

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Fertilisers and Insecticides. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2020 on account of disputes are given below:

| Name of Statute                            | Nature of Dues   | Forum where Dispute is pending          | Period to which the Amount relates | Amount involved (₹ in Lakhs) | Amount unpaid (₹ in Lakhs) |
|--------------------------------------------|------------------|-----------------------------------------|------------------------------------|------------------------------|----------------------------|
| The Income Tax Act, 1961                   | Income Tax       | Commissioner of Income Tax (Appeals)    | 2008 -2009 to 2013 -2014           | 498                          | 409                        |
| West Bengal Sales Tax Act, 1994            | Sales tax        | Assistant Commissioner (Appeals)        | 2002-2003                          | 4                            | 4                          |
|                                            |                  | Sales Tax Appellate Tribunal            | 2008-2009, 2012-2013               | 1,058                        | 958                        |
|                                            |                  | Special Commissioner                    | 2015-2016                          | 3                            | 3                          |
|                                            |                  | Additional Commissioner Legal           | 1995-1996 to 1997-1998             | 27                           | 27                         |
| Andhra Pradesh General Sales Tax Act, 1957 | Sales tax        | Sales Tax Appellate Tribunal            | 2002-2003 to 2003-2004             | 63                           | 33                         |
|                                            |                  | Deputy Commissioner Appeal              | 2013-2014                          | 19                           | 19                         |
|                                            |                  | Deputy Commissioner                     | 2008-2009                          | 125                          | 111                        |
| Uttar Pradesh Value Added Tax Act, 2008    | Sales tax        | Deputy Commissioner Appeal              | 2012-2013                          | 1                            | 1                          |
|                                            |                  | Appellate Deputy Commissioner           | 2012-2013                          | 40                           | 40                         |
|                                            |                  | Assistant Commissioner (Appeals)        | 2013-2014                          | 2                            | 1                          |
|                                            |                  | Appellate Deputy Commissioner (Appeals) | 2012-2013                          | 3                            | 3                          |
| Gujarat Value Added Tax Act, 2003          | Sales tax        | Joint Commissioner (Appeals)            | 2010-2011, 2011-2012               | 110                          | 110                        |
|                                            |                  | Sales Tax Appellate Tribunal            | 2008-09 to 2010-2011               | 91                           | 91                         |
|                                            |                  | Appellate Deputy Commissioner (Appeals) | 2010-2011 to 2012-2013             | 27                           | 27                         |
| Rajasthan Value Added Tax Act, 2003        | Sales tax        | Appellate Deputy Commissioner (Appeals) | 2010-2011 to 2012-2013             | 27                           | 27                         |
| Maharashtra Value Added Tax Act 2002       | Sales tax        | Appellate Joint Commissioner            | 2014-2015                          | 14                           | 14                         |
| Electricity Supply Act, 1948               | Electricity Cess | High Court for the State of Telangana   | 2003-2004 to 2013-2014             | 293                          | 293                        |
| Central Excise Act, 1944                   | Excise duty      | High Court for the State of Telangana   | 2003 to 2007                       | 368                          | 368                        |
|                                            |                  | High Court of Madras                    | 2001-2003                          | 7                            | 7                          |
|                                            |                  | CESTAT                                  | 2009-2010 to 2013-2014             | 180                          | 48                         |
|                                            |                  | Commissioner (Appeals)                  | 2003-2004 to 2004-2005, 2016-2017  | 8                            | 7                          |
|                                            |                  | Commissioner                            | 2004-2005 & 2009-2010              | 18                           | 17                         |

| Name of Statute       | Nature of Dues | Forum where Dispute is pending        | Period to which the Amount relates          | Amount involved (₹ in Lakhs) | Amount unpaid (₹ in Lakhs) |
|-----------------------|----------------|---------------------------------------|---------------------------------------------|------------------------------|----------------------------|
| The Customs Act, 1962 | Customs duty   | CESTAT                                | 2005-2006 to 2011-2012 & 2016-2017, 2018-19 | 83                           | 78                         |
|                       |                | Commissioner of Customs (Appeals)     | 2005-2006 to 2010-2011                      | 344                          | 321                        |
|                       |                | High Court for the State of Telangana | 2018-2019                                   | 461                          | 461                        |
| The Finance Act, 1994 | Service tax    | CESTAT                                | 2009-2010 to 2016-2017                      | 272                          | 252                        |

- (viii) In our opinion and according to the information and explanations given to us, having regard to the rollover of buyer's credit by banks, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary, or associate Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sumit Trivedi  
Partner

(Membership No.209354)  
UDIN:20209354AAAAFK2635

Secunderabad, May 26, 2020

Balance Sheet

as at 31 March 2020

| (₹ in lakhs, unless otherwise stated)                                                  |      |                        |                        |
|----------------------------------------------------------------------------------------|------|------------------------|------------------------|
|                                                                                        | Note | As at<br>31 March 2020 | As at<br>31 March 2019 |
| <b>I ASSETS</b>                                                                        |      |                        |                        |
| <b>1 Non-current assets</b>                                                            |      |                        |                        |
| (a) Property, plant and equipment                                                      | 3    | 1,61,324               | 1,30,058               |
| (b) Capital work-in-progress                                                           | 3    | 4,919                  | 17,569                 |
| (c) Right-of-use assets                                                                | 4    | 40,472                 | -                      |
| (d) Other intangible assets                                                            | 5    | 495                    | 600                    |
| (e) Intangible assets under development                                                | 5    | 1,556                  | 1,453                  |
| (f) Financial assets                                                                   |      |                        |                        |
| i) Investments                                                                         | 6    | 33,464                 | 32,045                 |
| ii) Other financial assets                                                             | 7    | 5                      | -                      |
| (g) Other non-current assets                                                           | 8    | 4,546                  | 11,211                 |
|                                                                                        |      | <b>2,46,781</b>        | <b>1,92,936</b>        |
| <b>2 Current assets</b>                                                                |      |                        |                        |
| (a) Inventories                                                                        | 9    | 2,69,193               | 3,23,423               |
| (b) Financial assets                                                                   |      |                        |                        |
| i) Investments                                                                         | 10   | *                      | 14                     |
| ii) Trade receivables                                                                  | 11   | 1,72,435               | 1,82,870               |
| iii) Government subsidies receivable                                                   |      | 2,31,622               | 2,39,348               |
| iv) Cash and cash equivalents                                                          | 12   | 3,236                  | 11,093                 |
| v) Bank balances other than cash and cash equivalents                                  | 13   | 2,776                  | 2,719                  |
| vi) Loans                                                                              | 14   | 42,011                 | 42,011                 |
| vii) Other financial assets                                                            | 7    | 10,051                 | 4,278                  |
| (c) Other current assets                                                               | 15   | 43,671                 | 66,046                 |
|                                                                                        |      | <b>7,74,995</b>        | <b>8,71,802</b>        |
| <b>Total assets</b>                                                                    |      | <b>10,21,776</b>       | <b>10,64,738</b>       |
| <b>II EQUITY AND LIABILITIES</b>                                                       |      |                        |                        |
| <b>1 Equity</b>                                                                        |      |                        |                        |
| (a) Equity share capital                                                               | 16   | 2,930                  | 2,925                  |
| (b) Other equity                                                                       | 17   | 4,35,974               | 3,40,468               |
| <b>Total equity</b>                                                                    |      | <b>4,38,904</b>        | <b>3,43,393</b>        |
| <b>2 Non-current liabilities</b>                                                       |      |                        |                        |
| (a) Financial liabilities                                                              |      |                        |                        |
| i) Lease liabilities                                                                   | 4    | 37,542                 | -                      |
| ii) Other financial liabilities                                                        | 19   | 146                    | 168                    |
| (b) Provisions                                                                         | 20   | 2,108                  | 1,397                  |
| (c) Deferred tax liabilities (net)                                                     | 21.1 | 5,629                  | 11,059                 |
| (d) Other non-current liabilities                                                      | 22   | 876                    | 908                    |
|                                                                                        |      | <b>46,301</b>          | <b>13,532</b>          |
| <b>3 Current liabilities</b>                                                           |      |                        |                        |
| (a) Financial liabilities                                                              |      |                        |                        |
| i) Borrowings                                                                          | 18   | 1,62,760               | 2,95,694               |
| ii) Lease liabilities                                                                  | 4    | 1,855                  | -                      |
| iii) Trade payables                                                                    | 23   |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises                      |      | 943                    | 1,261                  |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |      | 3,33,774               | 3,75,006               |
| iv) Other financial liabilities                                                        | 19   | 23,779                 | 23,676                 |
| (b) Provisions                                                                         | 20   | 1,460                  | 1,810                  |
| (c) Current tax liabilities (net)                                                      | 21.4 | 4,286                  | 3,832                  |
| (d) Other current liabilities                                                          | 22   | 7,714                  | 6,534                  |
|                                                                                        |      | <b>5,36,571</b>        | <b>7,07,813</b>        |
| <b>Total liabilities</b>                                                               |      | <b>5,82,872</b>        | <b>7,21,345</b>        |
| <b>Total equity and liabilities</b>                                                    |      | <b>10,21,776</b>       | <b>10,64,738</b>       |
| *less than a lakh                                                                      |      |                        |                        |
| See accompanying notes forming part of the financial statements                        |      |                        |                        |

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants  
Firm Registration Number: 008072S

Sumit Trivedi  
Partner  
Membership Number: 209354  
Place: Secunderabad / Chennai  
Date: 26 May 2020

For and on behalf of the Board of Directors

Sameer Goel  
Managing Director

M M Murugappan  
Chairman

Jayashree Satagopan  
Chief Financial Officer

P Varadarajan  
Company Secretary

Statement of Profit and Loss

for the year ended 31 March 2020

| (₹ in lakhs, unless otherwise stated)                                                                  |       |                                     |                                     |
|--------------------------------------------------------------------------------------------------------|-------|-------------------------------------|-------------------------------------|
|                                                                                                        | Note  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
| <b>I Income</b>                                                                                        |       |                                     |                                     |
| Revenue from operations                                                                                | 24    | 13,11,719                           | 13,20,385                           |
| Other income                                                                                           | 25    | 3,769                               | 3,637                               |
| <b>Total income</b>                                                                                    |       | <b>13,15,488</b>                    | <b>13,24,022</b>                    |
| <b>II Expenses</b>                                                                                     |       |                                     |                                     |
| Cost of materials consumed                                                                             |       | 7,50,174                            | 7,95,965                            |
| Purchases of stock-in-trade                                                                            |       | 1,34,306                            | 2,15,852                            |
| Changes in inventories of finished goods, work-in-process and stock-in-trade                           | 26    | 20,174                              | (78,798)                            |
| Employee benefits expense                                                                              | 27    | 45,722                              | 40,723                              |
| Finance costs                                                                                          | 28    | 23,529                              | 25,082                              |
| Depreciation and amortisation expense                                                                  | 29    | 15,727                              | 11,325                              |
| Other expenses                                                                                         | 30    | 1,88,720                            | 2,02,901                            |
| <b>Total expenses</b>                                                                                  |       | <b>11,78,352</b>                    | <b>12,13,050</b>                    |
| <b>III Profit before exceptional items and tax (I - II)</b>                                            |       | <b>1,37,136</b>                     | <b>1,10,972</b>                     |
| <b>IV Exceptional item (net)</b>                                                                       | 47    | -                                   | (2,385)                             |
| <b>V Profit before tax (III + IV)</b>                                                                  |       | <b>1,37,136</b>                     | <b>1,08,587</b>                     |
| <b>VI Tax expense:</b>                                                                                 |       |                                     |                                     |
| (1) Current tax                                                                                        |       | 36,756                              | 38,655                              |
| (2) Deferred tax                                                                                       |       | (5,537)                             | (1,459)                             |
|                                                                                                        |       | <b>31,219</b>                       | <b>37,196</b>                       |
| <b>VII Profit for the year (V - VI)</b>                                                                |       | <b>1,05,917</b>                     | <b>71,391</b>                       |
| <b>VIII Other comprehensive income</b>                                                                 |       |                                     |                                     |
| A (i) Items that will not be reclassified to profit or loss                                            |       |                                     |                                     |
| (a) Remeasurement of defined benefit plan                                                              | 34(a) | 86                                  | (53)                                |
| (b) Net fair value (loss)/gain on investments in equity shares at FVTOCI                               |       | 1,271                               | 1,477                               |
| (ii) Income tax relating to items that will not be reclassified to profit or loss                      | 21.3  | (406)                               | (325)                               |
| B (i) Items that will be reclassified to profit or loss                                                |       |                                     |                                     |
| (a) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge |       | (1,197)                             | (28)                                |
| (ii) Income tax relating to items that will be reclassified to profit or loss                          | 21.3  | 299                                 | 10                                  |
| <b>Total other comprehensive income (A+B)</b>                                                          |       | <b>53</b>                           | <b>1,081</b>                        |
| <b>IX Total comprehensive income for the year (VII + VIII)</b>                                         |       | <b>1,05,970</b>                     | <b>72,472</b>                       |
| <b>X Earnings per equity share (Face value of ₹1 each):</b>                                            |       |                                     |                                     |
| Basic ₹                                                                                                | 35    | 36.20                               | 24.41                               |
| Diluted ₹                                                                                              |       | 36.11                               | 24.37                               |
| See accompanying notes forming part of the financial statements                                        |       |                                     |                                     |

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants  
Firm Registration Number: 008072S

Sumit Trivedi  
Partner  
Membership Number: 209354  
Place: Secunderabad / Chennai  
Date: 26 May 2020

For and on behalf of the Board of Directors

Sameer Goel  
Managing Director

M M Murugappan  
Chairman

Jayashree Satagopan  
Chief Financial Officer

P Varadarajan  
Company Secretary

## Cash flow statement

for the year ended 31 March 2020

|                                                                                                     | (₹ in lakhs, unless otherwise stated) |                                     |
|-----------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------|
|                                                                                                     | For the year ended<br>31 March 2020   | For the year ended<br>31 March 2019 |
| <b>Cash flow from operating activities</b>                                                          |                                       |                                     |
| <b>Profit before tax</b>                                                                            | <b>1,37,136</b>                       | <b>1,08,587</b>                     |
| Adjustments for:                                                                                    |                                       |                                     |
| Depreciation and amortisation expense                                                               | 15,727                                | 11,325                              |
| (Profit)/ loss on sale/ scrap of property, plant and equipments (net)                               | 477                                   | 615                                 |
| (Profit)/loss on sale of investment                                                                 | (34)                                  | 8                                   |
| Exchange differences (net)                                                                          | 15,597                                | (7,881)                             |
| Loss/ (gain) on measuring investments at FVTPL (net)                                                | 104                                   | 24                                  |
| Provision for doubtful trade receivables and other liabilities no longer required, written back     | (45)                                  | (880)                               |
| Provision for doubtful trade and other receivables, loans and advances (net)                        | 845                                   | 622                                 |
| Trade and other receivables written off                                                             | -                                     | 28                                  |
| Provision for employee benefits                                                                     | 664                                   | 532                                 |
| Share-based payments                                                                                | 518                                   | 700                                 |
| Finance costs                                                                                       | 23,529                                | 25,082                              |
| Interest income                                                                                     | (3,703)                               | (3,630)                             |
| Dividend income                                                                                     | (32)                                  | (7)                                 |
| Others                                                                                              | (27)                                  | (8)                                 |
| <b>Operating profit before working capital changes</b>                                              | <b>1,90,756</b>                       | <b>1,35,117</b>                     |
| <i>Changes in working capital:</i>                                                                  |                                       |                                     |
| Trade payables                                                                                      | (63,135)                              | 51,355                              |
| Other liabilities                                                                                   | 7,314                                 | 67                                  |
| Trade receivables                                                                                   | 9,669                                 | (26,058)                            |
| Government subsidies receivable                                                                     | 7,726                                 | 23,338                              |
| Inventories                                                                                         | 54,230                                | (98,173)                            |
| Other assets                                                                                        | 16,410                                | 2,636                               |
| <b>Cash generated from operations</b>                                                               | <b>2,22,970</b>                       | <b>88,282</b>                       |
| Direct taxes paid (net of refunds)                                                                  | (36,302)                              | (37,018)                            |
| <b>Net cash flow from operating activities (A)</b>                                                  | <b>1,86,668</b>                       | <b>51,264</b>                       |
| <b>Cash flows from investing activities</b>                                                         |                                       |                                     |
| Purchase of property, plant and equipments, including capital work-in-progress and capital advances | (25,316)                              | (27,198)                            |
| Proceeds from sale of property, plant and equipments                                                | 21                                    | 202                                 |
| Payment towards acquisition of Business (Refer Note 42)                                             | -                                     | (33,000)                            |
| Investment in subsidiary and Joint venture                                                          | (307)                                 | (23)                                |
| Purchase of non-current investments                                                                 | (16)                                  | (1,790)                             |
| Proceeds from sale of non-current investments                                                       | 118                                   | 14                                  |
| Inter-corporate deposits/ loans given                                                               | (42,000)                              | (42,001)                            |
| Inter-corporate deposits matured/ loans received                                                    | 42,000                                | 40,000                              |
| Purchase of current investments                                                                     | (27,000)                              | (7,515)                             |
| Proceeds from sale of current investments                                                           | 27,000                                | 7,515                               |
| Interest received                                                                                   | 3,544                                 | 4,133                               |
| Dividend received from current and non-current investments                                          | 32                                    | 7                                   |
| <b>Net cash from/ (used in) investing activities (B)</b>                                            | <b>(21,924)</b>                       | <b>(59,656)</b>                     |

## Cash flow statement

for the year ended 31 March 2020

|                                                                                                                                                                                                                                                                                                                                                               | (₹ in lakhs, unless otherwise stated) |                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                               | For the year ended<br>31 March 2020   | For the year ended<br>31 March 2019 |
| <b>Cash flow from financing activities</b>                                                                                                                                                                                                                                                                                                                    |                                       |                                     |
| Proceeds from issue of equity shares on exercise of employee stock options                                                                                                                                                                                                                                                                                    | 1,366                                 | 452                                 |
| Increase/ (decrease) in short-term borrowings                                                                                                                                                                                                                                                                                                                 | (1,35,739)                            | 23,167                              |
| Dividend paid including tax thereon                                                                                                                                                                                                                                                                                                                           | (12,343)                              | (22,915)                            |
| Interest and other borrowing costs paid                                                                                                                                                                                                                                                                                                                       | (24,277)                              | (25,117)                            |
| Repayment of Lease liability                                                                                                                                                                                                                                                                                                                                  | (1,608)                               | -                                   |
| <b>Net cash from/ (used in) financing activities (C)</b>                                                                                                                                                                                                                                                                                                      | <b>(1,72,601)</b>                     | <b>(24,413)</b>                     |
| <b>Net (decrease)/Increase in cash and cash equivalents (A + B + C)</b>                                                                                                                                                                                                                                                                                       | <b>(7,857)</b>                        | <b>(32,805)</b>                     |
| Cash and cash equivalents at the beginning of the year                                                                                                                                                                                                                                                                                                        | 11,093                                | 43,898                              |
| Cash and cash equivalents at the end of the year (as per Note 12)                                                                                                                                                                                                                                                                                             | <b>3,236</b>                          | <b>11,093</b>                       |
| <b>Note:</b>                                                                                                                                                                                                                                                                                                                                                  |                                       |                                     |
| 1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments. |                                       |                                     |
| 2. Reconciliation of Short-term borrowings:                                                                                                                                                                                                                                                                                                                   |                                       |                                     |
| Opening balance                                                                                                                                                                                                                                                                                                                                               | 2,95,694                              | 273,081                             |
| Proceeds/(repayments) of short-term borrowings (net)                                                                                                                                                                                                                                                                                                          | (1,35,739)                            | 23,167                              |
| Foreign exchange adjustment                                                                                                                                                                                                                                                                                                                                   | 2,805                                 | (554)                               |
| <b>Closing balance</b>                                                                                                                                                                                                                                                                                                                                        | <b>1,62,760</b>                       | <b>2,95,694</b>                     |
| 3. Reconciliation of lease liabilities:                                                                                                                                                                                                                                                                                                                       |                                       |                                     |
| Opening balance                                                                                                                                                                                                                                                                                                                                               | -                                     | -                                   |
| Impact of Ind AS 116*                                                                                                                                                                                                                                                                                                                                         | 41,005                                | -                                   |
| Repayment                                                                                                                                                                                                                                                                                                                                                     | (1,608)                               | -                                   |
| <b>Closing balance</b>                                                                                                                                                                                                                                                                                                                                        | <b>39,397</b>                         | <b>-</b>                            |
| *Includes lease liabilities recognised during the year amounting to ₹2,734 lakhs.                                                                                                                                                                                                                                                                             |                                       |                                     |

### In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Registration Number: 008072S

### Sumit Trivedi

Partner  
Membership Number: 209354  
Place: Secunderabad / Chennai  
Date: 26 May 2020

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

**Sameer Goel**  
Managing Director

**M M Murugappan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**P Varadarajan**  
Company Secretary

Statement of Changes in Equity

for the year ended 31 March 2020

a). Equity share capital

(₹ in lakhs, unless otherwise stated)

|                                                                   | Number of shares | Amount |
|-------------------------------------------------------------------|------------------|--------|
| Balance as at 1 April 2018                                        | 29,23,83,409     | 2,924  |
| Add: Equity shares allotted pursuant to exercise of stock options | 1,43,920         | 1      |
| Balance as at 31 March 2019                                       | 29,25,27,329     | 2,925  |
| Add: Equity shares allotted pursuant to exercise of stock options | 4,26,420         | 5      |
| Balance as at 31 March 2020                                       | 29,29,53,749     | 2,930  |

Statement of Changes in Equity

for the year ended 31 March 2020

b). Other equity

(₹ in lakhs, unless otherwise stated)

|                                                                 | Reserves and Surplus (Refer note 17) |                            |                    |                 |                 |                                   | Items of other comprehensive income (Refer note 17) |                                                       |                                       |          |
|-----------------------------------------------------------------|--------------------------------------|----------------------------|--------------------|-----------------|-----------------|-----------------------------------|-----------------------------------------------------|-------------------------------------------------------|---------------------------------------|----------|
|                                                                 | Capital reserve                      | Capital redemption reserve | Securities premium | Central subsidy | General reserve | Share options outstanding account | Retained earnings                                   | Equity instruments through other comprehensive income | Effective portion of cash flow hedges | Total    |
| Balance at 1 April 2018                                         | 20                                   | 986                        | 12,608             | 11              | 2,03,328        | 908                               | 80,457                                              | (8,558)                                               | -                                     | 2,89,760 |
| Profit for the year                                             | -                                    | -                          | -                  | -               | -               | -                                 | 71,391                                              | -                                                     | -                                     | 71,391   |
| Other comprehensive income for the year, net of income tax      | -                                    | -                          | -                  | -               | -               | -                                 | (34)                                                | 1,133                                                 | (18)                                  | 1,081    |
| Total comprehensive income for the year                         | -                                    | -                          | -                  | -               | -               | -                                 | 71,357                                              | 1,133                                                 | (18)                                  | 72,472   |
| Recognition of share-based payments                             | -                                    | -                          | -                  | -               | -               | 700                               | -                                                   | -                                                     | -                                     | 700      |
| Dividend on equity shares including dividend distribution tax   | -                                    | -                          | -                  | -               | -               | -                                 | (22,915)                                            | -                                                     | -                                     | (22,915) |
| Amount received on exercise of employee stock options           | -                                    | -                          | 451                | -               | -               | -                                 | -                                                   | -                                                     | -                                     | 451      |
| Amounts transferred within the reserves                         | -                                    | -                          | 142                | -               | 30,000          | (142)                             | (30,000)                                            | -                                                     | -                                     | -        |
| Balance at 31 March 2019                                        | 20                                   | 986                        | 13,201             | 11              | 2,33,328        | 1,466                             | 98,899                                              | (7,425)                                               | (18)                                  | 3,40,468 |
| Balance at 1 April 2019                                         | 20                                   | 986                        | 13,201             | 11              | 2,33,328        | 1,466                             | 98,899                                              | (7,425)                                               | (18)                                  | 3,40,468 |
| Profit for the year                                             | -                                    | -                          | -                  | -               | -               | -                                 | 1,05,917                                            | -                                                     | -                                     | 1,05,917 |
| Other comprehensive income for the year, net of income tax      | -                                    | -                          | -                  | -               | -               | -                                 | (24)                                                | 975                                                   | (898)                                 | 53       |
| Total comprehensive income for the year                         | -                                    | -                          | -                  | -               | -               | -                                 | 1,05,893                                            | 975                                                   | (898)                                 | 1,05,970 |
| Recognition of share-based payments                             | -                                    | -                          | -                  | -               | -               | 518                               | -                                                   | -                                                     | -                                     | 518      |
| Dividend on equity shares including dividend distribution tax   | -                                    | -                          | -                  | -               | -               | -                                 | (12,343)                                            | -                                                     | -                                     | (12,343) |
| Amount received on exercise of employee stock options           | -                                    | -                          | 1,361              | -               | -               | -                                 | -                                                   | -                                                     | -                                     | 1,361    |
| Amounts transferred within the reserves                         | -                                    | -                          | 479                | -               | 30,264          | (743)                             | (30,000)                                            | -                                                     | -                                     | -        |
| Balance at 31 March 2020                                        | 20                                   | 986                        | 15,041             | 11              | 2,63,592        | 1,241                             | 1,62,449                                            | (6,450)                                               | (916)                                 | 4,35,974 |
| See accompanying notes forming part of the financial statements |                                      |                            |                    |                 |                 |                                   |                                                     |                                                       |                                       |          |

## Standalone Notes

forming part of the financial statements

### 1 General information

Coromandel International Limited ("the Company") is a limited company incorporated in India, equity shares of which are listed on the Bombay Stock Exchange and the National Stock Exchange in India. Its parent Company is E.I.D.-Parry (India) Limited.

The address of its registered office and principal place of business are disclosed in the annual report. The Company is engaged in the business of farm inputs comprising fertiliser, crop protection, specialty nutrients and organic compost.

Our Executive Leadership Team comprises the following officers at the date of release of these financial statements:

- Sameer Goel – Managing Director
- S Sankarasubramanian- President & Head (Fertilisers)
- Amit Rastogi – Executive Vice President – Technology
- Amir Alvi – Executive Vice President & Head Manufacturing (Fertilisers)
- Arun Leslie George – Executive Vice President & Head (Retail)
- B Prasannatha Rao – Executive Vice President & Head – HR
- Jayashree Satagopan- Executive Vice President & Chief Financial Officer
- Kalidas Pramanik – Executive Vice President - Marketing (Fertilisers & Organic)
- Narayanan Vellayan – Senior Associate Vice President – Specialty Nutrients
- P Varadarajan – Senior Vice President – Legal and Company Secretary
- S Govindarajan – Executive Vice President & Head – Commercial
- Srikanthan S – Executive Vice President & Head – Crop Protection
- T S Venkateswaran –Vice President – Internal Audit & Risk Management

The executive leadership team reviews the results of our operations and our financial position on consolidated, operating segment and business unit levels. Our operating segments are defined by the organisation and reporting structure through which we operate our business. We categorise our operating segments into Nutrient and other allied business, and Crop Protection.

The Company has 17 manufacturing facilities located across India. The Company also operates a network

of retail outlets across Andhra Pradesh, Telangana, Karnataka and Maharashtra. The Company's products are marketed all over the Country through an extensive network of dealers and its own retail centers. The crop protection products are exported to various countries.

### 2 Significant accounting policies

#### 2.1 Statement of compliance

The financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable. Except for the changes below, the Company has consistently applied accounting policies to all periods.

- i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach. As a result, the comparative information has not been restated. Refer Note 38 for further details.
- ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1 April 2019. The Company has evaluated the effect of this amendment on the

## Standalone Notes

forming part of the financial statements

financial statements and concluded that there is no significant impact.

- iii) Amendment to Ind AS 19 'Employee Benefits': On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from 1 April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.
- iv) Amendment to Ind AS 12 'Income Taxes': On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from 1 April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, and on accrual basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair

value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of activities of the Company and the average time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The principal accounting policies are set out below.

#### 2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

- a) Sale of goods is recognised net of returns and trade discounts, when the control over the goods is transferred to the customers. The performance obligation in case of sale of goods is satisfied at a point in time i.e. when the goods are shipped to the customers or on delivery to the customer, as per applicable terms.
- b) The Company recognizes subsidy income as per Ind AS 20 'Accounting for Government

## Standalone Notes (Contd.)

Grants and Disclosure of Government Assistance' on the basis of the rates notified from time to time by the Government of India in accordance with the Nutrient Based Subsidy (NBS) policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy.

- c) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered by measuring progress towards satisfaction of performance obligation for such services.
- d) Export benefits and other excise benefits are accounted for on accrual basis.

### 2.4 Other income

- a) Dividend income from investments is recognised in the year in which the right to receive the payment is established.
- b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.5 Leasing

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site

on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

### 2.6 Insurance claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 2.7 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company.

### 2.8 Foreign currencies

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising

## Standalone Notes (Contd.)

from payment or receipt of advance consideration. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

### 2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.10 Employee benefits

#### 2.10.1 Defined contribution plans

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the profit or loss each year when employees have rendered service entitling them to the contributions.

The Company makes contributions to two Provident Fund Trusts for certain employees, at a specified percentage of the employees' salary. The Company has an obligation to make good the shortfall, if any, between the return from the investments of trust and the notified interest rates. Liability on account of such shortfall, if any, is provided for based on the actuarial valuation carried out as at the end of the year.

#### 2.10.2 Defined benefit plans

The Company's Gratuity scheme for its employees is a defined benefit retirement plan. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the profit or loss. The liability as at the Balance Sheet date is provided for using

the projected unit credit method, with actuarial valuations being carried out as at the end of the year.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

#### 2.10.3 Short-term employee benefits

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

#### 2.10.4 Other long-term employee benefits

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 2.11 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

Standalone Notes  
(Contd.)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.12 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

- Current tax  
Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.
- Deferred tax  
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.14 Property, plant and equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

| Asset                                    | Useful lives<br>(in years) |
|------------------------------------------|----------------------------|
| Plant and equipment                      | 5 – 25                     |
| Vehicles                                 | 5 – 7                      |
| Office equipment, furniture and fixtures | 3 – 5                      |

Standalone Notes  
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The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets individually costing ₹ 5,000 and below are depreciated over a period of one year. Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.15 Biological assets

The Company recognises neem plantation as Biological assets and are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on biological assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost incurred for new plantations are capitalised and depreciated over their estimated useful life which has been ascribed to be 20 years.

2.16 Intangible assets

Intangible assets are carried at cost, net of accumulated amortization and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible assets are amortized on the straight-line method. Technical know-how is amortized over their estimated useful lives ranging from 5-10 years and product registration is amortized over the period of the registration subject to a maximum of 10 years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

2.17 Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognized. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognized impairment loss no longer exists or may have decreased such reversal of impairment loss is recognized in the profit or loss.

2.18 Inventories

Stores and spares, packing materials are valued at or below cost. Raw materials and other inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated selling price (including subsidy income, where applicable) of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

- Stores and spares and packing materials – 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.
- Stock-in-trade – Weighted average cost

2.19 Exceptional item

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional item'.

2.20 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. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the

## Standalone Notes (Contd.)

risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

### 2.21 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### 2.22 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### 2.22.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

#### 2.22.2 Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

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#### 2.22.3 Investments in subsidiaries, joint ventures and associates

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

#### 2.22.4 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in profit or loss are included in the 'Other income' line item.

#### 2.22.5 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### 2.22.6 Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the

## Standalone Notes (Contd.)

lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally

applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### 2.22.7 Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 2.22.8 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign

## Standalone Notes (Contd.)

currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

### 2.23 Financial liabilities and equity instruments

#### 2.23.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### 2.23.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### 2.23.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the

specific accounting policies set out below.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive

## Standalone Notes (Contd.)

income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

### Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

### Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

## 2.24 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, option contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

## Standalone Notes (Contd.)

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in other comprehensive income net of applicable deferred income taxes. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. The cumulative gain or loss previously recognized in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in the other comprehensive income is transferred to statement of income.

## 2.25 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors

that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 2.25.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

#### Revenue recognition

In making their judgment, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and, in particular, whether the Company had transferred control over the goods to the buyer.

### 2.25.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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| Items requiring significant estimate              | Assumption and estimation uncertainty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Useful lives of property, plant and equipment     | The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Fair value measurements and valuation processes   | <p>Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.</p> <p>In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Company annually to explain the cause of fluctuations in the fair value of the assets and liabilities.</p> |
| Revenue recognition                               | The Company provides customer incentives, such as rebates, based on quantity purchased, timing of collections etc. Various estimates are made to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical and forecasted data, contractual terms and current conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Subsidy income and related receivables            | Subsidy income has been recognized when there is reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including those under the Direct Benefit Transfer system which was introduced by the Government of India.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Provision for doubtful receivables                | The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Estimation of net realisable value of inventories | Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices, Subsidy and costs necessary to make the sale.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Provision for employee benefits                   | The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Provision for taxes                               | Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Leases                                            | Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use the underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.                                                                                                                                                                                                    |

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| (₹ in lakhs, unless otherwise stated)           |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | As at<br>31 March 2019 |
|-------------------------------------------------|---------------|---------------|--------------|-----------------|---------------------|-------------------|------------------|------------------------|--------------|-----------------|--|--|------------------------|
| As at<br>31 March 2020                          |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | As at<br>31 March 2019 |
| <b>Carrying amounts of:</b>                     |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  |                        |
| Land                                            |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 27,261                 |
| Buildings                                       |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 19,892                 |
| Road                                            |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 729                    |
| Railway sidings                                 |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 1,571                  |
| Plant and equipment                             |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 1,714                  |
| Biological assets                               |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 77,087                 |
| Office equipment                                |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 44                     |
| Furniture and fixtures                          |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 1,764                  |
| Vehicles                                        |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 691                    |
|                                                 |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 876                    |
|                                                 |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | <b>1,30,058</b>        |
| Capital work-in-progress                        |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  | 17,569                 |
| <b>Details of Property, plant and equipment</b> |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  |                        |
|                                                 | Land          | Buildings     | Road         | Railway sidings | Plant and equipment | Biological assets | Office equipment | Furniture and fixtures | Vehicles     | Total           |  |  |                        |
| <b>Cost or deemed cost</b>                      |               |               |              |                 |                     |                   |                  |                        |              |                 |  |  |                        |
| <b>Balance as at 1 April 2018</b>               | <b>27,093</b> | <b>27,671</b> | <b>2,246</b> | <b>3,059</b>    | <b>1,74,076</b>     | <b>45</b>         | <b>5,498</b>     | <b>3,586</b>           | <b>2,492</b> | <b>2,45,766</b> |  |  |                        |
| Additions                                       | 168           | 976           | 209          | 71              | 7,196               | -                 | 1,293            | 98                     | 400          | 10,411          |  |  |                        |
| Disposals/ adjustments                          | -             | 236           | 6            | 4               | 3,011               | -                 | 633              | 213                    | 320          | 4,423           |  |  |                        |
| <b>Balance at 31 March 2019</b>                 | <b>27,261</b> | <b>28,411</b> | <b>2,449</b> | <b>3,126</b>    | <b>1,78,261</b>     | <b>45</b>         | <b>6,158</b>     | <b>3,471</b>           | <b>2,572</b> | <b>2,51,754</b> |  |  |                        |
| Additions                                       | -             | 3,674         | 456          | 61              | 37,536              | -                 | 905              | 207                    | 882          | 43,721          |  |  |                        |
| Disposals/ adjustments                          | -             | 35            | -            | 70              | 2,957               | -                 | 193              | 6                      | 166          | 3,427           |  |  |                        |
| <b>Balance at 31 March 2020</b>                 | <b>27,261</b> | <b>32,050</b> | <b>2,905</b> | <b>3,117</b>    | <b>2,12,840</b>     | <b>45</b>         | <b>6,870</b>     | <b>3,672</b>           | <b>3,288</b> | <b>2,92,048</b> |  |  |                        |

Notes:

- Refer Note 18.1 for details of assets pledged.
- Interest capitalised during the year amounting to ₹433 lakhs (2019: ₹283 lakhs).
- Land admeasuring 446.92 acres (₹75 lakhs) is pending registration in the name of the Company.

|                                                | Land | Buildings    | Road         | Railway sidings | Plant and equipment | Biological assets | Office equipment | Furniture and fixtures | Vehicles     | Total           |
|------------------------------------------------|------|--------------|--------------|-----------------|---------------------|-------------------|------------------|------------------------|--------------|-----------------|
| <b>Accumulated depreciation and impairment</b> |      |              |              |                 |                     |                   |                  |                        |              |                 |
| <b>Balance as at 1 April 2018</b>              | -    | <b>7,783</b> | <b>1,598</b> | <b>1,228</b>    | <b>94,596</b>       | -                 | <b>4,350</b>     | <b>2,907</b>           | <b>1,754</b> | <b>1,14,216</b> |
| Disposals/ adjustments                         | -    | 65           | 6            | 4               | 2,405               | -                 | 606              | 240                    | 281          | 3,607           |
| Depreciation expense                           | -    | 801          | 128          | 188             | 8,983               | 1                 | 660              | 113                    | 223          | 11,087          |
| <b>Balance at 31 March 2019</b>                | -    | <b>8,519</b> | <b>1,720</b> | <b>1,412</b>    | <b>1,01,174</b>     | <b>1</b>          | <b>4,394</b>     | <b>2,780</b>           | <b>1,696</b> | <b>1,21,696</b> |
| Disposals/ adjustments                         | -    | 16           | -            | 54              | 2,531               | -                 | 181              | 6                      | 141          | 2,929           |
| Depreciation expense                           | -    | 939          | 140          | 188             | 9,584               | 2                 | 715              | 89                     | 300          | 11,957          |
| <b>Balance at 31 March 2020</b>                | -    | <b>9,442</b> | <b>1,860</b> | <b>1,546</b>    | <b>1,08,227</b>     | <b>3</b>          | <b>4,928</b>     | <b>2,863</b>           | <b>1,855</b> | <b>1,30,724</b> |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 4. Right-of-use asset

|                             | As at<br>31 March 2020 |
|-----------------------------|------------------------|
| <b>Carrying amounts of:</b> |                        |
| Land                        | 26,673                 |
| Buildings                   | 12,534                 |
| Plant and equipment         | 1,265                  |
|                             | <b>40,472</b>          |

#### Details of Right-of-use asset:

|                                    | Land<br>(Refer notes below) | Buildings     | Plant and<br>equipment | Total         |
|------------------------------------|-----------------------------|---------------|------------------------|---------------|
| <b>Gross carrying value</b>        |                             |               |                        |               |
| As at 1 April 2019 (Refer note 38) | 27,698                      | 12,125        | 1,518                  | 41,341        |
| Additions                          | -                           | 2,733         | -                      | 2,733         |
| Disposals/adjustments              | -                           | -             | -                      | -             |
| <b>Balance at 31 March 2020</b>    | <b>27,698</b>               | <b>14,858</b> | <b>1,518</b>           | <b>44,074</b> |
| <b>Accumulated amortisation</b>    |                             |               |                        |               |
| Amortisation                       | 1,025                       | 2,324         | 253                    | 3,602         |
| Disposals/adjustments              | -                           | -             | -                      | -             |
| <b>Balance at 31 March 2020</b>    | <b>1,025</b>                | <b>2,324</b>  | <b>253</b>             | <b>3,602</b>  |

#### Notes:

- 1) Includes net carrying value of the Land reclassified on adoption of Ind AS 116 "Leases".
- 2) Land admeasuring 324.74 acres (₹23,585 lakhs) is pending execution of lease in the name of the Company.

|                           | As at<br>31 March 2020 |
|---------------------------|------------------------|
| <b>Lease liabilities:</b> |                        |
| Current                   | 1,855                  |
| Non-current               | 37,542                 |
|                           | <b>39,397</b>          |

### 5. Other intangible assets and intangible assets under development

|                                     | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------------|------------------------|------------------------|
| <b>Carrying amounts of:</b>         |                        |                        |
| Product registrations               | 449                    | 509                    |
| Technical know-how                  | 46                     | 91                     |
|                                     | <b>495</b>             | <b>600</b>             |
| Intangible assets under development | 1,556                  | 1,453                  |

#### Details of Intangible assets

|                                    | Product<br>Registrations | Technical<br>know-how | Total        |
|------------------------------------|--------------------------|-----------------------|--------------|
| <b>Cost or deemed cost</b>         |                          |                       |              |
| <b>Balance as at 1 April 2018</b>  | <b>1,406</b>             | <b>997</b>            | <b>2,403</b> |
| Additions                          | -                        | -                     | -            |
| Disposals/ adjustments             | 12                       | -                     | 12           |
| <b>Balance as at 31 March 2019</b> | <b>1,394</b>             | <b>997</b>            | <b>2,391</b> |
| Additions                          | 63                       | -                     | 63           |
| Disposals/ adjustments             | -                        | -                     | -            |
| <b>Balance as at 31 March 2020</b> | <b>1,457</b>             | <b>997</b>            | <b>2,454</b> |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

|                                                | Product<br>Registrations | Technical<br>know-how | Total        |
|------------------------------------------------|--------------------------|-----------------------|--------------|
| <b>Accumulated amortisation and impairment</b> |                          |                       |              |
| <b>Balance as at 1 April 2018</b>              | <b>704</b>               | <b>861</b>            | <b>1,565</b> |
| Amortisation expense                           | 193                      | 45                    | 238          |
| Disposals/ adjustments                         | 12                       | -                     | 12           |
| <b>Balance as at 31 March 2019</b>             | <b>885</b>               | <b>906</b>            | <b>1,791</b> |
| Amortisation expense                           | 123                      | 45                    | 168          |
| Disposals/ adjustments                         | -                        | -                     | -            |
| <b>Balance as at 31 March 2020</b>             | <b>1,008</b>             | <b>951</b>            | <b>1,959</b> |

### 6. Non-current investments

|                                                                                                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Quoted equity instruments</b>                                                                     |                        |                        |
| <b>(a) Investments in quoted equity instruments at FVTPL</b>                                         |                        |                        |
| <b>Rama Phosphate Limited</b>                                                                        | 3                      | 12                     |
| 13,719 (2019: 13,719) Equity shares of ₹10 each, fully paid-up                                       |                        |                        |
| <b>Total aggregate quoted investments (A)</b>                                                        | <b>3</b>               | <b>12</b>              |
| <b>Unquoted equity instruments</b>                                                                   |                        |                        |
| <b>(b) Investment in subsidiaries at cost</b>                                                        |                        |                        |
| <b>Liberty Pesticides and Fertilisers Limited</b>                                                    | 113                    | 113                    |
| 7,50,000 (2019: 7,50,000) Equity shares of ₹10 each, fully paid-up                                   |                        |                        |
| <b>Parry America, Inc</b>                                                                            | 24                     | 24                     |
| 776 (2019: 776) shares of USD 100 each, fully paid-up                                                |                        |                        |
| <b>Parry Chemicals Limited</b>                                                                       | 1,000                  | 1,000                  |
| 1,00,00,000 (2019: 1,00,00,000) Equity shares of ₹10 each, fully paid-up                             |                        |                        |
| <b>CFL Mauritius Limited</b>                                                                         | 10,281                 | 10,281                 |
| 2,20,25,000 (2019: 2,20,25,000) Ordinary shares of USD 1 each, fully paid-up                         |                        |                        |
| <b>Sabero Australia Pty Ltd.</b>                                                                     | 41                     | 41                     |
| 5,578 (2019: 5,578) Equity shares of Australian Dollar 14 each fully paid-up                         |                        |                        |
| <b>Sabero Europe B.V.</b>                                                                            | 8                      | 8                      |
| 61 (2019: 61) Equity shares of Dutch Guilder 453.78 each fully paid-up                               |                        |                        |
| <b>Sabero Argentina S.A.</b>                                                                         | 17                     | 17                     |
| 1,61,500 (2019: 1,61,500) Equity Shares of Argentina Peso 1 each fully paid-up                       |                        |                        |
| <b>Sabero Organics America S.A.</b>                                                                  | 793                    | 793                    |
| 33,88,057 (2019: 33,88,057) Equity Shares of Brazilian Real 1 each fully paid-up                     |                        |                        |
| <b>Coromandel Agronegocios de Mexico, S.A de C.V</b><br>(formerly Sabero Organics Mexico S.A de C.V) | 29                     | 29                     |
| 4,99,477 (2019: 4,99,477) Equity shares of Mexican Peso 1 each fully paid-up                         |                        |                        |
| <b>Coromandel International (Nigeria) Limited</b>                                                    | 21                     | 21                     |
| 99,99,000 (2019: 99,99,000) Ordinary shares of Nigerian Naira 1 each fully paid-up                   |                        |                        |
| <b>Dare Investments Limited</b>                                                                      | 500                    | 500                    |
| 50,00,000 (2019: 50,00,000) Equity shares of ₹10 each, fully paid-up                                 |                        |                        |
| <b>Coromandel Brasil Limitada, Limited Liability Partnership**</b>                                   | 466                    | 466                    |
| 18,315 (2019: 18,315) Quotas of Brazilian Real 100 each, fully paid-up                               |                        |                        |
| <b>Coromandel Mali SASU</b>                                                                          | 7                      | -                      |
| 500 (2019: Nil) Equity shares of CF Francs 10,000 each, fully paid-up                                |                        |                        |
| <b>Total aggregate investments in subsidiaries (B)</b>                                               | <b>13,300</b>          | <b>13,293</b>          |

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

|                                                                                             | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>(c) Investment in joint ventures at cost</b>                                             |                        |                        |
| <b>Yanmar Coromandel Agrisolutions Private Limited</b>                                      | 1,600                  | 1,300                  |
| 1,60,00,000 (2019: 1,30,04,000) Equity shares of ₹10 each, fully paid-up                    |                        |                        |
| Less: Impairment allowance                                                                  | (832)                  | (832)                  |
|                                                                                             | 768                    | 468                    |
| <b>Coromandel SQM (India) Private Limited</b>                                               | 500                    | 500                    |
| 50,00,000 (2019: 50,00,000) Ordinary shares of ₹10 each, fully paid-up                      |                        |                        |
| <b>Total aggregate investments in joint ventures (C)</b>                                    | <b>1,268</b>           | <b>968</b>             |
| <b>(d) Investment in associate at cost</b>                                                  |                        |                        |
| Sabero Organics Philippines Asia Inc. - Associate                                           | *                      | *                      |
| 320 (2019: 320) Equity shares of PHP\$100 each fully paid-up                                |                        |                        |
| <b>Total aggregate investments in associate (D)</b>                                         | <b>*</b>               | <b>*</b>               |
| <b>(e) Other equity instruments at FVTOCI</b>                                               |                        |                        |
| <b>Tunisian Indian Fertilisers S.A.#</b>                                                    | -                      | -                      |
| 41,79,848 (2019: 41,79,848) Ordinary shares of Tunisian Dinars (TND) 10 each, fully paid-up |                        |                        |
| <b>Nandesari Environment Control Limited</b>                                                | 18                     | 15                     |
| 3,600 (2019: 2,000) Equity shares of ₹10 each, fully paid-up                                |                        |                        |
| <b>Ranar Agrochem Limited</b><br>(formerly Prathyusha Chemicals and Fertilisers Limited)    | 2                      | 2                      |
| 10,01,000 (2019: 10,01,000) Equity shares of ₹10 each, fully paid-up                        |                        |                        |
| <b>Indian Potash Limited</b>                                                                | 2,392                  | 2,350                  |
| 180,000 (2019: 90,000) Equity shares of ₹10 each, fully paid-up                             |                        |                        |
| <b>Foskor (Pty) Limited</b>                                                                 |                        |                        |
| i) 1,99,590 (2019: 1,99,590) Ordinary shares of South African Rand 1 each, fully paid-up    | -                      | -                      |
| ii) 46 (2019: 46) Class D shares of South African Rand 7,05,088 each, fully paid-up         | 1,901                  | 1,901                  |
| <b>Murugappa Management Services Limited</b>                                                | 73                     | 73                     |
| 16,139 (2019: 16,139) Equity shares of ₹100 each, fully paid-up                             |                        |                        |
| <b>Bharuch Enviro Infrastructure Limited</b>                                                | 247                    | 107                    |
| 16,100 (2019: 16,100) Equity shares of ₹10 each, fully paid-up                              |                        |                        |
| <b>Narmada Clean Tech</b>                                                                   | 20                     | 15                     |
| 2,75,000 (2019: 2,75,000) Equity shares of ₹10 each, fully paid-up                          |                        |                        |
| <b>A.P. Gas Power Corporation Limited</b>                                                   | 12,316                 | 11,235                 |
| 53,92,160 (2019: 53,92,160) Equity shares of ₹10 each, fully paid-up                        |                        |                        |
| <b>Total aggregate Equity investments at FVTOCI (E)</b>                                     | <b>16,969</b>          | <b>15,698</b>          |
| <b>(f) Other investments at FVTPL</b>                                                       |                        |                        |
| <b>Faering Capital India Evolving Fund</b>                                                  | 174                    | 324                    |
| 25,044 (2019: 30,471) units of ₹1,000 each, fully paid-up                                   |                        |                        |
| <b>Total aggregate other investments (F)</b>                                                | <b>174</b>             | <b>324</b>             |

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

|                                                                        | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------------------|------------------------|------------------------|
| <b>(g) Others</b>                                                      |                        |                        |
| Share application money pending allotment - at cost (Refer Note 41(E)) | 141                    | 141                    |
| Loans at FVTOCI***                                                     | 1,609                  | 1,609                  |
| <b>Total aggregate others (G)</b>                                      | <b>1,750</b>           | <b>1,750</b>           |
| <b>Total investments (A) + (B) + (C) + (D) + (E) + (F) + (G)</b>       | <b>33,464</b>          | <b>32,045</b>          |
| *less than a lakh                                                      |                        |                        |
| Aggregate amount of quoted investments and market value thereof        | 3                      | 12                     |
| Aggregate amount of unquoted investments                               | 33,461                 | 32,033                 |
| Aggregate amount of impairment in value of investments                 | 832                    | 832                    |

### Notes:

# The Ordinary shares of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT) held by the Company have been pledged to secure the obligations of TIFERT to their lenders, except 8,04,848 shares.

\*\* the Company holds 100% of the quotas and is the only partner in the Limited Liability Partnership.

\*\*\* represents loan amounting ₹1,609 Lakhs (2019: ₹1,609 Lakhs) to TIFERT which is compulsorily convertible to equity shares at the end of three years from June 2017.

### 7. Other financial assets

|                                                                              | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Financial assets carried at fair value through profit or loss (FVTPL)</b> |                        |                        |
| Derivatives that are not designated in hedge accounting relationships        |                        |                        |
| Foreign currency forward contracts                                           | 7,015                  | 1,285                  |
| Derivatives that are designated in hedge accounting relationships            | 5                      | 25                     |
|                                                                              | <b>7,020</b>           | <b>1,310</b>           |
| <b>Financial assets carried at amortised cost</b>                            |                        |                        |
| Advances with related parties (Refer Note 41(E))                             | 14                     | 105                    |
| Interest accrued but not due on deposits, loans, others*                     | 283                    | 124                    |
| Insurance claims receivable                                                  | 2,739                  | 2,739                  |
|                                                                              | <b>3,036</b>           | <b>2,968</b>           |
|                                                                              | <b>10,056</b>          | <b>4,278</b>           |
| Current                                                                      | 10,051                 | 4,278                  |
| Non-current                                                                  | 5                      | -                      |
|                                                                              | <b>10,056</b>          | <b>4,278</b>           |

\*Includes ₹3 lakhs (2019: ₹2 lakhs) interest receivable from related party. Refer Note 41(E)

### 8. Other non-current assets

|                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------|------------------------|------------------------|
| Capital advances                | 1,610                  | 5,253                  |
| Pre-payment for leasehold land* | -                      | 3,070                  |
| Deposits                        | 2,765                  | 2,743                  |
| Others                          | 171                    | 145                    |
|                                 | <b>4,546</b>           | <b>11,211</b>          |

\* Land admeasuring 3.52 acres (₹18 lakhs) is pending execution of lease in the name of the Company.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 9. Inventories

|                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------|------------------------|------------------------|
| Raw materials            | 56,120                 | 98,676                 |
| Raw materials in-transit | 22,988                 | 14,672                 |
| Work-in-process          | 3,847                  | 2,369                  |
| Finished goods           | 1,41,110               | 1,65,549               |
| Stock-in-trade           | 36,936                 | 34,149                 |
| Stores and spares        | 6,047                  | 5,531                  |
| Packing materials        | 2,145                  | 2,477                  |
|                          | <b>2,69,193</b>        | <b>3,23,423</b>        |

Note: Refer Note 2.18 for basis of valuation and for details of inventories pledged refer Note 18.1.

### 10. Current investments

|                                                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------------------|------------------------|------------------------|
| <b>Quoted instruments at FVTPL</b>                              |                        |                        |
| Canara Robecco Gold Saving Fund                                 | -                      | 14                     |
| Nil (2019: 1,49,284.652) units of ₹10 each                      |                        |                        |
| <b>Total quoted investments (A)</b>                             | <b>-</b>               | <b>14</b>              |
| <b>Unquoted other investments at FVTPL</b>                      |                        |                        |
| UTI Master Shares                                               | *                      | *                      |
| 1,000 (2019: 1,000) shares of ₹10 each, fully paid-up           |                        |                        |
| <b>Total unquoted investments (B)</b>                           | <b>*</b>               | <b>*</b>               |
| <b>Total current investments (A) + (B)</b>                      | <b>*</b>               | <b>14</b>              |
| *less than a lakh                                               |                        |                        |
| Aggregate amount of quoted investments and market value thereof | -                      | 14                     |
| Aggregate amount of unquoted investments                        | *                      | *                      |
| Aggregate amount of impairment in value of investments          | -                      | -                      |

### 11. Trade receivables

|                                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------|------------------------|------------------------|
| (a) Secured, considered good       | 10,450                 | 9,263                  |
| (b) Unsecured, considered good*    | 1,61,985               | 1,73,607               |
| (c) Credit impaired                | 13,540                 | 12,775                 |
|                                    | 1,85,975               | 1,95,645               |
| Allowance for doubtful receivables | 13,540                 | 12,775                 |
|                                    | <b>1,72,435</b>        | <b>1,82,870</b>        |

\* Includes ₹1,167 lakhs (2019: ₹2,173 lakhs) receivable from related party. Also refer Note 41(E)

The credit period on sales of goods varies with seasons and business segments/ markets and generally ranges between 30 to 180 days. No interest is recovered on trade receivables for payments received after the due date.

Before accepting any new customer, the Company has a credit evaluation system to assess the potential customer's credit quality and to define credit limits for the customer. Credit limits attributed to customers are reviewed on an annual basis.

The Company maintains an allowance for impairment of doubtful accounts based on financial condition of the customer, ageing of the customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Company creates provision for past due receivables beyond 180 days ranging between 25%-100% after reckoning the underlying collaterals. Besides, based on the expected credit loss model the Company also provides upto 0.50% for receivables less than 180 days.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### Movement in the allowance for doubtful receivables

|                                             | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------------------------|-------------------------------------|-------------------------------------|
| Balance at beginning of the year            | 12,775                              | 12,183                              |
| Impairment losses recognised on receivables | 765                                 | 592                                 |
| <b>Balance at end of the year</b>           | <b>13,540</b>                       | <b>12,775</b>                       |

The concentration of risk with respect to trade receivables is reasonably low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets. No single customer constitutes more than 5% balance of the total trade receivables as of the Balance Sheet date.

### 12. Cash and cash equivalents

|                      | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------|-------------------------------------|-------------------------------------|
| Cash on hand         | 12                                  | 72                                  |
| Balances with Banks: |                                     |                                     |
| in Current accounts  | 3,224                               | 11,021                              |
|                      | <b>3,236</b>                        | <b>11,093</b>                       |

### 13. Bank balances other than cash and cash equivalents

|                                         | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-----------------------------------------|-------------------------------------|-------------------------------------|
| Restricted                              |                                     |                                     |
| Dividend accounts                       | 1,923                               | 1,864                               |
| Bonus debenture redemption and interest | 844                                 | 846                                 |
| Margin money/ deposit                   | 9                                   | 9                                   |
|                                         | <b>2,776</b>                        | <b>2,719</b>                        |

### Unclaimed dividend accounts

If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

### Bonus debenture redemption and interest

If the proceeds on maturity of debentures and interest thereon has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid debenture account". The unclaimed amounts lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

### Margin money / deposit

Amounts in margin money/deposit accounts represents amounts deposited with certain government agencies.

### 14. Loans

(₹ in lakhs, unless otherwise stated)

|                                                            | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------|------------------------|------------------------|
| <b>At amortised cost</b>                                   |                        |                        |
| Unsecured, considered good                                 |                        |                        |
| -Loans and advances to related parties (Refer Note 41 (E)) | 11                     | 11                     |
| -Inter-corporate deposits                                  | 42,000                 | 42,000                 |
|                                                            | <b>42,011</b>          | <b>42,011</b>          |
| Current                                                    | 42,011                 | 42,011                 |
| Non-current                                                | -                      | -                      |
|                                                            | <b>42,011</b>          | <b>42,011</b>          |

Standalone Notes  
(Contd.)

(₹ in lakhs, unless otherwise stated)

15. Other current assets

|                                                                                                                  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Advances recoverable in kind or for value to be received</b>                                                  |                        |                        |
| Considered good #                                                                                                | 24,666                 | 28,896                 |
| Considered doubtful                                                                                              | 483                    | 403                    |
|                                                                                                                  | 25,149                 | 29,299                 |
| Less: Impairment allowance                                                                                       | 483                    | 403                    |
|                                                                                                                  | 24,666                 | 28,896                 |
| Gratuity fund (net) [Refer Note 34(a)]                                                                           | -                      | 217                    |
| Others (including Goods and Services Tax balances)                                                               | 19,005                 | 36,933                 |
| 6.20% Fertilizer companies' Government of India special bonds 2022<br>10,000 (2019: 10,000) bonds of ₹100/- each | *                      | *                      |
| 6.65% Fertilizer companies' Government of India special bonds 2023<br>5,000 (2019: 5,000) bonds of ₹100/- each   | *                      | *                      |
|                                                                                                                  | <b>43,671</b>          | <b>66,046</b>          |

#Includes receivables from related parties ₹23 lakhs (2019:₹Nil). refer Note 41(E)  
\*less than a lakh

16. Equity

|                                                                                                                           | As at<br>31 March 2020       | As at<br>31 March 2019 |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------|
| <b>16.1 Equity share capital</b>                                                                                          |                              |                        |
| <b>Authorised Share capital :</b>                                                                                         |                              |                        |
| 35,00,00,000 (2019: 35,00,00,000) equity shares of ₹1 each                                                                | 3,500                        | 3,500                  |
| <b>Issued, subscribed and fully paid-up:</b>                                                                              |                              |                        |
| 29,29,53,749 (2019: 29,25,27,329) fully paid equity shares of ₹1 each                                                     | 2,930                        | 2,925                  |
|                                                                                                                           | <b>2,930</b>                 | <b>2,925</b>           |
|                                                                                                                           |                              |                        |
|                                                                                                                           | <b>Numbers<br/>of Shares</b> | <b>Amount</b>          |
| <b>16.2 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:</b> |                              |                        |
| <b>Balance as at 1 April 2018</b>                                                                                         | <b>29,23,83,409</b>          | <b>2,924</b>           |
| Add: Equity shares allotted pursuant to exercise of stock options                                                         | 1,43,920                     | 1                      |
| <b>Balance as at 31 March 2019</b>                                                                                        | <b>29,25,27,329</b>          | <b>2,925</b>           |
| Add: Equity shares allotted pursuant to exercise of stock options                                                         | 4,26,420                     | 5                      |
| <b>Balance as at 31 March 2020</b>                                                                                        | <b>29,29,53,749</b>          | <b>2,930</b>           |

16.3 Rights, preferences and restriction relating to each class of share capital:

**Equity shares:** The Company has one class of equity shares having a face value of ₹1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

**16.4** As at 31 March 2020, E.I.D.-Parry (India) Limited (Parent Company) held 17,71,55,580 (2019: 17,71,55,580) equity shares of ₹1 each fully paid-up representing 60.47% (2019: 60.56%) of the paid up capital. There are no other shareholders holding more than 5 % of the issued capital.

16.5 Share options granted under the Company's employee share option plan

As at 31 March 2020-, shares reserved for issue under the 'ESOP 2007' scheme is 81,35,116 (2019: 81,61,366) equity shares of ₹1 each and under the 'ESOP 2016' scheme is 1,39,55,410 (2019: 1,43,55,580) equity shares of ₹1 each.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 33.

Standalone Notes  
(Contd.)

(₹ in lakhs, unless otherwise stated)

16.6 Details of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the year ended 31 March 2015:

- (a) 25,74,193 equity shares of ₹1 each fully paid-up were allotted to shareholders of erstwhile Liberty Phosphate Limited (LPL) in the proportion of 7 equity shares of ₹1 each of the Company for every 8 equity shares of ₹10 each held in the LPL pursuant to the Scheme of Amalgamation between LPL and the Company.
- (b) 53,09,210 equity shares of ₹1 each fully paid-up were allotted to shareholders of ertwhile Sabero Organics Gujarat Limited (Sabero) in the proportion of 5 equity shares of ₹1 each of the Company for every 8 equity shares of ₹10 each held in Sabero pursuant to the Scheme of Amalgamation between Sabero and the Company.

16.7 Cumulative redeemable preference shares

|                                                                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Authorised capital</b>                                                       |                        |                        |
| 50,00,000 (2019: 50,00,000) cumulative redeemable preference shares of ₹10 each | 500                    | 500                    |

**Cumulative redeemable preference shares:** The Company has a class of cumulative redeemable preference shares having face value of ₹10 each with such rights, privileges and conditions respectively attached thereto as may be from time to time confirmed by the regulations of the company. Pursuant to the Scheme of Amalgamation, the cumulative redeemable preference shares carry cumulative dividend of 8% per annum in relation to capital paid upon them and are on original terms and conditions in which they were issued by erstwhile Liberty Phosphate Limited, the amalgamating company.

No such cumulative redeemable preference shares are issued and outstanding as of 31 March 2020 (2019: Nil).

17. Other equity

|                                | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------|------------------------|------------------------|
| General reserve                | 2,63,592               | 2,33,328               |
| Retained earnings              | 1,62,449               | 98,899                 |
| Capital reserve                | 20                     | 20                     |
| Capital redemption reserve     | 986                    | 986                    |
| Securities Premium             | 15,041                 | 13,201                 |
| Central subsidy                | 11                     | 11                     |
| ESOP reserve                   | 1,241                  | 1,466                  |
| Equity Instruments through OCI | (6,450)                | (7,425)                |
| Cash flow hedge reserve        | (916)                  | (18)                   |
|                                | <b>4,35,974</b>        | <b>3,40,468</b>        |

|     |                                                     |                 |                 |
|-----|-----------------------------------------------------|-----------------|-----------------|
| (i) | <b>General reserve</b>                              |                 |                 |
|     | Balance at beginning of year                        | 2,33,328        | 2,03,328        |
|     | Amount transferred on cancellation of stock options | 264             | -               |
|     | Amount transferred from retained earnings           | 30,000          | 30,000          |
|     |                                                     | <b>2,63,592</b> | <b>2,33,328</b> |

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

|      |                                                               |                 |               |
|------|---------------------------------------------------------------|-----------------|---------------|
| (ii) | <b>Retained earnings</b>                                      |                 |               |
|      | Balance at beginning of year                                  | 98,899          | 80,457        |
|      | Profit for the year                                           | 1,05,917        | 71,391        |
|      | Remeasurment of net defined benefit plans                     | (24)            | (34)          |
|      | Dividend on equity shares including dividend distribution tax | (12,343)        | (22,915)      |
|      | Amount transferred to general reserve                         | (30,000)        | (30,000)      |
|      |                                                               | <b>1,62,449</b> | <b>98,899</b> |

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

Retained earnings represents the Company's undistributed earnings after taxes.

In respect of the year ended 31 March 2020, the directors proposed that a dividend of ₹12 per share be paid on fully paid equity shares. The proposed equity dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated amount to be paid with respect to dividend is ₹35,154 Lakhs.

In respect of the year ended 31 March 2019, the directors approved payment of interim dividend of ₹3 per share and proposed that a final dividend of ₹3.50 per share be paid on fully paid equity shares which was approved by the shareholders at the Annual General Meeting. The total amount paid with respect to interim dividend is ₹10,577 Lakhs including dividend distribution tax of ₹1,803 Lakhs and with respect to final dividend is ₹12,343 Lakhs including dividend distribution tax of ₹2,105 Lakhs.

In July 2018, a dividend of ₹3.50 per share amounting to total dividend of ₹12,338 lakhs including dividend distribution tax of ₹2,104 lakhs was paid to holders of fully paid equity shares with respect to the final dividend for the year ended 31 March 2018

|                                        | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------------|------------------------|------------------------|
| (iii) <b>Capital Reserve</b>           | 20                     | 20                     |
| (iv) <b>Capital Redemption reserve</b> | 986                    | 986                    |

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on buyback of Company's own shares and on redemption of the preference shares. The Company has bought back its own shares and also redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

|                                                         |        |        |
|---------------------------------------------------------|--------|--------|
| (v) <b>Securities premium</b>                           |        |        |
| Balance at beginning of year                            | 13,201 | 12,608 |
| Amount transferred on exercise of employee stock option | 479    | 142    |
| Amount received on exercise of employee stock option    | 1,361  | 451    |
|                                                         | 15,041 | 13,201 |

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.

|                                                                       |       |       |
|-----------------------------------------------------------------------|-------|-------|
| (vi) <b>Central subsidy</b>                                           | 11    | 11    |
| (vii) <b>Share options outstanding account</b>                        |       |       |
| Balance at beginning of year                                          | 1,466 | 908   |
| Amount transferred on exercise/ cancellation of employee stock option | (743) | (142) |
| Recognition of share based payment expense                            | 518   | 700   |
|                                                                       | 1,241 | 1,466 |

Share options outstanding account relates to share options granted by the Company to its employees under its employee share option plans. These will be transferred to retained earnings after the exercise of the underlying options.

|                                                                                         |         |         |
|-----------------------------------------------------------------------------------------|---------|---------|
| (viii) <b>Reserve for equity instruments through other comprehensive income</b>         |         |         |
| Balance at the beginning of the year                                                    | (7,425) | (8,558) |
| Net fair value gain/ (loss) on investments in equity instruments at FVTOCI (net of tax) | 975     | 1,133   |
|                                                                                         | (6,450) | (7,425) |

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

|                                                    |       |      |
|----------------------------------------------------|-------|------|
| (ix) <b>Cash flow hedge reserve</b>                |       |      |
| Balance at beginning of year                       | (18)  | -    |
| Effective portion of cash flow hedges (net of tax) | (898) | (18) |
|                                                    | (916) | (18) |

Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

### 18. Borrowings

|                                                | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------|------------------------|------------------------|
| <b>Secured- at amortised cost</b>              |                        |                        |
| Loan repayable on demand from banks            | 5,674                  | 26,807                 |
| Short term loans from banks                    | 61,695                 | 70,409                 |
|                                                |                        |                        |
| <b>Unsecured- at amortised cost</b>            |                        |                        |
| Loan repayable on demand from banks            | -                      | 50,230                 |
| Short term loans from                          |                        |                        |
| Banks                                          | 65,143                 | 88,000                 |
| Others                                         | 30,000                 | 60,000                 |
| Loans from related parties (Refer Note 41 (E)) | 248                    | 248                    |
|                                                | 1,62,760               | 2,95,694               |
|                                                |                        |                        |
| Long term borrowings                           | -                      | -                      |
| Short term borrowings                          | 1,62,760               | 2,95,694               |
|                                                | 1,62,760               | 2,95,694               |

#### 18.1 Summary of borrowing arrangements

- Secured loan repayable on demand comprises cash credit balances and buyers credit secured by a pari-passu charge on current assets of the Company. Further, certain loans are secured by second charge on moveable fixed assets of the Company.
- Secured short-term loans from banks comprises of working capital demand loan secured by a pari-passu charge on current assets of the Company. Further, certain borrowings are secured by specific subsidy receivables and letter of comfort from Government of India under Special Banking Arrangement.
- Unsecured loans repayable on demand comprises of buyers credit denominated in foreign currency and unsecured short-term loans comprise of commercial paper, short-term loans.
- Unsecured loans from related parties comprise of loan from a subsidiary, Liberty Pesticides and Fertilizers Limited.

#### 18.2 Breach of loan agreement

There is no breach of loan agreement.

### 19. Other financial liabilities

|                                                                                                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Financial liabilities mandatorily measured at fair value through profit or loss (FVTPL)</b>       |                        |                        |
| Derivatives not designated in hedge accounting relationships                                         |                        |                        |
| Foreign currency forward contracts                                                                   | 921                    | 5,253                  |
| Derivatives designated in hedge accounting relationships                                             | 1,229                  | 53                     |
|                                                                                                      | 2,150                  | 5,306                  |
| <b>Financial liabilities carried at amortised cost</b>                                               |                        |                        |
| Security and trade deposits received (includes non-current portion of ₹144 lakhs (2019: ₹168 lakhs)) | 15,036                 | 13,385                 |
| Interest accrued but not due on borrowings                                                           | 284                    | 415                    |
| Interest accrued but not due on others                                                               | 1,142                  | 1,043                  |
| Unclaimed dividends                                                                                  | 1,923                  | 1,864                  |
| Unclaimed debentures                                                                                 | 844                    | 846                    |
| Payables on purchase of fixed assets                                                                 | 2,546                  | 985                    |
|                                                                                                      | 21,775                 | 18,538                 |
|                                                                                                      | 23,925                 | 23,844                 |
|                                                                                                      |                        |                        |
| Current                                                                                              | 23,779                 | 23,676                 |
| Non-current                                                                                          | 146                    | 168                    |
|                                                                                                      | 23,925                 | 23,844                 |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 20. Provisions

|                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------|------------------------|------------------------|
| Employee benefits* | 3,568                  | 3,207                  |
|                    | <b>3,568</b>           | <b>3,207</b>           |
| Current            | 1,460                  | 1,810                  |
| Non-current        | 2,108                  | 1,397                  |
|                    | <b>3,568</b>           | <b>3,207</b>           |

\* The provision for employee benefits represents leave entitlements and gratuity. Refer Note 34(a) for details of gratuity obligations.

### 21. Income tax

#### 21.1 Deferred tax liabilities (net)

|                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------|------------------------|------------------------|
| Deferred tax liabilities | 14,114                 | 19,523                 |
| Deferred tax assets      | (8,485)                | (8,464)                |
|                          | <b>5,629</b>           | <b>11,059</b>          |

| 2019-2020                                                | Opening balance<br>1 April 2019 | Recognised in<br>Profit or loss | Recognised<br>in other<br>comprehensive<br>income | Closing balance<br>31 March 2020 |
|----------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------------------------|----------------------------------|
| <b>Deferred tax liabilities/(assets) in relation to:</b> |                                 |                                 |                                                   |                                  |
| Property, plant and equipment                            | 19,523                          | (5,409)                         | -                                                 | 14,114                           |
| Investments at FVTOCI                                    | (2,203)                         | -                               | 296                                               | (1,907)                          |
| Provision for doubtful debts and advances                | (4,519)                         | 990                             | -                                                 | (3,529)                          |
| Statutory dues allowable on payment basis                | (410)                           | 95                              | -                                                 | (315)                            |
| Employees separation and retirement costs                | (1,015)                         | 79                              | 110                                               | (826)                            |
| Others                                                   | (317)                           | (1,292)                         | (299)                                             | (1,908)                          |
| <b>Total</b>                                             | <b>11,059</b>                   | <b>(5,537)</b>                  | <b>107</b>                                        | <b>5,629</b>                     |

| 2018-2019                                                | Opening balance<br>1 April 2018 | Recognised in<br>Profit or loss | Recognised<br>in other<br>comprehensive<br>income | Closing balance<br>31 March 2019 |
|----------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------------------------|----------------------------------|
| <b>Deferred tax liabilities/(assets) in relation to:</b> |                                 |                                 |                                                   |                                  |
| Property, plant and equipment                            | 20,689                          | (1,166)                         | -                                                 | 19,523                           |
| Investments at FVTOCI                                    | (2,547)                         | -                               | 344                                               | (2,203)                          |
| Provision for doubtful debts and advances                | (4,295)                         | (224)                           | -                                                 | (4,519)                          |
| Statutory dues allowable on payment basis                | (410)                           | -                               | -                                                 | (410)                            |
| Employees separation and retirement costs                | (942)                           | (54)                            | (19)                                              | (1,015)                          |
| Others                                                   | (292)                           | (15)                            | (10)                                              | (317)                            |
| <b>Total</b>                                             | <b>12,203</b>                   | <b>(1,459)</b>                  | <b>315</b>                                        | <b>11,059</b>                    |

The Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income tax

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

for year ended 31 March 2020 and re-measured its Deferred tax liabilities (net) based on the rate prescribed in the said Ordinance. The full impact of this change relating to Deferred Tax Liabilities (net) as at 31 March 2019 has been recognised in the statement of profit and loss and other comprehensive income, during the quarter ended 30 September 2019.

#### 21.2 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

|                           | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------|------------------------|------------------------|
| - long-term capital loss  | 44                     | 56                     |
| - short-term capital loss | -                      | 11                     |
| - unused tax losses       | -                      | -                      |
|                           | <b>44</b>              | <b>67</b>              |

Long-term capital loss of ₹35 lakhs is available for set-off till 31 March 2025 and ₹9 lakhs till 31 March 2027 (2019: ₹47 lakhs till 31 March 2025 and ₹9 lakhs till 31 March 2027) short-term capital loss till 31 March 2020.

#### 21.3 Income tax credit/(expense) recognised directly in equity

|                                                                                                                     | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Tax effect on changes in fair value of other investments                                                            | (296)                               | (344)                               |
| Tax effect on actuarial gains/(losses) on defined benefit obligations                                               | (110)                               | 19                                  |
| Tax effect on Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge | 299                                 | 10                                  |
|                                                                                                                     | <b>(107)</b>                        | <b>(315)</b>                        |

#### 21.4 Current tax liabilities (net)

|                                         | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------|------------------------|------------------------|
| Income tax payable (net of advance tax) | 4,286                  | 3,832                  |
|                                         | <b>4,286</b>           | <b>3,832</b>           |

#### 21.5 Reconciliation of tax expense to the accounting profit is as follows:

|                                                                          | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Accounting profit before tax</b>                                      | <b>137,136</b>                      | <b>108,587</b>                      |
| Tax expense at statutory tax rate of 25.17% (2019: 34.94%)               | 34,517                              | 37,945                              |
| <b>Adjustments:</b>                                                      |                                     |                                     |
| Effect of income that is exempt from tax                                 | (17)                                | (2)                                 |
| Effect of expenses that are not deductible in determining taxable profit | 371                                 | 35                                  |
| Effect of concessions (research and development and other allowances)    | (17)                                | (718)                               |
| Effect of change in tax rate                                             | (3,818)                             | 51                                  |
| Others                                                                   | 183                                 | (115)                               |
| <b>Tax expense reported in the Statement of Profit and Loss</b>          | <b>31,219</b>                       | <b>37,196</b>                       |

### 22. Other liabilities

|                                                     | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------|------------------------|------------------------|
| Advances from customers                             | 6,588                  | 5,336                  |
| Income received in advance                          | 876                    | 908                    |
| Other liabilities (including statutory remittances) | 1,126                  | 1,198                  |
|                                                     | <b>8,590</b>           | <b>7,442</b>           |
| Current                                             | 7,714                  | 6,534                  |
| Non-current                                         | 876                    | 908                    |
|                                                     | <b>8,590</b>           | <b>7,442</b>           |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 23. Trade payables

|                                                                                              | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------------------------------------------------------------------|------------------------|------------------------|
| Acceptances                                                                                  | 63,073                 | 266,256                |
| Other than Acceptances                                                                       | 2,71,644               | 1,10,011               |
|                                                                                              | <b>3,34,717</b>        | <b>3,76,267</b>        |
| of the above:                                                                                |                        |                        |
| i) Total outstanding dues of micro enterprises and small enterprises*                        | 943                    | 1,261                  |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises** | 3,33,774               | 3,75,006               |
|                                                                                              | <b>3,34,717</b>        | <b>3,76,267</b>        |

\*Dues to MSME have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Refer Note 46

\*\*Includes amount payable to related party ₹1,230 Lakhs (2019: ₹987 lakhs). Also refer note 41(E)

### 24. Revenue from operations

|                                                            | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|------------------------------------------------------------|-------------------------------------|-------------------------------------|
| The following is an analysis of the Company's revenue:     |                                     |                                     |
| Sales                                                      | 9,82,084                            | 10,03,197                           |
| Government subsidies                                       | 3,25,119                            | 3,10,641                            |
| Other operating revenue                                    | 4,516                               | 6,547                               |
| <b>Total Revenue from operations</b>                       | <b>13,11,719</b>                    | <b>13,20,385</b>                    |
| <b>Other operating revenues comprise:</b>                  |                                     |                                     |
| Service income                                             | 409                                 | 443                                 |
| DEPB income/ excise benefits                               | 2,263                               | 2,591                               |
| Provision for liabilities no longer required, written back | 45                                  | 880                                 |
| Insurance claim                                            | 22                                  | 281                                 |
| Others                                                     | 1,777                               | 2,352                               |
|                                                            | <b>4,516</b>                        | <b>6,547</b>                        |

### 25. Other income

|                                                    | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|
| Interest income                                    | 3,703                               | 3,630                               |
| Dividend income from investments carried at FVTPL  | 13                                  | 4                                   |
| Dividend income from investments carried at FVTOCI | 19                                  | 3                                   |
| Profit on sale of investment                       | 34                                  | -                                   |
|                                                    | <b>3,769</b>                        | <b>3,637</b>                        |

### 26. Changes in inventories of finished goods, work-in-process and stock-in-trade

|                                                | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>As at 1 April</b>                           |                                     |                                     |
| Work-in-process                                | 2,369                               | 1,576                               |
| Finished goods                                 | 1,65,549                            | 1,03,177                            |
| Stock-in-trade                                 | 34,149                              | 20,598                              |
|                                                | <b>2,02,067</b>                     | <b>1,25,351</b>                     |
| <b>Less: As at 31 March</b>                    |                                     |                                     |
| Work-in-process                                | 3,847                               | 2,369                               |
| Finished goods                                 | 1,41,110                            | 1,65,549                            |
| Stock-in-trade                                 | 36,936                              | 34,149                              |
|                                                | <b>1,81,893</b>                     | <b>2,02,067</b>                     |
| Less: Inventory written-off (Refer note 47(b)) | -                                   | 2,082                               |
|                                                | <b>20,174</b>                       | <b>(78,798)</b>                     |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 27. Employee benefits expense

|                                           | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus                 | 37,903                              | 33,484                              |
| Share based payments (Refer Note 33.3)    | 518                                 | 700                                 |
| Contribution to provident and other funds | 3,330                               | 2,714                               |
| Staff welfare expenses                    | 3,971                               | 3,825                               |
|                                           | <b>45,722</b>                       | <b>40,723</b>                       |

### 28. Finance cost

|                                      | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Interest expense (Refer notes below) | 19,283                              | 24,318                              |
| Other borrowing costs and charges    | 675                                 | 764                                 |
| Lease interest cost (Refer Note 38)  | 3,571                               | -                                   |
|                                      | <b>23,529</b>                       | <b>25,082</b>                       |

#### Notes:

- Net of ₹433 lakhs capitalised at the average interest rate of 5.01% (2019: ₹283 capitalised at the average interest rate of 5.14%).
- Includes ₹15 lakhs (2019: ₹17 lakhs) towards loan taken from a related party (Refer Note 41(E))

### 29. Depreciation and amortisation expense

|                                                                | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment (refer Note 3)   | 11,957                              | 11,087                              |
| Amortisation of intangible assets (refer Note 5)               | 168                                 | 238                                 |
| Amortisation on Right-of-use assets (refer Note 4 and Note 38) | 3,602                               | -                                   |
|                                                                | <b>15,727</b>                       | <b>11,325</b>                       |

### 30. Other expenses

|                                                                                                    | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Stores and spares consumed                                                                         | 8,594                               | 10,497                              |
| Power, fuel and water                                                                              | 28,044                              | 25,060                              |
| Rent                                                                                               | 882                                 | 6,234                               |
| Repairs to:                                                                                        |                                     |                                     |
| Buildings                                                                                          | 623                                 | 641                                 |
| Machinery                                                                                          | 3,606                               | 3,305                               |
| Others                                                                                             | 2,160                               | 2,217                               |
| Insurance charges                                                                                  | 2,091                               | 1,203                               |
| Rates and taxes                                                                                    | 1,082                               | 1,263                               |
| Freight and distribution                                                                           | 88,440                              | 1,03,272                            |
| Exchange differences (net)                                                                         | 12,218                              | 14,831                              |
| Loss on sale/scrap of property, plant and equipments (net)                                         | 477                                 | 615                                 |
| Impairment allowance recognised for doubtful trade and other receivables, loans and advances (net) | 845                                 | 622                                 |
| Trade and other receivables written off                                                            | -                                   | 28                                  |
| Loss on measuring investments at FVTPL (net)                                                       | 104                                 | 24                                  |
| Loss on sale of investments                                                                        | -                                   | 8                                   |
| Miscellaneous expenses                                                                             | 39,554                              | 33,081                              |
|                                                                                                    | <b>1,88,720</b>                     | <b>2,02,901</b>                     |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 31. Segment information

#### 31.1 Products and services from which reportable segments derive their revenues

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Company's reportable segments under Ind AS 108 are as follows:

1. Nutrient and other allied business
2. Crop protection

The following is an analysis of the Company's revenue and results from operations by reportable segment:

|                                    | Segment revenue                     |                                     | Segment profit                      |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                    | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
| Nutrient and other allied business | 11,55,003                           | 11,50,529                           | 1,50,725                            | 1,18,061                            |
| Crop protection                    | 1,66,590                            | 1,78,120                            | 21,601                              | 27,782                              |
|                                    | <b>13,21,593</b>                    | <b>13,28,649</b>                    | <b>1,72,326</b>                     | <b>1,45,843</b>                     |
| Less: Inter - segment              | (9,874)                             | (8,264)                             | (648)                               | (334)                               |
| <b>Total</b>                       | <b>13,11,719</b>                    | <b>13,20,385</b>                    | <b>1,71,678</b>                     | <b>1,45,509</b>                     |
| Other income                       |                                     |                                     | 3,769                               | 3,637                               |
| Exceptional item                   |                                     |                                     | -                                   | (2,385)                             |
| Unallocable expense                |                                     |                                     | (14,782)                            | (13,092)                            |
| Finance costs                      |                                     |                                     | (23,529)                            | (25,082)                            |
| <b>Profit before tax</b>           |                                     |                                     | <b>1,37,136</b>                     | <b>1,08,587</b>                     |

The accounting policies of the reportable segments are same as the Company's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

#### 31.2 Segment assets and liabilities

|                                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------|------------------------|------------------------|
| <b>Segment assets</b>              |                        |                        |
| Nutrient and other allied business | 7,83,798               | 8,41,516               |
| Crop protection                    | 1,49,208               | 1,33,926               |
| Unallocable assets                 | 88,770                 | 89,296                 |
| <b>Total assets</b>                | <b>10,21,776</b>       | <b>10,64,738</b>       |
| <b>Segment liabilities</b>         |                        |                        |
| Nutrient and other allied business | 3,55,229               | 3,70,031               |
| Crop protection                    | 45,057                 | 28,048                 |
| Unallocable liabilities            | 1,82,586               | 3,23,266               |
| <b>Total liabilities</b>           | <b>5,82,872</b>        | <b>7,21,345</b>        |

For the purposes of monitoring segment performance and allocating resources between segments:

1. All assets are allocated to reportable segments other than inter-corporate deposits, investments, cash and cash equivalents and derivative contracts.
2. All liabilities are allocated to reportable segments other than borrowings, defined benefit obligation and long-term employee benefits, derivative contracts, current and deferred tax liabilities.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 31.3 Other segment information

|                                    | Depreciation and amortisation       |                                     | Additions to non- current assets     |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|                                    | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 | For the year ended<br>31 March 2020* | For the year ended<br>31 March 2019 |
| Nutrient and other allied business | 12,090                              | 8,521                               | 62,405                               | 20,624                              |
| Crop protection                    | 3,637                               | 2,804                               | 6,241                                | 7,084                               |

\*Includes Right-of-use recognised on transition date, 1 April 2019 (refer Note 38)

#### 31.4 Revenue from major products

The following is an analysis of the Company's revenue from operations from its major products:

|                                           | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Phosphatic Fertilisers                    | 6,37,951                            | 6,40,771                            |
| Urea                                      | 25,957                              | 52,614                              |
| Muriate of Potash                         | 28,172                              | 18,924                              |
| Single Super Phosphate                    | 37,278                              | 35,099                              |
| Others                                    | 1,00,526                            | 92,480                              |
|                                           | <b>8,29,884</b>                     | <b>8,39,888</b>                     |
| Government subsidies                      | 325,119                             | 3,10,641                            |
| <b>Nutrient and other allied business</b> | <b>11,55,003</b>                    | <b>11,50,529</b>                    |
| Crop protection                           | 1,66,590                            | 1,78,120                            |
| <b>Total</b>                              | <b>13,21,593</b>                    | <b>13,28,649</b>                    |
| Less: Inter - segment                     | (9,874)                             | (8,264)                             |
| <b>Revenue from operations</b>            | <b>13,11,719</b>                    | <b>13,20,385</b>                    |

### 32. Financial instruments

#### 32.1 Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and inter-corporate deposits with financial institutions.

The following table summarises the capital of the Company:

|                                                     | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------|------------------------|------------------------|
| <b>Equity</b>                                       | <b>4,38,904</b>        | <b>3,43,393</b>        |
| Short-term borrowings                               | 1,62,760               | 2,95,694               |
| Inter-corporate deposits with financial institution | (42,000)               | (42,000)               |
| Cash and cash equivalents                           | (3,236)                | (11,093)               |
| <b>Net debt</b>                                     | <b>1,17,524</b>        | <b>2,42,601</b>        |
| <b>Total capital (equity + net debt)</b>            | <b>5,56,428</b>        | <b>5,85,994</b>        |
| Net debt to capital ratio                           | 0.21                   | 0.41                   |
| Interest coverage ratio                             | 7.50                   | 5.33                   |

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

### 32.2 Categories of financial instruments

|                                                                                     | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Financial assets</b>                                                             |                        |                        |
| <b>Measured at fair value through profit or loss (FVTPL)*</b>                       |                        |                        |
| (a) Mandatorily measured:                                                           |                        |                        |
| (i) Derivative instruments not designated in hedge accounting relationship          | 7,015                  | 1,285                  |
| (ii) Derivative instruments designated in hedge accounting relationship             | 5                      | 25                     |
| (iii) Equity investments                                                            | 3                      | 26                     |
| (iv) Other investments                                                              | 174                    | 324                    |
| <b>Measured at amortised cost</b>                                                   |                        |                        |
| (a) Cash and cash equivalents                                                       | 3,236                  | 11,093                 |
| (b) Bank balances other than cash and cash equivalents                              | 2,776                  | 2,719                  |
| (c) Other financial assets at amortised cost                                        | 4,49,104               | 4,67,197               |
| <b>Measured at FVTOCI*</b>                                                          |                        |                        |
| (a) Investments in equity instruments designated upon initial recognition           | 16,969                 | 15,698                 |
| (b) Investments in other instruments designated upon initial recognition            | 1,609                  | 1,609                  |
| <b>Measured at cost</b>                                                             |                        |                        |
| (a) Investments in equity instruments in subsidiaries, joint ventures and associate | 14,709                 | 14,402                 |
| <b>Financial liabilities</b>                                                        |                        |                        |
| <b>Measured at fair value through profit or loss (FVTPL)*</b>                       |                        |                        |
| (a) Derivative instruments not designated in hedge accounting relationship          | 921                    | 5,253                  |
| (b) Derivative instruments designated in hedge accounting relationship              | 1,229                  | 53                     |
| <b>Measured at amortised cost</b>                                                   | 5,58,649               | 6,90,499               |

\*Refer Note 32.9 for fair valuation methods and assumptions

### 32.3 Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

| Item                             | Primarily affected by                                                                                          | Risk management policies                                                                                                          | Refer       |
|----------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------|
| Market risk - currency risk      | USD balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings | Mitigating foreign currency risk using foreign currency forward contracts, option contracts and currency swaps                    | Note 32.4.1 |
| Market risk - interest rate risk | Change in market interest rates                                                                                | Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies | Note 32.4.2 |
| Market risk - other price risk   | Decline in value of equity instruments                                                                         | Monitoring forecasts of cash flows; diversification of portfolio                                                                  | Note 32.4.3 |
| Credit risk                      | Ability of customers or counterparties to financial instruments to meet contractual obligations                | Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions       | Note 32.5   |
| Liquidity risk                   | Fluctuations in cash flows                                                                                     | Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities           | Note 32.6   |

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

### 32.4 Market risk

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

#### 32.4.1 Foreign currency risk management

The Company is exposed to foreign exchange risk on account of following:

- Nutrient and other allied business has foreign exchange exposure for its imports of raw materials, intermediates and traded goods.
- Crop Protection segment has foreign exchange exposure on both exports of finished goods and imports of raw materials, intermediates and traded goods.
- Foreign currency borrowings in the form of buyers credit, packing credit etc. are availed for meeting its funding requirements.

The Company has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Company follows netting principle for managing the foreign exchange exposure for each operating segment.

There are no long-term borrowings outstanding as on 31 March 2020 and 31 March 2019.

- a. **The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:**

| Currency         | Liabilities            |                        | Assets                 |                        |
|------------------|------------------------|------------------------|------------------------|------------------------|
|                  | As at<br>31 March 2020 | As at<br>31 March 2019 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| USD (millions)   | 335.46                 | 514.71                 | 40.25                  | 37.48                  |
| INR (₹ in lakhs) | 2,53,826               | 3,55,973               | 30,455                 | 25,921                 |
| EURO (millions)  | 0.05                   | 0.33                   | 2.18                   | 2.13                   |
| INR (₹ in lakhs) | 45                     | 253                    | 1,805                  | 1,655                  |

- b. **Foreign currency forward and option contracts outstanding as at the Balance Sheet date:**

|                          | As at<br>31 March 2020 |        | As at<br>31 March 2019 |        |
|--------------------------|------------------------|--------|------------------------|--------|
|                          | Buy                    | Sell   | Buy                    | Sell   |
| <b>Forward contracts</b> |                        |        |                        |        |
| USD (millions)*          | 293.96                 | 73.33  | 378.88                 | 67.73  |
| INR (₹ in lakhs)         | 2,22,425               | 55,479 | 2,62,035               | 46,837 |
| Number of contracts      | 96                     | 47     | 93                     | 31     |

The forward contracts have been entered into to hedge the foreign currency risk on purchase of raw materials, stock-in-trade and the related buyer's credit and in certain cases the foreign currency term loan and trade receivables.

\*Includes 70.11 USD (millions) (31 March 2019: 64.58 USD (millions)) Sell contracts outstanding under past performance facility as per Reserve Bank of India (RBI) Master Direction on Risk Management and Inter-Bank Dealings.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### c. Net open exposures outstanding as at the Balance Sheet date:

|                  | Liabilities            |                        | Assets                 |                        |
|------------------|------------------------|------------------------|------------------------|------------------------|
|                  | As at<br>31 March 2020 | As at<br>31 March 2019 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| USD (millions)   | 41.50                  | 135.83                 | -                      | -                      |
| INR (₹ in lakhs) | 31,401                 | 93,938                 | -                      | -                      |
| EURO (millions)  | 0.05                   | 0.33                   | 2.18                   | 2.13                   |
| INR (₹ in lakhs) | 45                     | 253                    | 1,805                  | 1,655                  |

### d. Summary of hedging instruments outstanding at the end of the year designated as cash flow hedges:

|                                                 | As at         | No. of<br>contracts | USD<br>(millions) | Amount<br>in ₹ lakhs | Average<br>exchange rate |
|-------------------------------------------------|---------------|---------------------|-------------------|----------------------|--------------------------|
| Sell Currency - USD with tenor less than a year | 31 March 2020 | 25                  | 50.82             | 38,450               | 75.66                    |
|                                                 | 31 March 2019 | 6                   | 17.70             | 12,240               | 69.15                    |

Foreign currency forward contracts designated as hedging instruments in cash flow hedges of forecast sales in USD are measured at fair value through OCI. While the Company enters into other foreign exchange forward contracts to reduce the foreign exchange risk, these other contracts are not designated in hedge relationships and are measured at FVTPL.

The terms of the hedging instruments match the terms of the forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

### e. Foreign currency sensitivity analysis

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a ₹1 increase and decrease against the US Dollar. ₹1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ₹1 change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by ₹1 against the US Dollar. For a ₹1 weakening against the US Dollar, there would be a comparable impact on the profit or equity.

Amount in ₹ lakhs

| Currency USD impact on:                                                                      | 2019-20 | 2018-19 |
|----------------------------------------------------------------------------------------------|---------|---------|
| Impact of ₹1 strengthening against US Dollar on profit or loss for the year                  | 311     | 884     |
| Impact of ₹1 weakening against US Dollar on profit or loss for the year                      | (311)   | (884)   |
| Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period | 311     | 884     |
| Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period     | (311)   | (884)   |

### 32.4.2 Interest rate risk management

The Company issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

#### Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended 31 March 2020 would decrease/ increase by ₹ 609 lakhs (31 March 2019: ₹ 809 lakhs)

### 32.4.3 Other price risks

The Company is exposed to equity price risks arising from equity investments. Certain of the Company's equity investments are held for strategic rather than trading purposes. The Company also holds certain other equity investments for trading purposes.

#### a. Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower other comprehensive income/ equity for the year ended 31 March 2020 would increase/ decrease by ₹ 651 Lakhs (31 March 2019: ₹602 lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI. The impact of change in equity price on profit or loss is not significant.

### 32.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken up on case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

### 32.6 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 32.8 sets out details of additional undrawn facilities that the Company has at its disposal to reduce liquidity risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020:

|                                    | Carrying<br>amount | upto 1 year     | 1-3 year     | More than<br>3 year | Total contracted<br>cash flows |
|------------------------------------|--------------------|-----------------|--------------|---------------------|--------------------------------|
| Accounts payable and acceptances   | 3,34,717           | 3,36,296        | -            | -                   | 3,36,296                       |
| Borrowings and interest thereon#   | 1,63,044           | 1,63,576        | -            | -                   | 1,63,576                       |
| Other financial liabilities**      | 21,491             | 21,318          | -            | 1,500               | 22,818                         |
| Lease Liability                    | 39,397             | 1,855           | 5,643        | 31,899              | 39,397                         |
| Foreign currency forward contracts | 2,150              | 2,148           | 2            | -                   | 2,150                          |
| <b>Total</b>                       | <b>5,60,799</b>    | <b>5,25,193</b> | <b>5,645</b> | <b>33,399</b>       | <b>5,64,237</b>                |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

The table below provides details of financial assets as at 31 March 2020:

|                                                         | Carrying amount |
|---------------------------------------------------------|-----------------|
| Investments                                             | *               |
| Trade receivables                                       | 1,72,435        |
| Government subsidies receivable                         | 2,31,622        |
| Cash and cash equivalents including other bank balances | 6,012           |
| Loans                                                   | 42,011          |
| Other financial assets                                  | 3,031           |
| Foreign currency forward contracts                      | 7,020           |
| <b>Total</b>                                            | <b>4,62,131</b> |

\*less than a lakh

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019:

|                                    | Carrying amount | upto 1 year     | 1-3 year | More than 3 year | Total contracted cash flows |
|------------------------------------|-----------------|-----------------|----------|------------------|-----------------------------|
| Accounts payable and acceptances   | 3,76,267        | 3,80,300        | -        | -                | 3,80,300                    |
| Borrowings and interest thereon#   | 2,96,109        | 2,96,679        | -        | -                | 2,96,679                    |
| Other financial liabilities**      | 18,123          | 17,953          | -        | 1,500            | 19,453                      |
| Foreign currency forward contracts | 5,306           | 5,306           | -        | -                | 5,306                       |
| <b>Total</b>                       | <b>6,95,805</b> | <b>7,00,238</b> | <b>-</b> | <b>1,500</b>     | <b>7,01,738</b>             |

The table below provides details of financial assets as at 31 March 2019:

|                                                         | Carrying amount |
|---------------------------------------------------------|-----------------|
| Investments                                             | 14              |
| Trade receivables                                       | 1,82,870        |
| Government subsidies receivable                         | 2,39,348        |
| Cash and cash equivalents including other bank balances | 13,812          |
| Loans                                                   | 42,011          |
| Other financial assets                                  | 2,968           |
| Foreign currency forward contracts                      | 1,310           |
| <b>Total</b>                                            | <b>4,82,333</b> |

# Included in Borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end benchmark interest rates, the actual interest rates may differ based on the changes in the benchmark interest rates.

\*\* Other financial liabilities include deposits received from customers amounting to ₹14,892 Lakhs (31 March 2019: ₹13,217 Lakhs). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment, these deposits have been classified as current balances. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 32.7 Financial guarantee contract

The Company has provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of instalment due to the lenders and delayed the payment. The same was not agreed to by the Lenders and the acceleration notice was served on TIFERT by lenders on 28 March 2017. The loan instalment was immediately paid on 30 March 2017 by TIFERT. However, on 4 April 2017 the lenders followed up with call notice on shareholders towards guaranteed amount (Coromandel's share USD 35.25 million outstanding as on 31 March 2017). The Company alongwith other shareholders of TIFERT are in discussion with the Lenders to resolve the matter with regard to liquidity situation and operational improvements of TIFERT and also to find a solution for meeting the future debt obligations of TIFERT.

TIFERT has paid the subsequent half-yearly instalments that were due as per the payment schedule. The sponsor guarantee was valid upto 31 March 2018. Considering the discussions held with Lenders and operational improvement achieved by TIFERT during the year, the Company reasonably considers that TIFERT would be in a position to meet the debt obligations and it is unlikely that such an event of payment under guarantee amount will arise. The Company's obligation under this corporate guarantee if that amount is claimed by the counterparty to the guarantee is subject to a maximum of ₹ 13,707 Lakhs (31 March 2019: ₹ 15,538 Lakhs)..

### 32.8 Financing facilities

The Company has access to financing facilities of which ₹3,10,699 Lakhs (as at 31 March 2019: ₹ 1,41,463 Lakhs) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

### 32.9 Fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

| Financial assets/financial liabilities                   | Fair Value as at*   |                     | Fair value hierarchy | Valuation techniques & key inputs used |
|----------------------------------------------------------|---------------------|---------------------|----------------------|----------------------------------------|
|                                                          | As at 31 March 2020 | As at 31 March 2019 |                      |                                        |
| 1) Foreign currency forward contracts                    | 4,870               | (3,996)             | Level 2              | Refer Note 3(a) below                  |
| 2) Investments in quoted equity instruments at FVTPL     | 3                   | 26                  | Level 1              | Refer Note 2 below                     |
| 3) Investments in unquoted venture capital fund at FVTPL | 174                 | 324                 | Level 3              | Refer Note 4(a) below                  |
| 4) Investments in unquoted equity instruments at FVTOCI  | 14,217              | 13,136              | Level 3              | Refer Note 4(b) below                  |
|                                                          | 2,752               | 2,562               | Level 3              | Refer Note 4(c) below                  |

\*positive value denotes financial asset (net) and negative value denotes financial liability (net).

#### Notes:

- There were no transfers between Level 1 and 2 in the period.
- The Level 1 financial instruments are measured using quotes in active market.
- The following table shows the valuation technique and key input used for Level 2:

| Financial Instrument                   | Valuation Technique  | Key Inputs used                                                                       |
|----------------------------------------|----------------------|---------------------------------------------------------------------------------------|
| (a) Foreign currency forward contracts | Discounted Cash Flow | Forward exchange rates, contract forward and interest rates, observable yield curves. |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

4. The following table shows the valuation technique and key input used for Level 3:

| Financial Instrument                                      | Valuation Technique          | Key Inputs used                                                                                                                                                                                                                                                                 | Sensitivity                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Investments in unquoted venture capital fund at FVTPL | Net Asset Value (NAV) method | The Company uses net asset value (NAV) as reported by the venture capital fund for its valuation purpose.                                                                                                                                                                       | A 10% increase/ decrease in the value of unquoted investments of the fund would increase/ decrease the carrying amount of investment by ₹ 13 lakhs (2019: ₹ 17 lakhs).                                                                                                                                                                                                                                               |
| (b) Investments in unquoted equity instruments at FVTOCI  | Discounted Cash Flow Method  | Long-term growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 0 to 2% (2019: 0 to 2%)<br><br>Weighted average cost of capital (WACC) as determined ranging from 12% to 16% (2019: 12% to 16%) | If the long-term growth rates used were 100 basis points higher/lower while all the other variables were held constant, the carrying amount would increase/decrease by ₹1,766 lakhs (2019: ₹1,888 lakhs)<br><br>A 100 basis points increase/decrease in the WACC or discount rate used while holding all other variables constant would decrease/increase the carrying amount by ₹ 1,427 lakhs (2019: ₹ 3,049 lakhs) |
| (c) Investments in unquoted equity instruments at FVTOCI  | Market Multiple Approach     | Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from 30% to 50% (2019: 30% to 50%)                                                                                                             | A 10% increase/ decrease in the discount for lack of marketability used in isolation would decrease/increase the carrying amount by ₹206 lakhs (2019: ₹ 196 lakhs)                                                                                                                                                                                                                                                   |

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

|                                                      | Fair value hierarchy | As at 31 March 2020 |            | As at 31 March 2019 |            |
|------------------------------------------------------|----------------------|---------------------|------------|---------------------|------------|
|                                                      |                      | Carrying amount     | Fair value | Carrying amount     | Fair value |
| <b>Financial assets</b>                              |                      |                     |            |                     |            |
| Financial assets at amortised cost:                  |                      |                     |            |                     |            |
| - Trade receivables                                  | Level 2              | 1,72,435            | 1,72,435   | 1,82,870            | 1,82,870   |
| - Government subsidies receivable                    | Level 2              | 2,31,622            | 2,31,622   | 2,39,348            | 2,39,348   |
| - Cash and cash equivalents                          | Level 2              | 3,236               | 3,236      | 11,093              | 11,093     |
| - Bank balances other than cash and cash equivalents | Level 2              | 2,776               | 2,776      | 2,719               | 2,719      |
| - Loans                                              | Level 2              | 42,011              | 42,011     | 42,011              | 42,011     |
| - Other financial assets                             | Level 2              | 3,036               | 3,036      | 2,968               | 2,968      |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

|                                          | Fair value hierarchy | As at 31 March 2020 |            | As at 31 March 2019 |            |
|------------------------------------------|----------------------|---------------------|------------|---------------------|------------|
|                                          |                      | Carrying amount     | Fair value | Carrying amount     | Fair value |
| <b>Financial liabilities</b>             |                      |                     |            |                     |            |
| Financial liabilities at amortised cost: |                      |                     |            |                     |            |
| - Borrowings                             | Level 2              | 1,62,760            | 1,62,760   | 2,95,694            | 2,95,694   |
| - Trade payables                         | Level 2              | 3,34,717            | 3,34,717   | 3,76,267            | 3,76,267   |
| - Other financial liabilities            | Level 2              | 21,775              | 21,921     | 18,538              | 18,545     |
| - Lease liabilities                      | Level 2              | 39,397              | 39,397     | -                   | -          |

- In case of trade receivables, government subsidies receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

**Reconciliation of Level 3 fair value measurements for the year ended 31 March 2020:**

|                                       | Investments in unquoted venture capital fund at FVTPL | Investments in unquoted equity instruments at FVTOCI | Total         |
|---------------------------------------|-------------------------------------------------------|------------------------------------------------------|---------------|
| Opening balance                       | 324                                                   | 15,698                                               | 16,022        |
| Total gains or losses:                |                                                       |                                                      |               |
| - in profit or loss                   | (96)                                                  | -                                                    | (96)          |
| - in other comprehensive income (net) | -                                                     | 1,271                                                | 1,271         |
| Purchases                             | 16                                                    | -                                                    | 16            |
| Sold                                  | (70)                                                  | -                                                    | (70)          |
| <b>Closing balance</b>                | <b>174</b>                                            | <b>16,969</b>                                        | <b>17,143</b> |

**Reconciliation of Level 3 fair value measurements for the year ended 31 March 2019:**

|                                 | Investments in unquoted venture capital fund at FVTPL | Investments in unquoted equity instruments at FVTOCI | Total         |
|---------------------------------|-------------------------------------------------------|------------------------------------------------------|---------------|
| Opening balance                 | 361                                                   | 12,431                                               | 12,792        |
| Total gains or losses:          |                                                       |                                                      |               |
| - in profit or loss             | (23)                                                  | -                                                    | (23)          |
| - in other comprehensive income | -                                                     | 1,477                                                | 1,477         |
| Purchases                       | -                                                     | 1,790                                                | 1,790         |
| Sold                            | (14)                                                  | -                                                    | (14)          |
| <b>Closing balance</b>          | <b>324</b>                                            | <b>15,698</b>                                        | <b>16,022</b> |

Standalone Notes  
(Contd.)

(₹ in lakhs, unless otherwise stated)

33   Share based payments

| Particulars                                       | Employee Stock Option Scheme 2007<br>(‘ESOP 2007 Scheme’)                                                                                                                                           | Employee Stock Option Scheme 2016<br>(‘ESOP 2016 Scheme’): |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Approval of shareholders                          | 24th July 2007                                                                                                                                                                                      | 11th January 2017                                          |
| Administration                                    | Remuneration and Nomination Committee of the Board of Directors                                                                                                                                     |                                                            |
| Eligibility                                       | The committee determines which eligible employees will receive options                                                                                                                              |                                                            |
| Number of equity shares reserved under the scheme | 1,27,85,976                                                                                                                                                                                         | 1,45,81,000                                                |
| Number of equity shares per option                | 1                                                                                                                                                                                                   | 1                                                          |
| Vesting period                                    | 1-5 years                                                                                                                                                                                           | 1-4 years                                                  |
| Exercise period                                   | Within 6* years from date of vesting                                                                                                                                                                | Within 5 years from date of vesting                        |
| Exercise Price Determination                      | Latest available closing market price of the shares on the stock exchange where there is highest trading volume prior to the date of the Remuneration and Nomination Committee approving the grant. |                                                            |

\* In partial modification of the special resolution passed for establishing ESOP 2007, the shareholders in their meeting held on 23 July 2012 decided to approve the extension of the exercise period of options granted under the ESOP 2007 from three years to six years.

33.1 Employee Stock Option Scheme 2007 (‘ESOP 2007 Scheme’):

- a) Pursuant to the ESOP 2007 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

|                              | For the year ended<br>31 March 2020 |                                     | For the year ended<br>31 March 2019 |                                     |
|------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                              | No. of Options                      | Weighted average exercise price (₹) | No. of Options                      | Weighted average exercise price (₹) |
| At the beginning of the year | 28,400                              | 287.5                               | 52,100                              | 287.5                               |
| Granted                      | -                                   | -                                   | -                                   | -                                   |
| Exercised                    | 26,250                              | 287.5                               | 23,700                              | 287.5                               |
| Cancelled                    | -                                   | -                                   | -                                   | -                                   |
| Lapsed                       | -                                   | -                                   | -                                   | -                                   |
| At the end of the year       | 2,150                               | 287.5                               | 28,400                              | 287.5                               |

- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 0.01 years (2019: 0.01 years). The exercise price of the outstanding options is ₹287.50 (2019: ₹ 287.50). The weighted average share price during the year is ₹ 468 (2019: ₹436).
- c) Number of options exercisable at the end of the year 2,150 (2019: 28,400).
- d) The fair values of the option with modified terms were determined using a Black Scholes’ model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 3-4 years.

Standalone Notes  
(Contd.)

(₹ in lakhs, unless otherwise stated)

Following assumptions were used for calculation of fair value of grants:

|                             | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Dividend yield (%)          | 700                                 | 700                                 |
| Expected volatility (%)     | 0.39-0.47                           | 0.39-0.47                           |
| Risk free interest rate (%) | 8                                   | 8                                   |
| Expected term (in years)    | 4-6                                 | 4-6                                 |

33.2 Employee Stock Option Scheme 2016 (‘ESOP 2016 Scheme’):

- a) Pursuant to the ESOP 2016 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

|                              | For the year ended<br>31 March 2020 |                                     | For the year ended<br>31 March 2019 |                                     |
|------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                              | No. of Options                      | Weighted average exercise price (₹) | No. of Options                      | Weighted average exercise price (₹) |
| At the beginning of the year | 21,54,120                           | 347.68                              | 21,28,400                           | 334.32                              |
| Granted*                     | 1,26,840                            | 375.90                              | 2,43,620                            | 439.25                              |
| Exercised                    | 4,00,170                            | 322.30                              | 1,20,220                            | 319.65                              |
| Cancelled                    | 1,24,800                            | 319.65                              | 97,680                              | 319.65                              |
| Lapsed                       | -                                   | -                                   | -                                   | -                                   |
| At the end of the year       | 17,55,990                           | 357.49                              | 21,54,120                           | 347.68                              |

\* the weighted average fair value of options granted during the year is ₹ 127.91 (2019: ₹173.25)

- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 2.39 years (2019: 3.25 years). The exercise price of the outstanding options range from ₹ 319.65 to ₹ 529.40 (2019: ₹319.65 to ₹529.40). The weighted average share price during the year is ₹ 468 (2019: ₹ 436).
- c) Number of options exercisable at the end of the year 8,21,850 (2019: 6,13,820).
- d) The fair values of the option were determined using a Black Scholes’ model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 5-6 years.

Following assumptions were used for calculation of fair value of grants:

|                             | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Dividend yield (%)          | 650                                 | 350-650                             |
| Expected volatility (%)     | 0.32-0.33                           | 0.32-0.34                           |
| Risk free interest rate (%) | 6.14-6.43                           | 7.00-8.00                           |
| Expected term (in years)    | 3.51-6.51                           | 3.50-6.50                           |

33.3 Share based payments

The Company recorded employee share based payments of ₹ 518 Lakhs (2019: ₹ 700 Lakhs) under ‘Employee benefits expense’.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 34 Employee benefits plan

#### a) Defined benefit plans

(₹ in Lakhs)

|                                                                      | Gratuity plan |              |
|----------------------------------------------------------------------|---------------|--------------|
|                                                                      | 2019-2020     | 2018-2019    |
| <b>Change in Defined Benefit Obligation (DBO) during the year</b>    |               |              |
| Present value of DBO at the beginning of the year                    | 5,405         | 5,077        |
| Current service cost                                                 | 578           | 501          |
| Interest cost                                                        | 379           | 377          |
| Actuarial loss/(gain) arising from changes in financial assumptions  | 244           | 78           |
| Actuarial loss/(gain) arising from changes in experience adjustments | (9)           | (124)        |
| Benefits paid                                                        | (743)         | (504)        |
| <b>Present value of DBO at the end of the year</b>                   | <b>5,854</b>  | <b>5,405</b> |
| <b>Change in fair value of plan assets during the year</b>           |               |              |
| Fair value of plan assets at the beginning of the year               | 5,622         | 5,115        |
| Interest income                                                      | 424           | 420          |
| Employer contributions                                               | -             | 690          |
| Benefits paid                                                        | (743)         | (504)        |
| Remeasurements – return on plan assets (excluding interest income)   | 321           | (99)         |
| <b>Fair value of assets at the end of the year</b>                   | <b>5,624</b>  | <b>5,622</b> |
| <b>Amounts recognised in the Balance Sheet</b>                       |               |              |
| Present value of DBO at the end of the year                          | 5,854         | 5,405        |
| Fair value of plan assets at the end of the year                     | (5,624)       | 5,622        |
| <b>Funded status of the plans – (asset)/ liability</b>               | <b>230</b>    | <b>(217)</b> |
| <b>(Asset)/ liability recognised in the Balance Sheet</b>            | <b>230</b>    | <b>(217)</b> |
| <b>Components of employer expense</b>                                |               |              |
| Current service cost                                                 | 578           | 501          |
| Interest income on net defined benefit obligation                    | (44)          | (43)         |
| <b>Expense recognised in Statement of Profit and Loss</b>            | <b>534</b>    | <b>458</b>   |
| <b>Remeasurement on the net defined benefit obligation</b>           |               |              |
| Return on plan assets (excluding interest income)                    | (321)         | 99           |
| Actuarial loss/(gain) arising from changes in financial assumptions  | 244           | 78           |
| Actuarial loss/(gain) arising from changes in experience adjustments | (9)           | (124)        |
| <b>Remeasurements recognised in other comprehensive income</b>       | <b>(86)</b>   | <b>53</b>    |
| <b>Total defined benefit cost recognized</b>                         | <b>448</b>    | <b>511</b>   |
| <b>Nature and extent of investment details of the plan assets#</b>   |               |              |
| State and Central Securities                                         | -             | -            |
| Bonds                                                                | -             | -            |
| Special deposits                                                     | -             | -            |
| Insurer managed funds                                                | 100%          | 100%         |

# includes details of trusts other than those covered under a Scheme of Life Insurance Corporation of India.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Employee who has completed five years of service is entitled to specific benefit depending on the employee's length of service and salary at retirement or relieving age. The fund has the form of trust and it is governed by the Board of Trustees which consists of employer and employee representatives. The Board of Trustees is responsible for the administration of plan assets.

The Board of Trustees reviews the level of funding and asset-liability matching strategy in the gratuity plan to keep the scheme adequately funded for settlement of obligations under the plan.

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India (LIC) which is basically a year-on-year cash accumulation plan. As part of the scheme the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity settlements during the year subject to sufficiency of funds under the policy.

|                                         | 31 March 2020 | 31 March 2019 |
|-----------------------------------------|---------------|---------------|
| <b>Assumptions</b>                      |               |               |
| Discount rate                           | 6.84%         | 7.54%         |
| Estimated rate of return on plan assets | 7.54%         | 7.82%         |
| Expected rate of salary increase        | 5-7%          | 5-7%          |
| Attrition rate                          | 5%            | 5%            |

|                                                                       | 31 March 2020 | 31 March 2019 |
|-----------------------------------------------------------------------|---------------|---------------|
| <b>Sensitivity analysis – DBO at the end of the year (₹ in Lakhs)</b> |               |               |
| Discount rate + 100 basis points                                      | 5,498         | 5,128         |
| Discount rate - 100 basis points                                      | 6,259         | 5,716         |
| Salary increase rate +1%                                              | 6,209         | 5,679         |
| Salary increase rate -1%                                              | 5,534         | 5,155         |
| Attrition rate +1%                                                    | 5,844         | 5,425         |
| Attrition rate -1%                                                    | 5,865         | 5,381         |

|                                                    | 31 March 2020 | 31 March 2019 |
|----------------------------------------------------|---------------|---------------|
| <b>Weighted average duration of DBO</b>            | 11 Years      | 11 years      |
| <b>Expected cash flows (₹ in Lakhs)</b>            |               |               |
| 1. Expected employer contribution in the next year | 709           | 1,078         |
| 2. Expected benefit payments                       |               |               |
| Year 1                                             | 807           | 1,001         |
| Year 2                                             | 717           | 739           |
| Year 3                                             | 655           | 627           |
| Year 4                                             | 498           | 583           |
| Year 5                                             | 392           | 427           |
| Beyond 5 years                                     | 1,608         | 1,520         |

#### b) Defined contribution plans

In respect of the defined contribution plans, an amount of ₹ 2,793 Lakhs (2019: ₹2,247 Lakhs) has been recognised as an expense in the Statement of Profit and Loss during the year.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 35 Earnings per share

|                                                                                       |     | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------------------------------------------------------------------|-----|-------------------------------------|-------------------------------------|
| i) Profit after tax (₹ in Lakhs)                                                      | [a] | 1,05,917                            | 71,391                              |
| <b>Basic</b>                                                                          |     |                                     |                                     |
| ii) Weighted average number of equity shares of ₹1/- each outstanding during the year | [b] | 29,26,25,865                        | 29,24,23,474                        |
| <b>Dilution</b>                                                                       |     |                                     |                                     |
| iii) Effect of potential equity shares on employees stock options outstanding         |     | 7,14,322                            | 5,13,576                            |
| iv) Weighted average number of equity shares of ₹1/- each outstanding during the year | [c] | 29,33,40,187                        | 29,29,37,050                        |
| <b>Earnings Per Share (face value of ₹1/- each)</b>                                   |     |                                     |                                     |
| v) Basic – [a]/[b] – (₹)                                                              |     | 36.20                               | 24.41                               |
| vi) Diluted – [a]/[c] – (₹)                                                           |     | 36.11                               | 24.37                               |

### 36 Contingent liabilities (to the extent not provided for)

#### Claims against the Company not acknowledged as debt

(₹ in Lakhs)

|                                             | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------------------|------------------------|------------------------|
| <b>In respect of matters under dispute:</b> |                        |                        |
| Excise duty                                 | 390                    | 449                    |
| Customs duty                                | 848                    | 851                    |
| Sales tax                                   | 1,549                  | 1,448                  |
| Income tax                                  | 2,096                  | 2,122                  |
| Service tax                                 | 248                    | 251                    |
| Goods and Services Tax                      | 5                      | 5                      |
| Others                                      | 5,630                  | 5,983                  |

The amounts disclosed above represent our best estimate and the uncertainties are dependent on the outcome of the legal processes initiated by the Company or the claimant as the case may be.

### 37 Commitments

#### a) Capital commitments

(₹ in Lakhs)

|                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------|------------------------|------------------------|
| Capital expenditure commitments | 5,983                  | 13,073                 |
| Commitment towards investments  | 1,200                  | 316                    |

### 38 Leases

The Company has adopted Ind AS 116 “Leases” with the date of initial application being 1 April 2019. The Company's significant leasing arrangement are in respect of Land, Office premises and Retail outlets. Ind AS 116 replaces Ind AS 17 “Leases” and related interpretation and guidance. On transition to Ind AS 116, Right-of-use assets at 1 April 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019, which is 9.10% for measuring the lease liability.

On transition to Ind AS 116, the Company recognised right-of-use amounting to ₹41,341 Lakhs and a lease liability of ₹38,271 Lakhs. During the year ended 31 March 2020, the Company has recognised interest expense on leases amounting to ₹ 3,571 Lakhs, and amortisation on right-of-use assets amounting to ₹3,602 Lakhs, in the standalone financial statements.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### i) The following is the movement in lease liabilities during the year ended 31 March 2020

(₹ in Lakhs)

|                                                       | For the year ended<br>31 March 2020 |
|-------------------------------------------------------|-------------------------------------|
| Balance at the beginning                              | 38,271                              |
| Additions                                             | 2,734                               |
| Interest cost accrued during the year                 | 3,571                               |
| Less: Payment of lease liabilities including interest | 5,179                               |
| <b>Balance at the end</b>                             | <b>39,397</b>                       |

### ii) The impact of change in accounting policy on account of adoption of Ind AS 116 is as given below:

(₹ in Lakhs)

|                                                     | For the year ended<br>31 March 2020 |
|-----------------------------------------------------|-------------------------------------|
| Interest on lease liability (refer note 28)         | 3,571                               |
| Amortisation on right of use assets (refer note 29) | 3,602                               |
| Less : Lease rental Expense                         | 5,179                               |
| <b>Impact on the statement of profit and loss</b>   | <b>1,944</b>                        |

### iii) Maturity analysis of lease liabilities as on 31 March 2020 on an discounted basis.

(₹ in Lakhs)

|                                                               | 31 March 2020 |
|---------------------------------------------------------------|---------------|
| Less than one year                                            | 1,855         |
| One to three years                                            | 5,643         |
| More than three years                                         | 31,899        |
| <b>Total discounted lease liabilities as at 31 March 2020</b> | <b>39,397</b> |

### 39 Corporate social responsibility

Expenses incurred on Corporate Social Responsibility (CSR) programs under Section 135 of the Act are charged to the Statement of Profit and Loss under ‘Other expenses’ (Note 30) ₹1,990 Lakhs (2019: ₹1,380 Lakhs) and under ‘Employee benefits expense’ (Note 27) ₹72 Lakhs (2019: ₹58 Lakhs).

### 40 Research and development expenses incurred on the following heads have been accounted under the natural heads:

(₹ in Lakhs)

|                                           | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus                 | 880                                 | 787                                 |
| Contribution to provident and other funds | 77                                  | 72                                  |
| Consumption of stores and spare parts     | 228                                 | 166                                 |
| Power and fuel                            | 61                                  | 53                                  |
| Repairs to machinery                      | 120                                 | 89                                  |
| Miscellaneous expenses                    | 497                                 | 138                                 |
|                                           | <b>1,863</b>                        | <b>1,305</b>                        |

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

### 41 Related party disclosures

#### (A) Names of the related parties and their relationship:

##### (i) Details of subsidiaries, joint ventures and associates:

| Names                                                              | Nature of relationship | Country of incorporation | Percentage of holding as at |               |
|--------------------------------------------------------------------|------------------------|--------------------------|-----------------------------|---------------|
|                                                                    |                        |                          | 31 March 2020               | 31 March 2019 |
| Liberty Pesticides and Fertilisers Limited (LPFL)                  | Subsidiary             | India                    | 100                         | 100           |
| Sabero Organics America S.A. (SOAL)                                | Subsidiary             | Brazil                   | 99.98                       | 99.98         |
| Sabero Australia Pty Ltd, Australia (Sabero Australia)             | Subsidiary             | Australia                | 100                         | 100           |
| Sabero Europe B.V. (Sabero Europe)                                 | Subsidiary             | Netherlands              | 100                         | 100           |
| Sabero Argentina S.A. (Sabero Argentina)                           | Subsidiary             | Argentina                | 95                          | 95            |
| Coromandel Agronegocios de Mexico, S.A de C.V. (Coromandel Mexico) | Subsidiary             | Mexico                   | 100                         | 100           |
| Parry Chemicals Limited (PCL)                                      | Subsidiary             | India                    | 100                         | 100           |
| Dare Investments Limited (DIL)                                     | Subsidiary             | India                    | 100                         | 100           |
| CFL Mauritius Limited (CML)                                        | Subsidiary             | Mauritius                | 100                         | 100           |
| Coromandel Brasil Limitada (CBL)                                   | Subsidiary             | Brazil                   | 100                         | 100           |
| Parry America, Inc. (PAI)                                          | Subsidiary             | USA                      | 100                         | 100           |
| Coromandel International (Nigeria) Limited (CINL)                  | Subsidiary             | Nigeria                  | 99.99                       | 99.99         |
| Coromandel Mali SASU (w.e.f 4 February 2020) (CMS)                 | Subsidiary             | Mali                     | 100                         | -             |
| Sabero Organics Philippines Asia Inc.                              | Associate              | Philippines              | 40                          | 40            |
| Coromandel SQM (India) Pvt Limited (CSQM)                          | Joint venture          | India                    | 50                          | 50            |
| Yanmar Coromandel Agrisolutions Private Limited (YCAS)             | Joint venture          | India                    | 40                          | 40            |

##### (ii) Details of other related parties:

| Names                                                | Nature of relationship                     |
|------------------------------------------------------|--------------------------------------------|
| E.I.D.-Parry (India) Limited                         | Parent company                             |
| Parry Infrastructure Company Private Limited (PICPL) | Fellow subsidiary                          |
| Parry Enterprises (India) Limited (PEIL)             | Associate of parent company                |
| Coromandel Provident Fund                            | Employee benefit plan                      |
| Coromandel Provident Fund No. 1                      | Employee benefit plan                      |
| CFL Gratuity Fund                                    | Employee benefit plan                      |
| Coromandel Gratuity Fund – I                         | Employee benefit plan                      |
| Coromandel Gratuity Fund – II                        | Employee benefit plan                      |
| Coromandel Management Staff Pension Fund             | Employee benefit plan                      |
| Coromandel Superannuation Fund                       | Employee benefit plan                      |
| Coromandel Benevolent Fund                           | Employee benefit plan                      |
| Mr. Sameer Goel                                      | Key management personnel                   |
| Mr. S Suresh                                         | Key management personnel of Parent company |

## Standalone Notes

(Contd.)

(₹ in lakhs, unless otherwise stated)

#### (B) Transactions during the year:

(₹ in Lakhs)

|                                                               | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>i) Sale of finished goods/raw materials/services</b>       |                                     |                                     |
| a) Joint venture – CSQM                                       | 298                                 | 270                                 |
| b) Subsidiary – PAI                                           | 4,060                               | 4,692                               |
| <b>ii) Rent received</b>                                      |                                     |                                     |
| a) Fellow subsidiary – PICPL                                  | 95                                  | 95                                  |
| b) Joint venture – CSQM                                       | 4                                   | 16                                  |
| c) Associate – PEIL                                           | 8                                   | 7                                   |
| <b>iii) Expenses reimbursed by</b>                            |                                     |                                     |
| a) Joint venture – CSQM                                       | 54                                  | 5                                   |
| b) Subsidiary – PCL                                           | 24                                  | 49                                  |
| c) Joint venture – YCAS                                       | -                                   | 1                                   |
| d) Subsidiary – PAI                                           | 7                                   | -                                   |
| e) Associate – PEIL                                           | 3                                   | 1                                   |
| <b>iv) Purchase of finished goods and services</b>            |                                     |                                     |
| a) Parent company                                             | 320                                 | 604                                 |
| b) Joint venture – CSQM                                       | 4,195                               | 3,718                               |
| c) Associate – PEIL                                           | 1,230                               | 1,600                               |
| <b>v) Commission on sales</b>                                 |                                     |                                     |
| a) Subsidiary – PCL                                           | 28                                  | 29                                  |
| b) Subsidiary – CBL                                           | 309                                 | 169                                 |
| c) Subsidiary – Coromandel Mexico                             | 228                                 | 179                                 |
| d) Subsidiary – SOAL                                          | 224                                 | 162                                 |
| e) Subsidiary – Sabero Argentina                              | -                                   | 20                                  |
| f) Subsidiary – Sabero Australia                              | 64                                  | 17                                  |
| g) Subsidiary – CINL                                          | 22                                  | -                                   |
| h) Associate – Sabero Philippines                             | 22                                  | 10                                  |
| <b>vi) Expenses reimbursed to</b>                             |                                     |                                     |
| a) Parent company                                             | 693                                 | 659                                 |
| b) Subsidiary – LPFL                                          | 5                                   | -                                   |
| c) Subsidiary – PAI                                           | 29                                  | 15                                  |
| <b>vii) Interest received on Inter corporate deposit/Loan</b> |                                     |                                     |
| a) Subsidiary - DIL                                           | 1                                   | 1                                   |
| <b>viii) Loan received</b>                                    |                                     |                                     |
| a) Subsidiary – LPFL                                          | -                                   | 18                                  |
| <b>ix) Investment made in Equity shares of</b>                |                                     |                                     |
| a) Joint Venture – Yanmar                                     | 300                                 | -                                   |
| b) Subsidiary- CMS                                            | 7                                   | -                                   |

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

|                                                               | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>x) Purchase of assets and spares</b>                       |                                     |                                     |
| a) Joint venture – YCAS                                       | 36                                  | 28                                  |
| <b>xi) Dividend paid (including interim dividend payable)</b> |                                     |                                     |
| a) Parent company                                             | 6,200                               | 11,515                              |
| <b>xii) Rent paid</b>                                         |                                     |                                     |
| a) Parent company                                             | 49                                  | 58                                  |
| b) Subsidiary – PCL                                           | 3                                   | 3                                   |
| c) Joint venture – YCAS                                       | 1                                   | 2                                   |
| <b>xiii) Interest paid on loans</b>                           |                                     |                                     |
| a) Subsidiary – LPFL                                          | 15                                  | 17                                  |
| <b>xiv) Loan given</b>                                        |                                     |                                     |
| a) Subsidiary – DIL                                           | -                                   | 1                                   |

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

### (C) Transactions with key management personnel

- a) Dividends paid to directors during the year ended 31 March 2020 ₹6 Lakhs (2019: ₹35 Lakhs).
- b) Compensation of key management personnel of the Company:

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(₹ in Lakhs)

|                              | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|------------------------------|-------------------------------------|-------------------------------------|
| Short-term employee benefits | 496                                 | 484                                 |
| Others*                      | 319                                 | 270                                 |
| <b>Total compensation</b>    | <b>815</b>                          | <b>754</b>                          |

\*excludes Goods and Services Tax

- c) During the year, the Company has not granted any employee stock options to its key managerial personnel.

### (D) Refer Note 34 for transactions with Employee benefit funds.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### (E) Outstanding balances as at the year end

(₹ in Lakhs)

|                                                | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------|------------------------|------------------------|
| <b>a) Trade receivables/Loans and advances</b> |                        |                        |
| - Parent company                               | 254                    | 325                    |
| - Subsidiary – PCL                             | 3                      | 5                      |
| - Subsidiary – DIL                             | 14                     | 13                     |
| - Subsidiary – PAI                             | 745                    | 1,714                  |
| - Subsidiary – CINL                            | 2                      | 2                      |
| - Joint venture – CSQM                         | 140                    | 132                    |
| - Associate – PEIL                             | 37                     | 2                      |
| - Associate – Sabero Philippines               | 6                      | 6                      |
| - Subsidiary – SOAL                            | 135                    | 135                    |
| - Fellow subsidiary – PICPL                    | 22                     | 98                     |
| <b>b) Trade payables/ Other liabilities</b>    |                        |                        |
| - Parent company                               | 645                    | 358                    |
| - Joint venture – CSQM                         | 514                    | 481                    |
| - Fellow subsidiary – PICPL                    | 1,049                  | 1,076                  |
| - Subsidiary – LPFL                            | 248                    | 248                    |
| - Joint venture – YCAS                         | 19                     | 13                     |
| - Associate – PEIL                             | 28                     | 135                    |
| - Subsidiary – Coromandel Mexico               | 24                     | -                      |

- 42 During the previous year, the Company acquired on a slump sale basis with effect from 1 April 2018, the assets and liabilities of Bio Business of E.I.D. Parry (India) Limited and its subsidiary Parry America, Inc. with effect from 19 April 2018. The Company accounted for the business combination in accordance with the requirements of Appendix C of Ind AS 103 'Business Combinations' which lays down the principles in respect of accounting for business combinations of entities or businesses under common control. As required by the Standard, pooling of interests method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts. Considering the requirement of Ind AS 103 - Business Combination, the accounting for the transaction has been given effect retrospectively by the company. Accordingly, the financial statements for the corresponding period 2017-18 have been restated to give effect of the above scheme.

The Bio-Pesticides business is engaged in the manufacture and marketing of Neem based Azadirachtin Technical and Formulations, Plant extract based Bio-stimulants, Micronutrients, Microbials, Fungicides etc. and has brands that are well established in India and Globally.

Parry America, Inc, a 100% subsidiary headquartered in US sources Azadirachtin technical from Bio-Pesticides business in India, formulates and markets the products in North and South America, Australia and Japan.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

Details of the summarized values of assets and liabilities of Bio-Pesticides business and Parry America Inc. as acquired and the treatment of the difference between the net assets acquired and the consideration paid is as under:

(₹ in Lakhs)

|                                                                                | As of 1 April 2017 |
|--------------------------------------------------------------------------------|--------------------|
| Total assets (A)                                                               | 10,790             |
| Total liabilities (B)                                                          | 2,258              |
| <b>Net assets acquired (C) = (A) - (B)</b>                                     | <b>8,532</b>       |
| Less: Distributions made during the period 1 April 2017 till 31 March 2018 (D) | 2,564              |
| Less: Consideration paid (E)                                                   | 33,000             |
| <b>Balance adjusted against General reserve (F) = (C) - (D) - (E)</b>          | <b>(27,032)</b>    |

**43** Disclosure as per Regulation 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015:

Loans and advances in the nature of loans to subsidiaries:

|                                               | Relationship | As at<br>31 March 2020 | Maximum balance<br>outstanding during the year |
|-----------------------------------------------|--------------|------------------------|------------------------------------------------|
| Dare Investments Limited (DIL) (Refer note b) | Subsidiary   | 11                     | 11                                             |
|                                               |              | (11)                   | (11)                                           |

### Notes:

- Figures in bracket relate to previous year
- The loan is repayable on demand and carries interest. Section 186 of the 2013 Act is not applicable as DIL is wholly owned subsidiary of the Company.

### 44 Payments to Auditors

(₹ in Lakhs)

|                           | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------|-------------------------------------|-------------------------------------|
| Audit fees                | 75                                  | 65                                  |
| Tax audit fees            | 15                                  | 15                                  |
| Limited reviews           | 36                                  | 33                                  |
| Certifications            | 70                                  | 70                                  |
| Other services            | 10                                  | -                                   |
| Reimbursement of expenses | 2                                   | 3                                   |
| <b>Total</b>              | <b>208</b>                          | <b>186</b>                          |

Note: Amounts given above excludes Goods and Services Tax/ service tax.

**45** During the year, the Company has made political donation of ₹413 Lakhs (2019: ₹300 Lakhs) to Triumph Electoral Trust.

## Standalone Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

**46** Based on and to the extent of information available with the Company under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

| Sl.No. | Particulars                                                                                           | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------|-------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (i)    | Principal amount due to suppliers under MSMED Act, as at the end of the year                          | 943                    | 1,261                  |
| (ii)   | Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year   | -                      | -                      |
| (iii)  | Payment made to suppliers (other than interest) beyond the appointed day, during the year             | -                      | -                      |
| (iv)   | Interest paid to suppliers under MSMED Act (other than Section 16)                                    | -                      | -                      |
| (v)    | Interest paid to suppliers under MSMED Act (Section 16)                                               | -                      | -                      |
| (vi)   | Interest due and payable to suppliers under MSMED Act, for payments already made                      | -                      | -                      |
| (vii)  | Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi) | -                      | -                      |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### 47 Exceptional item

- During the previous year ended 31 March 2019, the Company settled a customer claim for damages arising under an international supply agreement in respect of one of its Crop Protection products, and costs related thereto, including incidental legal costs estimated at ₹ 1,990 Lakhs has been disclosed as an Exceptional item. The Company is pursuing with its insurers for reimbursement of this claim.
- On 28 January 2019 a fire accident occurred at the product godown in one of the Company's manufacturing unit at Sarigam, Gujarat. The damage caused to the inventories and other assets on account of this fire accident together with costs related thereto, net of insurance claims receivable, estimated at ₹ 395 Lakhs was disclosed as an Exceptional item. The Company is pursuing with its insurers for reimbursement of this claim.

**48** As the world faces one of its biggest challenge caused by the COVID-19 related disruptions, the agriculture sector remains relatively insular from demand point of view though it had to face some issues related to non-availability of labour and supply chain disruptions. The country wide lock-down enforced from 25 March 2020 had temporarily impacted the Company's operations. Due to the pro-active steps taken by the Government in supporting the farming community, production, distribution and sales of fertilizers and crop protection chemicals largely remain un-affected. Presently, major manufacturing units and retail stores of the Company have resumed operations and are adhering to strict safety measures and Government guidelines. Though the COVID 19 related uncertainties persist, with good reservoir levels and normal monsoon predictions, impact of the pandemic on Indian agriculture is expected to be minimal.

The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and has concluded that there is no impact of COVID-19 on the recoverability of carrying values of assets. The sudden changes brought about by COVID-19 has also not resulted in any significant modifications to the internal financial controls over financial reporting and thereby there is no impact on the financial statements of the Company for the financial year ended 31 March 2020.

**49** During the current quarter ended 31 March 2020, pursuant to the requirements of SEBI circular no SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company has listed commercial papers on a recognised stock exchange.

### 50 Approval of financial statements

The financial statements were approved by the Board of Directors on 26 May 2020.

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

**Sameer Goel**  
Managing Director

**M M Murugappan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**P Varadarajan**  
Company Secretary

Place: Secunderabad / Chennai  
Date: 26 May 2020

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# Consolidated Financial Statements

INDEPENDENT AUDITOR’S REPORT

To The Members of Coromandel International Limited  
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Coromandel International Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its associate and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries, associate and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their

consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr.No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | <p><b>Revenue Recognition – Sale of goods</b></p> <p><i>Refer to note 2.6 'Revenue recognition', note 2.28.1 'Critical judgements in applying accounting policies' and note 2.28.2 'Key sources of estimation uncertainty' to the consolidated financial statements.</i></p> <p><i>Revenue from sale of goods is recognised when the control of goods is transferred to the customers. In accordance with the accounting policy, control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the applicable terms. The Management has exercised judgement in applying the revenue accounting policy while recognising revenue.</i></p> | <p>We have performed the following principal audit procedures in relation to revenue recognised by the Parent:</p> <ul style="list-style-type: none"><li>Understood the revenue recognition process, evaluated the design and implementation, and operating effectiveness of internal controls relating to revenue recognised.</li><li>Selected samples and tested the operating effectiveness of internal controls, relating to transfer of control. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.</li><li>Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.</li><li>In respect of the selected sample of transactions:<ul style="list-style-type: none"><li>Tested whether the revenue is recognised upon transfer of control to customer.</li><li>We have evaluated the delivery and shipping terms of the contracts for revenue recognised during the period.</li><li>We have also tested the location stock reports from Company warehouses, where applicable, for confirmation on sales quantity made during the year.</li></ul></li></ul> |

| Sr.No. | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"><li>Tested that the revenue recorded is after considering the applicable rebates and discounts.</li><li>We have tested on a sample basis (including for sales near to the period end) the acknowledgments of customers. In respect of sales of fertiliser products we have also agreed the quantities sold as per the Company books with the customer acknowledgements as per the iFMS portal of the Department of Fertilisers.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2      | <p><b>Subsidy income / Government subsidies and related receivables</b></p> <p><i>Refer to note 2.6 'Revenue recognition' and note 2.28.2 'Key sources of estimation uncertainty' to the consolidated financial statements.</i></p> <p>Subsidy income pertaining to the Nutrient and other allied business is recognised on the basis of the rates notified from time to time by the Department of Fertilisers, Government of India ('GOI') in accordance with the Nutrient Based Subsidy ('NBS') policy on the quantity of fertilisers sold by the Parent ('the Company') for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including Direct Benefit Transfer ('DBT') System which was introduced by Government of India.</p> <p>For the year ended March 31, 2020, subsidy income of ₹ 3,25,119 lakhs is recognised. Recognition and realisability of subsidy income is dependent on GOI Policy and its various initiatives/schemes.</p> | <p>The following principal audit procedures have been performed by us in relation to subsidy income recognition.</p> <ul style="list-style-type: none"><li>We have read the relevant circulars and notifications issued by GOI from time to time with regard to the subsidy policies.</li><li>We have had robust interactions with the relevant personnel in the Company with regard to the updates of GOI Policy and their interpretations of the relevant circulars and notifications.</li><li>Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing subsidy income.</li><li>We have tested the NBS rates considered by the Company for the product subsidy with the applicable circulars and notifications.</li><li>We have correlated the sales quantity considered for subsidy income with the actual sales made by the Company.</li><li>We have also agreed the quantities sold as per the Company books with the customer acknowledgements as per the iFMS portal of the Department of Fertilisers and tested the DBT claims made by the Company.</li><li>We have enquired from the Management and discussed with Those Charged With Governance, the appropriateness of the subsidy rates applied to recognise subsidy income.</li></ul> <p><b>Valuation of subsidy receivables:</b></p> <p>Following are the principal audit procedures performed by us for testing valuation of subsidy receivables:</p> <ul style="list-style-type: none"><li>We have analysed and discussed the status of outstanding subsidy receivables and its realisability with the Management.</li><li>We have tested the sanction notes received from the GOI for receipts.</li><li>We have tested the credits in the bank statements for the receipts.</li><li>We have tested whether the deductions made by the GOI have been adjusted in the books of accounts.</li></ul> |
| 3      | <p><b>Implementation of new IT system used for accounting/financial reporting</b></p> <p>The Parent ('the Company') implemented a new IT system which is an enterprise resource planning application used for accounting/ financial reporting with effect from November 1, 2019 ("Go-Live date").</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>We have performed the following principal audit procedures involving our IT Specialists in relation to the new IT system implementation:</p> <ul style="list-style-type: none"><li>We understood the Management's implementation plan of the new IT system and the changes from legacy versus the new IT system insofar as accounting/ financial reporting is concerned.</li><li>Tested the completeness and accuracy of migration of relevant financial and accounting data/information/balances from legacy IT system to the new IT system.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Sr.No. | Key Audit Matter                                                                                                                                                               | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | Matters which required significant audit attention in relation to the above implementation included:                                                                           | <ul style="list-style-type: none"><li>We tested the IT general controls of the new IT system relevant to financial reporting, including relevant interfaces.</li><li>We tested the design and implementation, and operating effectiveness of the relevant business cycle automated controls of the new IT system.</li><li>We tested the completeness and accuracy of information used for controls and also the information produced by the new IT system.</li></ul> |
| (i)    | Complete and accurate migration of relevant financial and accounting data/information/balances from legacy IT system to the new IT system.                                     | The above procedures were in addition to the relevant planned procedures for the legacy IT system used by the Company upto the Go-Live date.                                                                                                                                                                                                                                                                                                                         |
| (ii)   | Assessment and evaluation of relevant application systems, programs, processes, interfaces, reports and controls insofar as they relate to accounting and financial reporting. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (iii)  | IT general controls relevant for financial reporting.                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associate, is traced from their financial statements audited by other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements

that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also

responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause

the Group and its associate and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

- (a) We did not audit the financial statements / financial information of seven subsidiaries, whose financial statements / financial information reflect total assets of ₹ 6,253 lakhs as at March 31, 2020, total revenues of ₹ 6,596 lakhs and net cash outflows amounting to ₹ 352 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 13 lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

Five of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

- (b) We did not audit the financial statements / financial information of six subsidiaries, whose financial statements / financial information reflect total assets of ₹ 593 lakhs as at March 31, 2020, total revenues of ₹ 307 lakhs and net cash inflows amounting to ₹ 50 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 62 lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of an associate and one joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us

by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and an associate is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries, associate and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a

director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint ventures;
- ii) The Group, its associate and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

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

Sumit Trivedi  
Partner  
(Membership No.209354)  
UDIN:20209354AAAAFJ5727

Secunderabad, May 26, 2020

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **Coromandel International Limited** (hereinafter referred to as “the Parent”) and its subsidiary companies and joint venture, which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal

financial controls over financial reporting insofar as it relates to two subsidiary companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

The Parent has consolidated financial information of one subsidiary and a joint venture which are companies incorporated in India on the basis of unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, such subsidiary and joint venture are not material to the Group.

Our opinion is not modified in respect of the above matters.

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

Sumit Trivedi  
Partner  
(Membership No.209354)  
UDIN:20209354AAAFJ5727

Secunderabad, May 26, 2020

Consolidated Balance Sheet

as at 31 March 2020

| (₹ in lakhs, unless otherwise stated)                                                  |      |                        |                        |
|----------------------------------------------------------------------------------------|------|------------------------|------------------------|
|                                                                                        | Note | As at<br>31 March 2020 | As at<br>31 March 2019 |
| <b>I ASSETS</b>                                                                        |      |                        |                        |
| <b>1 Non-current assets</b>                                                            |      |                        |                        |
| (a) Property, plant and equipment                                                      | 3    | 1,61,377               | 1,30,119               |
| (b) Capital work-in-progress                                                           | 3    | 4,921                  | 17,560                 |
| (c) Right-of-use assets                                                                | 4    | 41,201                 | -                      |
| (d) Goodwill                                                                           |      | 32                     | 32                     |
| (e) Other intangible assets                                                            | 5    | 618                    | 797                    |
| (f) Intangible assets under development                                                | 5    | 1,622                  | 1,524                  |
| (g) Financial assets                                                                   |      |                        |                        |
| i) Investments                                                                         |      |                        |                        |
| a) Investments in joint ventures and associate                                         | 6    | 2,079                  | 1,706                  |
| b) Other investments                                                                   | 6    | 19,054                 | 18,362                 |
| ii) Other financial assets                                                             | 7    | 5                      | -                      |
| (h) Income tax assets (net)                                                            |      | 43                     | 45                     |
| (i) Other non-current assets                                                           | 8    | 4,546                  | 11,957                 |
|                                                                                        |      | <b>2,35,498</b>        | <b>1,82,102</b>        |
| <b>2 Current assets</b>                                                                |      |                        |                        |
| (a) Inventories                                                                        | 9    | 2,69,713               | 3,24,139               |
| (b) Financial assets                                                                   |      |                        |                        |
| i) Investments                                                                         | 10   | *                      | 14                     |
| ii) Trade receivables                                                                  | 11   | 1,73,411               | 1,82,442               |
| iii) Government subsidies receivable                                                   |      | 2,31,622               | 2,39,348               |
| iv) Cash and cash equivalents                                                          | 12   | 5,054                  | 13,213                 |
| v) Bank balances other than cash and cash equivalents                                  | 13   | 2,776                  | 2,719                  |
| vi) Loans                                                                              | 14   | 42,857                 | 42,805                 |
| vii) Other financial assets                                                            | 7    | 10,089                 | 4,309                  |
| (c) Other current assets                                                               | 15   | 43,857                 | 66,301                 |
|                                                                                        |      | <b>7,79,379</b>        | <b>8,75,290</b>        |
| <b>Total assets</b>                                                                    |      | <b>10,14,877</b>       | <b>10,57,392</b>       |
| <b>II EQUITY AND LIABILITIES</b>                                                       |      |                        |                        |
| <b>1 Equity</b>                                                                        |      |                        |                        |
| (a) Equity share capital                                                               | 16   | 2,930                  | 2,925                  |
| (b) Other equity                                                                       | 17   | 4,28,840               | 3,32,914               |
| <b>Equity attributable to owners of the Company</b>                                    |      | <b>4,31,770</b>        | <b>3,35,839</b>        |
| <b>2 Non-current liabilities</b>                                                       |      |                        |                        |
| (a) Financial liabilities                                                              |      |                        |                        |
| i) Lease liabilities                                                                   | 4    | 37,542                 | -                      |
| ii) Other financial liabilities                                                        | 19   | 146                    | 168                    |
| (b) Provisions                                                                         | 20   | 2,108                  | 1,397                  |
| (c) Deferred tax liabilities (net)                                                     | 21.1 | 5,783                  | 11,229                 |
| (d) Other non-current liabilities                                                      | 22   | 877                    | 908                    |
|                                                                                        |      | <b>46,456</b>          | <b>13,702</b>          |
| <b>3 Current liabilities</b>                                                           |      |                        |                        |
| (a) Financial liabilities                                                              |      |                        |                        |
| i) Borrowings                                                                          | 18   | 1,62,512               | 2,95,447               |
| ii) Lease liabilities                                                                  | 4    | 1,855                  | -                      |
| iii) Trade payables                                                                    | 23   |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises                      |      | 943                    | 1,261                  |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |      | 3,33,868               | 3,74,986               |
| iv) Other financial liabilities                                                        | 19   | 23,783                 | 23,671                 |
| (b) Provisions                                                                         | 20   | 1,460                  | 1,810                  |
| (c) Current tax liabilities (net)                                                      | 21.4 | 4,305                  | 3,834                  |
| (d) Other current liabilities                                                          | 22   | 7,925                  | 6,842                  |
|                                                                                        |      | <b>5,36,651</b>        | <b>7,07,851</b>        |
| <b>Total liabilities</b>                                                               |      | <b>5,83,107</b>        | <b>7,21,553</b>        |
| <b>Total equity and liabilities</b>                                                    |      | <b>10,14,877</b>       | <b>10,57,392</b>       |
| *less than a lakh                                                                      |      |                        |                        |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants  
Firm Registration Number: 008072S

Sumit Trivedi

Partner  
Membership Number: 209354

Place: Secunderabad / Chennai  
Date: 26 May 2020

For and on behalf of the Board of Directors

Sameer Goel  
Managing Director

M M Murugappan  
Chairman

Jayashree Satagopan  
Chief Financial Officer

P Varadarajan  
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

| (₹ in lakhs, unless otherwise stated)                                                                  |       |                                     |                                     |
|--------------------------------------------------------------------------------------------------------|-------|-------------------------------------|-------------------------------------|
|                                                                                                        | Note  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
| <b>I Income</b>                                                                                        |       |                                     |                                     |
| Revenue from operations                                                                                | 24    | 13,13,669                           | 13,22,456                           |
| Other income                                                                                           | 25    | 4,004                               | 3,708                               |
| <b>Total income</b>                                                                                    |       | <b>13,17,673</b>                    | <b>13,26,164</b>                    |
| <b>II Expenses</b>                                                                                     |       |                                     |                                     |
| Cost of materials consumed                                                                             |       | 7,50,157                            | 7,96,530                            |
| Purchases of stock-in-trade                                                                            |       | 1,35,034                            | 2,15,943                            |
| Changes in inventories of finished goods, work-in-process and stock-in-trade                           | 26    | 20,370                              | (78,515)                            |
| Employee benefits expense                                                                              | 27    | 46,108                              | 41,107                              |
| Finance costs                                                                                          | 28    | 23,528                              | 25,070                              |
| Depreciation and amortisation expense                                                                  | 29    | 15,801                              | 11,384                              |
| Other expenses                                                                                         | 30    | 188,902                             | 203,086                             |
| <b>Total expenses</b>                                                                                  |       | <b>11,79,900</b>                    | <b>12,14,605</b>                    |
| <b>III Profit before Exceptional items and tax (I-II)</b>                                              |       | <b>1,37,773</b>                     | <b>1,11,559</b>                     |
| <b>IV Exceptional item (net)</b>                                                                       | 48    | -                                   | (2,385)                             |
| <b>V Share of profit/(loss) of joint ventures and associate</b>                                        | 43    | 78                                  | 84                                  |
| <b>VI Profit before tax (III+IV+V)</b>                                                                 |       | <b>1,37,851</b>                     | <b>1,09,258</b>                     |
| <b>VII Tax expense:</b>                                                                                |       |                                     |                                     |
| (1) Current tax                                                                                        |       | 36,855                              | 38,737                              |
| (2) Deferred tax                                                                                       |       | (5,508)                             | (1,527)                             |
|                                                                                                        |       | <b>31,347</b>                       | <b>37,210</b>                       |
| <b>VIII Profit for the year (VI-VII)</b>                                                               |       | <b>1,06,504</b>                     | <b>72,048</b>                       |
| <b>IX Other Comprehensive Income</b>                                                                   |       |                                     |                                     |
| A (i) Items that will not be reclassified to profit or loss                                            |       |                                     |                                     |
| (a) Remeasurement of defined benefit plan                                                              | 34(a) | 86                                  | (53)                                |
| (b) Share of other comprehensive income as reported by Joint ventures and associate                    |       | (1)                                 | 2                                   |
| (c) Net fair value (loss)/gain on investments in equity shares at FVTOCI                               |       | 851                                 | (4,240)                             |
| (ii) Income tax relating to items that will not be reclassified to profit or loss                      | 21.3  | (362)                               | (228)                               |
| B (i) Items that will be reclassified to profit or loss                                                |       |                                     |                                     |
| (a) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge |       | (1,197)                             | (28)                                |
| (b) Exchange differences on translating foreign operations                                             |       | 210                                 | 463                                 |
| (ii) Income tax relating to items that will be reclassified to profit or loss                          | 21.3  | 299                                 | 10                                  |
| <b>Total other comprehensive income (A+B)</b>                                                          |       | <b>(114)</b>                        | <b>(4,074)</b>                      |
| <b>X Total Comprehensive Income for the year (VIII+IX)</b>                                             |       | <b>1,06,390</b>                     | <b>67,974</b>                       |
| <b>XI Earnings per equity share of (Face value of ₹1 each):</b>                                        |       |                                     |                                     |
| 35                                                                                                     |       |                                     |                                     |
| Basic ₹                                                                                                |       | 36.40                               | 24.64                               |
| Diluted ₹                                                                                              |       | 36.31                               | 24.60                               |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants  
Firm Registration Number: 008072S

Sumit Trivedi

Partner  
Membership Number: 209354

Place: Secunderabad / Chennai  
Date: 26 May 2020

For and on behalf of the Board of Directors

Sameer Goel  
Managing Director

M M Murugappan  
Chairman

Jayashree Satagopan  
Chief Financial Officer

P Varadarajan  
Company Secretary

## Consolidated Cash flow statement for the year ended 31 March 2020

|                                                                                                     | (₹ in lakhs, unless otherwise stated) |                                     |
|-----------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------|
|                                                                                                     | For the year ended<br>31 March 2020   | For the year ended<br>31 March 2019 |
| <b>Cash flow from operating activities</b>                                                          |                                       |                                     |
| <b>Profit before tax</b>                                                                            | <b>1,37,851</b>                       | <b>1,09,258</b>                     |
| Adjustments for:                                                                                    |                                       |                                     |
| Depreciation and amortisation expense                                                               | 15,801                                | 11,384                              |
| (Profit)/ loss on sale/ scrap of property, plant and equipments (net)                               | 471                                   | 615                                 |
| (Profit)/loss on sale of investment                                                                 | (34)                                  | 8                                   |
| Exchange differences (net)                                                                          | 15,597                                | (7,881)                             |
| Share of (profit)/loss of joint ventures accounted using equity method                              | (78)                                  | (84)                                |
| Loss/ (gain) on measuring investments at FVTPL (net)                                                | 104                                   | 24                                  |
| Provision for doubtful trade receivables and other liabilities no longer required, written back     | (45)                                  | (880)                               |
| Provision for doubtful trade and other receivables, loans and advances (net)                        | 845                                   | 622                                 |
| Trade and other receivables written off                                                             | -                                     | 28                                  |
| Provision for employee benefits                                                                     | 664                                   | 536                                 |
| Share-based payments                                                                                | 518                                   | 700                                 |
| Finance costs                                                                                       | 23,528                                | 25,070                              |
| Interest income                                                                                     | (3,771)                               | (3,696)                             |
| Dividend income                                                                                     | (32)                                  | (7)                                 |
| Others                                                                                              | (31)                                  | 40                                  |
| <b>Operating profit before working capital changes</b>                                              | <b>1,91,388</b>                       | <b>1,35,737</b>                     |
| <i>Changes in working capital:</i>                                                                  |                                       |                                     |
| Trade payables                                                                                      | (62,923)                              | 51,328                              |
| Other liabilities                                                                                   | 7,219                                 | (42)                                |
| Trade receivables                                                                                   | 8,265                                 | (25,322)                            |
| Government subsidies receivable                                                                     | 7,726                                 | 23,338                              |
| Inventories                                                                                         | 54,426                                | (97,890)                            |
| Other assets                                                                                        | 16,478                                | 2,583                               |
| <b>Cash generated from operations</b>                                                               | <b>2,22,579</b>                       | <b>89,732</b>                       |
| Direct taxes paid (net of refunds)                                                                  | (36,382)                              | (37,092)                            |
| <b>Net cash flow from operating activities</b>                                                      | <b>(A) 1,86,197</b>                   | <b>52,640</b>                       |
| <b>Cash flows from investing activities</b>                                                         |                                       |                                     |
| Purchase of property, plant and equipments, including capital work-in-progress and capital advances | (25,609)                              | (27,305)                            |
| Proceeds from sale of property, plant and equipments                                                | 24                                    | 202                                 |
| Payment towards acquisition of Business (Refer Note 42)                                             | -                                     | (33,000)                            |
| Investment in Joint venture                                                                         | (300)                                 | -                                   |
| Purchase of non-current investments                                                                 | (16)                                  | (1,790)                             |
| Proceeds from sale of non-current investments                                                       | 118                                   | 14                                  |
| Inter-corporate deposits/ loans given                                                               | (42,857)                              | (42,028)                            |
| Inter-corporate deposits matured/ loans received                                                    | 42,805                                | 40,000                              |
| Purchase of current investments                                                                     | (27,000)                              | (7,515)                             |
| Proceeds from sale of current investments                                                           | 27,000                                | 7,515                               |
| Interest received                                                                                   | 3,610                                 | 4,194                               |
| Dividend received from current and non-current investments                                          | 32                                    | 7                                   |
| <b>Net cash from/ (used in) investing activities</b>                                                | <b>(B) (22,193)</b>                   | <b>(59,706)</b>                     |

## Consolidated Cash flow statement for the year ended 31 March 2020

|                                                                            | (₹ in lakhs, unless otherwise stated) |                                     |
|----------------------------------------------------------------------------|---------------------------------------|-------------------------------------|
|                                                                            | For the year ended<br>31 March 2020   | For the year ended<br>31 March 2019 |
| <b>Cash flow from financing activities</b>                                 |                                       |                                     |
| Proceeds from issue of equity shares on exercise of employee stock options | 1,366                                 | 452                                 |
| Increase/ (decrease) in short-term borrowings                              | (1,35,740)                            | 23,157                              |
| Dividend paid including tax thereon                                        | (12,343)                              | (22,915)                            |
| Interest and other borrowing costs paid                                    | (23,985)                              | (25,105)                            |
| Repayment of Lease liability                                               | (C) (1,608)                           | -                                   |
| <b>Net cash from/ (used in) financing activities</b>                       | <b>(1,72,310)</b>                     | <b>(24,411)</b>                     |
| <b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>    | <b>(8,306)</b>                        | <b>(31,477)</b>                     |
| Cash and cash equivalents at the beginning of the year                     | 13,213                                | 44,652                              |
| Exchange (loss)/ gain on cash and cash equivalents                         | 147                                   | 38                                  |
| Cash and cash equivalents at the end of the year (as per Note 12)          | <b>5,054</b>                          | <b>13,213</b>                       |

### Note:

1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements. Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.

|                                                      |                 |                 |
|------------------------------------------------------|-----------------|-----------------|
| 2. Reconciliation of Short-term borrowings:          |                 |                 |
| Opening balance                                      | 2,95,447        | <b>2,72,844</b> |
| Proceeds/(repayments) of short-term borrowings (net) | (1,35,740)      | <b>23,157</b>   |
| Foreign exchange adjustment                          | 2,805           | <b>(554)</b>    |
| <b>Closing balance</b>                               | <b>1,62,512</b> | <b>2,95,447</b> |

|                                         |               |   |
|-----------------------------------------|---------------|---|
| 3. Reconciliation of lease liabilities: |               |   |
| Opening balance                         | -             | - |
| Impact of Ind AS 116*                   | 41,005        | - |
| Repayment                               | (1,608)       | - |
| <b>Closing balance</b>                  | <b>39,397</b> | - |

\*Includes lease liabilities recognised during the year amounting to ₹2,734 lakhs.

### See accompanying notes forming part of the consolidated financial statements

### In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Registration Number: 008072S

### Sumit Trivedi

Partner  
Membership Number: 209354  
Place: Secunderabad / Chennai  
Date: 26 May 2020

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

**Sameer Goel**  
Managing Director

**M M Murugappan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**P Varadarajan**  
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(₹ in lakhs, unless otherwise stated)

a). Equity share capital

|                                                                   | Number of shares | Amount |
|-------------------------------------------------------------------|------------------|--------|
| Balance as at 1 April 2018                                        | 29,23,83,409     | 2,924  |
| Add: Equity shares allotted pursuant to exercise of stock options | 1,43,920         | 1      |
| Balance as at 31 March 2019                                       | 29,25,27,329     | 2,925  |
| Add: Equity shares allotted pursuant to exercise of stock options | 4,26,420         | 5      |
| Balance as at 31 March 2020                                       | 29,29,53,749     | 2,930  |

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(₹ in lakhs, unless otherwise stated)

|                                                                              | Reserves and Surplus (refer Note 17) |                            |                    |                 |                 | Items of other comprehensive income(refer Note 17) |                   |                                      |                                                       |
|------------------------------------------------------------------------------|--------------------------------------|----------------------------|--------------------|-----------------|-----------------|----------------------------------------------------|-------------------|--------------------------------------|-------------------------------------------------------|
|                                                                              | Capital reserve                      | Capital redemption reserve | Securities premium | Central subsidy | General reserve | Share options outstanding account                  | Retained earnings | Foreign currency translation reserve | Equity instruments through other comprehensive income |
| Balance at 1 April 2018                                                      | 352                                  | 986                        | 12,608             | 11              | 2,03,328        | 908                                                | 81,810            | 5,054                                | (18,354)                                              |
| Profit for the year                                                          | -                                    | -                          | -                  | -               | -               | -                                                  | 72,048            | -                                    | -                                                     |
| Other comprehensive income for the year, net of income tax                   | -                                    | -                          | -                  | -               | -               | -                                                  | (31)              | 463                                  | (18)                                                  |
| Total comprehensive income for the year                                      |                                      |                            |                    |                 |                 |                                                    | 72,017            | 463                                  | (18)                                                  |
| Recognition of share-based payments                                          | -                                    | -                          | -                  | -               | -               | 700                                                | -                 | -                                    | -                                                     |
| Amount received on exercise of employee stock options                        | -                                    | -                          | 451                | -               | -               | -                                                  | -                 | -                                    | -                                                     |
| Dividend on equity shares including dividend distribution tax                | -                                    | -                          | -                  | -               | -               | -                                                  | (22,915)          | -                                    | -                                                     |
| Amounts transferred within the reserves                                      | -                                    | -                          | 142                | -               | 30,000          | (142)                                              | (30,000)          | -                                    | -                                                     |
| Balance at 31 March 2019                                                     | 352                                  | 986                        | 13,201             | 11              | 2,33,328        | 1,466                                              | 1,00,912          | 5,517                                | (22,841)                                              |
| Balance at 1 April 2019                                                      | 352                                  | 986                        | 13,201             | 11              | 2,33,328        | 1,466                                              | 1,00,912          | 5,517                                | (18)                                                  |
| Profit for the year                                                          | -                                    | -                          | -                  | -               | -               | -                                                  | 1,06,504          | -                                    | -                                                     |
| Other comprehensive income for the year, net of income tax                   | -                                    | -                          | -                  | -               | -               | -                                                  | (25)              | 210                                  | (998)                                                 |
| Total comprehensive income for the year                                      |                                      |                            |                    |                 |                 |                                                    | 1,06,479          | 210                                  | (998)                                                 |
| Recognition of share-based payments                                          | -                                    | -                          | -                  | -               | -               | 518                                                | -                 | -                                    | -                                                     |
| Dividend on equity shares including dividend distribution tax                | -                                    | -                          | -                  | -               | -               | -                                                  | (12,343)          | -                                    | -                                                     |
| Amount received on exercise of employee stock options                        | -                                    | -                          | 1,361              | -               | -               | -                                                  | -                 | -                                    | -                                                     |
| Amounts transferred within the reserves                                      | -                                    | -                          | 479                | -               | 30,264          | (743)                                              | (30,000)          | -                                    | -                                                     |
| Balance at 31 March 2020                                                     | 352                                  | 986                        | 15,041             | 11              | 263,592         | 1,241                                              | 1,65,048          | 5,727                                | (22,242)                                              |
| See accompanying notes forming part of the consolidated financial statements |                                      |                            |                    |                 |                 |                                                    |                   |                                      |                                                       |

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants  
Firm Registration Number: 008072S

Sumit Trivedi  
Partner  
Membership Number: 209354  
Place: Secunderabad / Chennai  
Date: 26 May 2020

For and on behalf of the Board of Directors

Sameer Goel  
Managing Director

M M Murugappan  
Chairman

P Varadarajan  
Company Secretary

Jayashree Satagopan  
Chief Financial Officer

## Consolidated Notes

### Notes forming part of the consolidated financial statements

#### 1 General information

Coromandel International Limited ("the Company") is a limited company incorporated in India, equity shares of which are listed on the Bombay Stock Exchange and the National Stock Exchange in India. Its parent Company is E.I.D.-Parry (India) Limited.

The address of its registered office and principal place of business are disclosed in the annual report. The Company is engaged in the business of farm inputs comprising fertiliser, crop protection, specialty nutrients and organic compost.

Our Executive Leadership Team comprises the following officers at the date of release of these financial statements:

- Sameer Goel – Managing Director
- S Sankarasubramanian- President & Head (Fertilisers)
- Amit Rastogi – Executive Vice President – Technology
- Amir Alvi – Executive Vice President & Head Manufacturing (Fertilisers)
- Arun Leslie George – Executive Vice President & Head (Retail)
- B Prasannatha Rao – Executive Vice President & Head – HR
- Jayashree Satagopan- Executive Vice President & Chief Financial Officer
- Kalidas Pramanik – Executive Vice President - Marketing (Fertilisers & Organic)
- Narayanan Vellayan – Senior Associate Vice President – Speciality Nutrients
- P Varadarajan – Senior Vice President – Legal and Company Secretary
- S Govindarajan – Executive Vice President & Head – Commercial
- Srikanthan S – Executive Vice President & Head – Crop Protection
- T S Venkateswaran –Vice President – Internal Audit & Risk Management

The executive leadership team reviews the results of our operations and our financial position on consolidated, operating segment and business unit levels. Our operating segments are defined by the organisation and reporting structure through which we operate our business. We categorise our operating segments into Nutrient and other allied business, and Crop Protection.

#### 2 Significant accounting policies

##### 2.1 Statement of compliance

The Consolidated financial statements which comprise the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, and the Consolidated Statement of Changes in Equity ("consolidated financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable. Except for the changes below, the Group has consistently applied accounting policies to all periods.

- i) The Group has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019.

Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach. As a result, the comparative information has not been restated. Refer Note 38 for further details.

- ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax

## Consolidated Notes

### Notes forming part of the consolidated financial statements

credits and tax rates determined by applying this appendix. The amendment is effective from 1 April 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

- iii) Amendment to Ind AS 19 'Employee Benefits': On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from 1 April 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.
- iv) Amendment to Ind AS 12 'Income Taxes': On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from 1 April 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

##### 2.2 Basis of preparation and presentation

The consolidated financial statements include accounts of Coromandel International Limited ("the Company") and its subsidiaries Liberty Pesticides and Fertilisers Limited, Sabero Organics America

S.A., Sabero Australia Pty Ltd, Sabero Europe B.V., Sabero Argentina S.A., Coromandel Agronegocios de Mexico S.A de C.V (formerly Sabero Organics Mexico S.A de C.V), Parry Chemicals Limited, Dare Investments Limited, CFL Mauritius Limited, Coromandel Brasil Limitada, (a Limited Liability Partnership), Parry America Inc, Coromandel International (Nigeria) Coromandel Mali SASU; all together referred to as 'the Group', its joint venture companies Yanmar Coromandel Agrisolutions Private Limited and Coromandel SQM (India) Private Limited, and Associate Company Sabero Organics Philippines Asia Inc.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, and on accrual basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

## Consolidated Notes (Contd.)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Based on the nature of activities of the Group and the average time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The principal accounting policies are set out below.

### 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and

ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### 2.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted

## Consolidated Notes (Contd.)

by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 2.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 2.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

### 2.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

## Consolidated Notes (Contd.)

- a) Sale of goods is recognised net of returns and trade discounts, when the control over the goods is transferred to the customers. The performance obligation in case of sale of goods is satisfied at a point in time i.e. when the goods are shipped to the customers or on delivery to the customer, as per applicable terms.
- b) The Company recognizes subsidy income as per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' on the basis of the rates notified from time to time by the Government of India in accordance with the Nutrient Based Subsidy (NBS) policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy.
- c) Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered by measuring progress towards satisfaction of performance obligation for such services.
- d) Export benefits and other excise benefits are accounted for on accrual basis.

### 2.7 Other income

- a) Dividend income from investments is recognised in the year in which the right to receive the payment is established.
- b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.8 Leasing

The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

This policy has been applied to contracts existing and entered into on or after 1 April 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

### 2.9 Insurance claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 2.10 Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Group.

## Consolidated Notes (Contd.)

### 2.11 Foreign currencies

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

For the purposes of presenting the consolidated financial statements assets and liabilities of Group's foreign operations with functional currency different from the Company are translated into Company's functional currency i.e. INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising, if any are recognised in other comprehensive income and accumulated in equity.

On the disposal of foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the statement of profit and loss.

### 2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.13 Employee benefits

#### 2.13.1 Defined contribution plans

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the profit or loss each year when employees have rendered service entitling them to the contributions.

The Company makes contributions to two Provident Fund Trusts for certain employees, at a specified percentage of the employees' salary. The Company has an obligation to make good the shortfall, if any, between the return from the investments of trust and the notified interest rates. Liability on account of such shortfall, if any, is provided for based on the actuarial valuation carried out as at the end of the year.

#### 2.13.2 Defined benefit plans

The Company's Gratuity scheme for its employees is a defined benefit retirement plan. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the profit or loss. The liability as at the Balance Sheet date is provided for using the projected unit credit method, with actuarial valuations being carried out as at the end of the year.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

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Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

2.13.3 [Short-term employee benefits](#)

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

2.13.4 [Other long-term employee benefits](#)

Other Long term employee benefit comprise of leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.14 **Share-based payment arrangements**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.15 **Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable

to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.16 **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

- [Current tax](#)

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

- [Deferred tax](#)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- [Current and deferred tax for the year](#)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive

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income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.17 **Property, plant and equipment**

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

| Asset                                    | Useful lives (in years) |
|------------------------------------------|-------------------------|
| Plant and equipment                      | 5 – 25                  |
| Vehicles                                 | 5 – 7                   |
| Office equipment, furniture and fixtures | 3 – 5                   |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets individually costing ₹ 5,000 and below are depreciated over a period of one year. Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.18 **Biological assets**

The Company recognises neem plantation as Biological assets and are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure on biological assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost incurred for new plantations are capitalised and depreciated over their estimated useful life which has been ascribed to be 20 years.

2.19 **Intangible assets**

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible assets are amortised on the straight-line method. Technical know-how is amortised over their estimated useful lives ranging from 5-10 years and product registration is amortised over the period of the registration subject to a maximum of 10 years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

2.20 **Impairment of tangible and intangible assets**

The Group assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Group estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognised. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognised impairment loss no longer exists or may have decreased such reversal of impairment loss is recognised in the profit or loss.

2.21 **Inventories**

Stores and spares, packing materials are valued at or below cost. Raw materials and other inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated selling

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price (including subsidy income, where applicable) of inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determination of cost of various categories of inventories is as follows:

1. Stores and spares and packing materials – Weighted average cost.
2. Raw material – First-in-First-out basis. Cost includes purchase cost and other attributable expenses.
3. Finished goods and Work-in-process – Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
4. Stock-in-trade – Weighted average cost.

### 2.22 Exceptional item

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional item'.

### 2.23 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Group or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.24 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue

of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 2.25 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### 2.25.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

#### 2.25.2 Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

#### 2.25.3 Investments in subsidiaries, joint ventures and associates

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

#### 2.25.4 Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading.

These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

#### 2.25.5 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such

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designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 2.25.6 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition,

the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the

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loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### 2.25.7 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 2.25.8 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

## 2.26 Financial liabilities and equity instruments

### 2.26.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 2.26.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### 2.26.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

#### Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or

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discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

#### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

#### Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of

an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

#### **2.27 Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, option contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in other comprehensive income net of applicable deferred income taxes. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income. The cumulative gain or loss previously recognized in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in the other comprehensive income is transferred to statement of income.

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2.28 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.28.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that

the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Revenue recognition

In making their judgment, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and, in particular, whether the Group had transferred control over the goods to the buyer.

2.28.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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| Items requiring significant estimate              | Assumption and estimation uncertainty                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Useful lives of property, plant and equipment     | The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Fair value measurements and valuation processes   | <p>Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.</p> <p>In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Company annually to explain the cause of fluctuations in the fair value of the assets and liabilities.</p> |
| Revenue recognition                               | The Group provides customer incentives, such as rebates, based on quantity purchased, timing of collections etc. Various estimates are made to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical and forecasted data, contractual terms and current conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Subsidy income and related receivables            | Subsidy income has been recognized when there is reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including those under the Direct Benefit Transfer system which was introduced by the Government of India.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Provision for doubtful receivables                | The Group makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Estimation of net realisable value of inventories | Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Group makes an estimate of future selling prices, subsidy and costs necessary to make the sale.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Provision for employee benefits                   | The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Provision for taxes                               | Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Leases                                            | Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use the underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Group reassess the option when significant events or changes in circumstances occur that are within the control of the lessee                                                                                                                                                                                                     |

Consolidated Notes  
(Contd.)

3. Property, plant and equipment and capital work-in-progress

|                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------|------------------------|------------------------|
| Carrying amounts of:     |                        |                        |
| Land                     |                        |                        |
| Buildings                | 27,277                 | 27,277                 |
| Road                     | 22,608                 | 19,892                 |
| Railway sidings          | 1,045                  | 729                    |
| Plant and equipment      | 1,571                  | 1,714                  |
| Biological assets        | 1,04,619               | 77,091                 |
| Office equipment         | 42                     | 44                     |
| Furniture and fixtures   | 1,947                  | 1,773                  |
| Vehicles                 | 808                    | 690                    |
|                          | 1,460                  | 909                    |
|                          | <b>1,61,377</b>        | <b>1,30,119</b>        |
| Capital work-in-progress | 4,921                  | 17,560                 |

Details of Property, plant and equipment

|                            | Land   | Buildings | Road  | Railway sidings | Plant and equipment | Biological assets | Office equipment | Furniture and fixtures | Vehicles | Total    |
|----------------------------|--------|-----------|-------|-----------------|---------------------|-------------------|------------------|------------------------|----------|----------|
| Cost or deemed cost        |        |           |       |                 |                     |                   |                  |                        |          |          |
| Balance as at 1 April 2018 | 27,109 | 27,671    | 2,246 | 3,059           | 1,74,076            | 45                | 5,511            | 3,586                  | 2,556    | 2,45,859 |
| Additions                  | 168    | 976       | 209   | 71              | 7,196               | -                 | 1,302            | 98                     | 421      | 10,441   |
| Disposals/ adjustments     | -      | 236       | 6     | 4               | 3,011               | -                 | 637              | 213                    | 332      | 4,439    |
| Effect of translation      | -      | -         | -     | -               | -                   | -                 | -                | -                      | 2        | 2        |
| Balance at 31 March 2019   | 27,277 | 28,411    | 2,449 | 3,126           | 1,78,261            | 45                | 6,176            | 3,471                  | 2,647    | 2,51,863 |
| Additions                  | -      | 3,674     | 456   | 61              | 37,536              | -                 | 905              | 207                    | 885      | 43,724   |
| Disposals/ adjustments     | -      | 35        | -     | 70              | 2,957               | -                 | 193              | 6                      | 166      | 3,427    |
| Effect of translation      | -      | -         | -     | -               | -                   | -                 | -                | -                      | 2        | 2        |
| Balance at 31 March 2020   | 27,277 | 32,050    | 2,905 | 3,117           | 2,12,840            | 45                | 6,888            | 3,672                  | 3,368    | 2,92,162 |

Notes:

1. Refer Note 18.1 for details of assets pledged.
2. Interest capitalized during the year amounting to ₹433 lakhs (2019: ₹283 lakhs).
3. Land admeasuring 446.92 acres (₹75 lakhs) is pending registration in the name of the Company.

(₹ in lakhs, unless otherwise stated)

|                                         | Land | Buildings | Road  | Railway sidings | Plant and equipment | Biological assets | Office equipment | Furniture and fixtures | Vehicles | Total    |
|-----------------------------------------|------|-----------|-------|-----------------|---------------------|-------------------|------------------|------------------------|----------|----------|
| Accumulated depreciation and impairment |      |           |       |                 |                     |                   |                  |                        |          |          |
| Balance as at 1 April 2018              | -    | 7,783     | 1,598 | 1,228           | 94,594              | -                 | 4,360            | 2,907                  | 1,797    | 1,14,267 |
| Disposals/ adjustments                  | -    | 65        | 6     | 4               | 2,405               | -                 | 610              | 240                    | 293      | 3,623    |
| Depreciation expense                    | -    | 801       | 128   | 188             | 8,981               | 1                 | 653              | 113                    | 231      | 11,096   |
| Effect of translation                   | -    | -         | -     | -               | -                   | -                 | -                | 1                      | 3        | 4        |
| Balance at 31 March 2019                | -    | 8,519     | 1,720 | 1,412           | 1,01,170            | 1                 | 4,403            | 2,781                  | 1,738    | 1,21,744 |
| Disposals/ adjustments                  | -    | 16        | -     | 54              | 2,533               | -                 | 181              | 6                      | 142      | 2,932    |
| Depreciation expense                    | -    | 939       | 140   | 188             | 9,584               | 2                 | 719              | 89                     | 308      | 11,969   |
| Effect of translation                   | -    | -         | -     | -               | -                   | -                 | -                | -                      | 4        | 4        |
| Balance at 31 March 2020                | -    | 9,442     | 1,860 | 1,546           | 1,08,221            | 3                 | 4,941            | 2,864                  | 1,908    | 1,30,785 |

Consolidated Notes  
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(₹ in lakhs, unless otherwise stated)

4. Right-of-use asset

|                      | As at<br>31 March 2020 |
|----------------------|------------------------|
| Carrying amounts of: |                        |
| Land                 | 27,401                 |
| Buildings            | 12,535                 |
| Plant and equipment  | 1,265                  |
|                      | <b>41,201</b>          |

Details of Right-of-use asset:

|                                    | Land<br>(Refer notes below) | Buildings     | Plant and equipment | Total         |
|------------------------------------|-----------------------------|---------------|---------------------|---------------|
| Gross carrying value               |                             |               |                     |               |
| As at 1 April 2019 (refer note 38) | 28,442                      | 12,125        | 1,518               | 42,085        |
| Additions                          | -                           | 2,734         | -                   | 2,734         |
| Disposals/adjustments              | -                           | -             | -                   | -             |
| Balance at 31 March 2020           | <b>28,442</b>               | <b>14,859</b> | <b>1,518</b>        | <b>44,819</b> |
| Accumulated amortisation           |                             |               |                     |               |
| Amortisation                       | 1,041                       | 2,324         | 253                 | 3,618         |
| Disposals/adjustments              | -                           | -             | -                   | -             |
| Balance at 31 March 2020           | <b>1,041</b>                | <b>2,324</b>  | <b>253</b>          | <b>3,618</b>  |

Notes:

- 1) Includes net carrying value of the Land reclassified on adoption of Ind AS 116 “Leases”
- 2) Land admeasuring 324.74 acres ( ₹23,585 lakhs) is pending execution of lease in the name of the Company

|                    | As at<br>31 March 2020 |
|--------------------|------------------------|
| Lease liabilities: |                        |
| Current            | 1,855                  |
| Non-current        | 37,542                 |
|                    | <b>39,397</b>          |

5. Other intangible assets and intangible assets under development

|                                     | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------------|------------------------|------------------------|
| Carrying amounts of:                |                        |                        |
| Product registrations               | 572                    | 706                    |
| Technical know-how                  | 46                     | 91                     |
|                                     | <b>618</b>             | <b>797</b>             |
| Intangible assets under development | 1,622                  | 1,524                  |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### Details of Intangible assets

|                             | Product Registrations | Technical know-how | Total |
|-----------------------------|-----------------------|--------------------|-------|
| <b>Cost or deemed cost</b>  |                       |                    |       |
| Balance as at 1 April 2018  | 1,968                 | 997                | 2,965 |
| Additions                   | -                     | -                  | -     |
| Disposals/ adjustments      | 12                    | -                  | 12    |
| Effect of translation       | (44)                  | -                  | (44)  |
| Balance as at 31 March 2019 | 1,912                 | 997                | 2,909 |
| Additions                   | 63                    | -                  | 63    |
| Disposals/ adjustments      | -                     | -                  | -     |
| Effect of translation       | (90)                  | -                  | (90)  |
| Balance as at 31 March 2020 | 1,885                 | 997                | 2,882 |

|                                                | Product Registrations | Technical know-how | Total |
|------------------------------------------------|-----------------------|--------------------|-------|
| <b>Accumulated amortisation and impairment</b> |                       |                    |       |
| Balance as at 1 April 2018                     | 994                   | 861                | 1,855 |
| Amortisation expense                           | 243                   | 45                 | 288   |
| Disposals/ adjustments                         | 12                    | -                  | 12    |
| Effect of translation                          | (19)                  | -                  | (19)  |
| Balance as at 31 March 2019                    | 1,206                 | 906                | 2,112 |
| Amortisation expense                           | 169                   | 45                 | 214   |
| Disposals/ adjustments                         | -                     | -                  | -     |
| Effect of translation                          | (62)                  | -                  | (62)  |
| Balance as at 31 March 2020                    | 1,313                 | 951                | 2,264 |

### 6. Non-current investments

|                                                                                             | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Quoted equity instruments</b>                                                            |                        |                        |
| (a) Investments in quoted equity instruments at FVTPL                                       |                        |                        |
| Rama Phosphate Limited                                                                      | 3                      | 12                     |
| 13,719 (2019: 13,719) Equity shares of ₹10 each, fully paid-up                              |                        |                        |
| Total aggregate quoted equity investments at FVTPL (A)                                      | 3                      | 12                     |
| (b) Investments in quoted equity instruments at FVTOCI                                      |                        |                        |
| Coromandel Engineering Company Limited                                                      | 295                    | 715                    |
| 25,00,100 (2019: 25,00,100) Equity shares of ₹10 each, fully paid-up                        |                        |                        |
| Total aggregate quoted equity investments at FVTOCI (B)                                     | 295                    | 715                    |
| <b>Unquoted equity instruments</b>                                                          |                        |                        |
| (c) Investments in unquoted equity investments at FVTOCI                                    |                        |                        |
| Tunisian Indian Fertilisers S.A.#                                                           | -                      | -                      |
| 41,79,848 (2019: 41,79,848) Ordinary shares of Tunisian Dinars (TND) 10 each, fully paid-up |                        |                        |
| Nandesari Environment Control Limited                                                       | 18                     | 15                     |
| 3,600 (2019: 2,000) Equity shares of ₹10 each, fully paid-up                                |                        |                        |
| Ranar Agrochem Limited (formerly Prathyusha Chemicals and Fertilisers Limited)              | 2                      | 2                      |
| 10,01,000 (2019: 10,01,000) Equity shares of ₹10 each, fully paid-up                        |                        |                        |
| Indian Potash Limited                                                                       | 2,392                  | 2,350                  |
| 180,000 (2019: 90,000) Equity shares of ₹10 each, fully paid-up                             |                        |                        |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

|                                                                                            | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Foskor (Pty) Limited</b>                                                                |                        |                        |
| i) 12,82,070 (2019: 12,82,070) Ordinary shares of South African Rand 1 each, fully paid-up | -                      | -                      |
| ii) 46 (2019: 46) Class D shares of South African Rand 7,05,088 each, fully paid-up        | 1,901                  | 1,901                  |
| <b>Murugappa Management Services Limited</b>                                               | 73                     | 73                     |
| 16,139 (2019: 16,139) Equity shares of ₹100 each, fully paid-up                            |                        |                        |
| <b>Bharuch Enviro Infrastructure Limited</b>                                               | 247                    | 107                    |
| 16,100 (2019: 16,100) Equity shares of ₹10 each, fully paid-up                             |                        |                        |
| <b>Narmada Clean Tech</b>                                                                  | 20                     | 15                     |
| 2,75,000 (2019: 2,75,000) Equity shares of ₹10 each, fully paid-up                         |                        |                        |
| <b>A.P. Gas Power Corporation Limited</b>                                                  | 12,316                 | 11,235                 |
| 53,92,160 (2019: 53,92,160) Equity shares of ₹10 each, fully paid-up                       |                        |                        |
| Total aggregate Equity investments at FVTOCI (C)                                           | 16,969                 | 15,698                 |
| (d) Investment in joint ventures                                                           |                        |                        |
| Yanmar Coromandel Agrisolutions Private Limited                                            | 824                    | 468                    |
| 1,60,00,000 (2019: 1,30,04,000) Equity shares of ₹10 each, fully paid-up                   |                        |                        |
| Coromandel SQM (India) Private Limited                                                     | 1,253                  | 1,238                  |
| 50,00,000 (2019: 50,00,000) Ordinary shares of ₹10 each, fully paid-up                     |                        |                        |
| Total aggregate investments in joint ventures (D)                                          | 2,077                  | 1,706                  |
| (e) Investment in associate                                                                |                        |                        |
| Sabero Organics Philippines Asia Inc. - Associate                                          | 2                      | *                      |
| 320 (2019: 320) Equity shares of PHP\$100 each fully paid-up                               |                        |                        |
| Total aggregate investment in associate (E)                                                | 2                      | *                      |
| (f) Other investments at FVTPL                                                             |                        |                        |
| Faering Capital India Evolving Fund                                                        | 174                    | 324                    |
| 25,044 (2019: 30,471) units of ₹1,000 each, fully paid-up                                  |                        |                        |
| Total aggregate other investments (F)                                                      | 174                    | 324                    |
| (g) Others                                                                                 |                        |                        |
| Share application money pending allotment - at cost (Refer Note 41(E))                     | 4                      | 4                      |
| Loans at FVTOCI**                                                                          | 1,609                  | 1,609                  |
| Total aggregate others (G)                                                                 | 1,613                  | 1,613                  |
| Total investments (A) + (B) + (C) + (D) + (E) + (F) + (G)                                  | 21,133                 | 20,068                 |
| of the above                                                                               |                        |                        |
| Investments in Joint Ventures and Associate (D) + (E)                                      | 2,079                  | 1,706                  |
| Other Investments (A) + (B) + (C) + (F) + (G)                                              | 19,054                 | 18,362                 |
| *less than a lakh                                                                          |                        |                        |
| Aggregate amount of quoted investments and market value thereof                            | 298                    | 727                    |
| Aggregate amount of unquoted investments                                                   | 20,835                 | 19,341                 |
| Aggregate amount of impairment in value of investments                                     | -                      | -                      |

### Notes:

# The Ordinary shares of Tunisian Indian Fertilisers S.A., Tunisia (TIFERT) held by the Group have been pledged to secure the obligations of TIFERT to their lenders, except 8,04,848 shares.

\*\* includes loan amounting ₹1,609 lakhs (2019: ₹1,609 lakhs) to TIFERT which is compulsorily convertible to equity shares at the end of three years from June 2017.

Consolidated Notes
(Contd.)

(₹ in lakhs, unless otherwise stated)

7. Other financial assets

|                                                                       | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------------------------|------------------------|------------------------|
| Financial assets carried at fair value through profit or loss (FVTPL) |                        |                        |
| Derivatives that are not designated in hedge accounting relationships |                        |                        |
| Foreign currency forward contracts                                    | 7,015                  | 1,285                  |
| Derivatives that are designated in hedge accounting relationships     | 5                      | 25                     |
|                                                                       | 7,020                  | 1,310                  |
| Financial assets carried at amortised cost                            |                        |                        |
| Advances with related parties (Refer Note 41(E))                      | 14                     | 100                    |
| Interest accrued but not due on deposits, loans, others               | 321                    | 160                    |
| Insurance claims receivable                                           | 2,739                  | 2,739                  |
|                                                                       | 3,074                  | 2,999                  |
|                                                                       | 10,094                 | 4,309                  |
|                                                                       |                        |                        |
| Current                                                               | 10,089                 | 4,309                  |
| Non-current                                                           | 5                      | -                      |
|                                                                       | 10,094                 | 4,309                  |

8. Other non-current assets

|                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------|------------------------|------------------------|
| Capital advances                | 1,610                  | 5,253                  |
| Pre-payment for leasehold land* | -                      | 3,815                  |
| Deposits                        | 2,765                  | 2,744                  |
| Others                          | 171                    | 145                    |
|                                 | 4,546                  | 11,957                 |

\* Land admeasuring 3.52 acres (₹18 lakhs) is pending execution of lease in the name of the Company

9. Inventories

|                          | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------|------------------------|------------------------|
| Raw materials            | 56,120                 | 98,676                 |
| Raw materials in-transit | 22,988                 | 14,672                 |
| Work-in-process          | 3,847                  | 2,369                  |
| Finished goods           | 1,41,630               | 1,66,265               |
| Stock-in-trade           | 36,936                 | 34,149                 |
| Stores and spares        | 6,047                  | 5,531                  |
| Packing materials        | 2,145                  | 2,477                  |
|                          | 2,69,713               | 3,24,139               |

Note: Refer Note 2.21 for basis of valuation and for details of inventories pledged refer Note 18.1

Consolidated Notes
(Contd.)

(₹ in lakhs, unless otherwise stated)

10. Current investments

|                                                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------------------|------------------------|------------------------|
| Quoted instruments at FVTPL                                     |                        |                        |
| Canara Robecco Gold Saving Fund                                 | -                      | 14                     |
| Nil (2019: 1,49,284.652) units of ₹10 each                      |                        |                        |
| Total quoted investments (A)                                    | -                      | 14                     |
| Unquoted other investments at FVTPL                             |                        |                        |
| UTI Master Shares                                               | *                      | *                      |
| 1,000 (2019: 1,000) shares of ₹10 each, fully paid-up           |                        |                        |
|                                                                 |                        |                        |
| Total unquoted investments (B)                                  | *                      | *                      |
| Total current investments (A) + (B)                             | *                      | 14                     |
| *less than a lakh                                               |                        |                        |
|                                                                 |                        |                        |
| Aggregate amount of quoted investments and market value thereof | -                      | 14                     |
| Aggregate amount of unquoted investments                        | *                      | *                      |
| Aggregate amount of impairment in value of investments          | -                      | -                      |

11. Trade receivables

|                                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------|------------------------|------------------------|
| (a) Secured, considered good       | 10,450                 | 9,263                  |
| (b) Unsecured, considered good*    | 1,62,961               | 1,73,179               |
| (c) Credit impaired                | 13,540                 | 12,775                 |
|                                    | 1,86,951               | 1,95,217               |
| Allowance for doubtful receivables | 13,540                 | 12,775                 |
|                                    | 1,73,411               | 1,82,442               |

\* Includes ₹422 lakhs (2019: ₹ 459 lakhs) receivable from related parties. Also Refer Note 41(E)

The credit period on sales of goods varies with seasons and business segments/ markets and generally ranges between 30 to 180 days. No interest is recovered on trade receivables for payments received after the due date.

Before accepting any new customer, the Group has a credit evaluation system to assess the potential customer's credit quality and to define credit limits for the customer. Credit limits attributed to customers are reviewed on an annual basis.

The Group maintains an allowance for impairment of doubtful accounts based on financial condition of the customer, ageing of the customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Group creates provision for past due receivables beyond 180 days ranging between 25%-100% after reckoning the underlying collaterals. Besides, based on the expected credit loss model the Group also provides upto 0.50% for receivables less than 180 days.

Movement in the allowance for doubtful receivables

|                                             | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------------------------|-------------------------------------|-------------------------------------|
| Balance at beginning of the year            | 12,775                              | 12,183                              |
| Impairment losses recognised on receivables | 765                                 | 592                                 |
| Balance at end of the year                  | 13,540                              | 12,775                              |

The concentration of risk with respect to trade receivables is reasonably low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets. No single customer constitutes more than 5% balance of the total trade receivables as of the Balance Sheet date.

Consolidated Notes  
(Contd.)

(₹ in lakhs, unless otherwise stated)

12. Cash and cash equivalents

|                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------|------------------------|------------------------|
| Cash on hand         | 20                     | 85                     |
| Balances with Banks: |                        |                        |
| in Current accounts  | 5,018                  | 13,128                 |
| in Deposit accounts  | 16                     | -                      |
|                      | <b>5,054</b>           | <b>13,213</b>          |

13. Bank balances other than cash and cash equivalents

|                                         | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------|------------------------|------------------------|
| Restricted                              |                        |                        |
| Dividend accounts                       | 1,923                  | 1,864                  |
| Bonus debenture redemption and interest | 844                    | 846                    |
| Margin money/ deposit                   | 9                      | 9                      |
|                                         | <b>2,776</b>           | <b>2,719</b>           |

Unclaimed dividend accounts

If the dividend has not been claimed within 30 days from the date of its declaration, the Group is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Group in a scheduled bank to be called “Unpaid Dividend Account”. The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

Bonus debenture redemption and interest

If the proceeds on maturity of debentures and interest thereon has not been claimed within 30 days from the date of its declaration, the Group is required to transfer the total amount which remains unpaid or unclaimed, to a special account to be opened by the Group in a scheduled bank to be called “Unpaid debenture account”. The unclaimed amounts lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

Margin money / deposit

Amounts in margin money/deposit accounts represents amounts deposited with certain government agencies.

14. Loans

|                            | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------|------------------------|------------------------|
| <b>At amortised cost</b>   |                        |                        |
| Unsecured, considered good |                        |                        |
| -Inter-corporate deposits  | 42,857                 | 42,805                 |
|                            | <b>42,857</b>          | <b>42,805</b>          |
| Current                    | 42,857                 | 42,805                 |
| Non-current                | -                      | -                      |
|                            | <b>42,857</b>          | <b>42,805</b>          |

Consolidated Notes  
(Contd.)

(₹ in lakhs, unless otherwise stated)

15. Other current assets

|                                                                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------------------------------------|------------------------|------------------------|
| <b>Advances recoverable in kind or for value to be received</b>    |                        |                        |
| Considered good #                                                  | 24,671                 | 28,927                 |
| Considered doubtful                                                | 483                    | 403                    |
|                                                                    | 25,154                 | 29,330                 |
| Less: Impairment allowance                                         | 483                    | 403                    |
|                                                                    | 24,671                 | 28,927                 |
| Gratuity fund (net) [Refer Note 34(a)]                             | -                      | 217                    |
| Others (including Goods and Services Tax balances)                 | 19,186                 | 37,157                 |
| 6.20% Fertilizer companies' Government of India special bonds 2022 | *                      | *                      |
| 10,000 (2019: 10,000) bonds of ₹100/- each                         |                        |                        |
| 6.65% Fertilizer companies' Government of India special bonds 2023 | *                      | *                      |
| 5,000 (2019: 5,000) bonds of ₹100/- each                           |                        |                        |
|                                                                    | <b>43,857</b>          | <b>66,301</b>          |

#Includes receivables from Related parties ₹19 lakhs (2019:₹Nil). Refer Note 41(E)

\*less than a lakh

16. Equity

|                                                                                                                                | As at<br>31 March 2020       | As at<br>31 March 2019 |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------|
| <b>16.1 Equity share capital</b>                                                                                               |                              |                        |
| <b>Authorised Share capital :</b>                                                                                              |                              |                        |
| 35,00,00,000 (2019: 35,00,00,000) equity shares of ₹1 each                                                                     | 3,500                        | 3,500                  |
| <b>Issued, subscribed and fully paid-up:</b>                                                                                   |                              |                        |
| 29,29,53,749 (2019: 29,25,27,329) fully paid equity shares of ₹1 each                                                          | 2,930                        | 2,925                  |
|                                                                                                                                | <b>2,930</b>                 | <b>2,925</b>           |
| <b>16.2 16.2 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:</b> |                              |                        |
|                                                                                                                                | <b>Numbers of<br/>Shares</b> | <b>Amount</b>          |
| <b>Balance as at 1 April 2018</b>                                                                                              | 29,23,83,409                 | 2,924                  |
| Add: Equity shares allotted pursuant to exercise of stock options                                                              | 1,43,920                     | 1                      |
| <b>Balance as at 31 March 2019</b>                                                                                             | 29,25,27,329                 | 2,925                  |
| Add: Equity shares allotted pursuant to exercise of stock options                                                              | 4,26,420                     | 5                      |
| <b>Balance as at 31 March 2020</b>                                                                                             | 29,29,53,749                 | 2,930                  |

16.3 Rights, preferences and restriction relating to each class of share capital:

**Equity shares:** The Company has one class of equity shares having a face value of ₹1 each . Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

**16.4** As at 31 March 2020, E.I.D.-Parry (India) Limited (Parent Company) held 17,71,55,580 (2019: 17,71,55,580) equity shares of ₹1 each fully paid-up representing 60.47% (2019: 60.56%) of the paid up capital. There are no other shareholders holding more than 5 % of the issued capital.

16.5 Share options granted under the Group's employee share option plan

As at 31 March 2020-, shares reserved for issue under the ‘ESOP 2007’ scheme is 81,35,116 (2019: 81,61,366) equity shares of ₹1 each and under the ‘ESOP 2016’ scheme is 1,39,55,410 (2019: 1,43,55,580) equity shares of ₹1 each.

Share options granted under the Group's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 33.

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 16.6 Details of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the year ended 31 March 2015:

- (a) 25,74,193 equity shares of ₹1 each fully paid-up were allotted to shareholders of erstwhile Liberty Phosphate Limited (LPL) in the proportion of 7 equity shares of ₹1 each of the Company for every 8 equity shares of ₹10 each held in the LPL pursuant to the Scheme of Amalgamation between LPL and the Company.
- (b) 53,09,210 equity shares of ₹1 each fully paid-up were allotted to shareholders of ertwhile Sabero Organics Gujarat Limited (Sabero) in the proportion of 5 equity shares of ₹1 each of the Company for every 8 equity shares of ₹10 each held in Sabero pursuant to the Scheme of Amalgamation between Sabero and the Company.

### 16.7 Cumulative redeemable preference shares

|                                                                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Authorised capital</b>                                                       |                        |                        |
| 50,00,000 (2019: 50,00,000) cumulative redeemable preference shares of ₹10 each | 500                    | 500                    |

**Cumulative redeemable preference shares:** The Company has a class of cumulative redeemable preference shares having face value of ₹10 each with such rights, privileges and conditions respectively attached thereto as may be from time to time confirmed by the regulations of the company. Pursuant to the Scheme of Amalgamation, the cumulative redeemable preference shares carry cumulative dividend of 8% per annum in relation to capital paid upon them and are on original terms and conditions in which they were issued by erstwhile Liberty Phosphate Limited, the amalgamating company.

No such cumulative redeemable preference shares are issued and outstanding as of 31 March 2020 (2019: Nil).

## 17. Other equity

|                                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| General reserve                      | 2,63,592               | 2,33,328               |
| Retained earnings                    | 1,65,048               | 1,00,912               |
| Capital reserve                      | 352                    | 352                    |
| Capital redemption reserve           | 986                    | 986                    |
| Securities Premium                   | 15,041                 | 13,201                 |
| Central subsidy                      | 11                     | 11                     |
| ESOP reserve                         | 1,241                  | 1,466                  |
| Foreign currency translation reserve | 5,727                  | 5,517                  |
| Equity Instruments through OCI       | (22,242)               | (22,841)               |
| Cash flow hedge reserve              | (916)                  | (18)                   |
|                                      | <b>4,28,840</b>        | <b>3,32,914</b>        |

|                                                     |                 |                 |
|-----------------------------------------------------|-----------------|-----------------|
| (i) <b>General reserve</b>                          |                 |                 |
| Balance at beginning of year                        | 2,33,328        | 2,03,328        |
| Amount transferred on cancellation of stock options | 264             | -               |
| Amount transferred from retained earnings           | 30,000          | 30,000          |
|                                                     | <b>2,63,592</b> | <b>2,33,328</b> |

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

|                                                               |                 |                 |
|---------------------------------------------------------------|-----------------|-----------------|
| (ii) <b>Retained earnings</b>                                 |                 |                 |
| Balance at beginning of year                                  | 1,00,912        | 81,810          |
| Profit for the year                                           | 1,06,504        | 72,048          |
| Remeasurment of net defined benefit plans                     | (25)            | (31)            |
| Dividend on equity shares including dividend distribution tax | (12,343)        | (22,915)        |
| Amount transferred to general reserve                         | (30,000)        | (30,000)        |
|                                                               | <b>1,65,048</b> | <b>1,00,912</b> |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

Retained earnings represents the Company's undistributed earnings after taxes.

In respect of the year ended 31 March 2020, the directors proposed that a dividend of ₹ 12 per share be paid on fully paid equity shares. The proposed equity dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated amount to be paid with respect to dividend is ₹35,154 Lakhs.

In respect of the year ended 31 March 2019, the directors approved payment of interim dividend of ₹3 per share and proposed that a final dividend of ₹3.50 per share be paid on fully paid equity shares which was approved by the shareholders at the Annual General Meeting. The total amount paid with respect to interim dividend is ₹10,577 Lakhs including dividend distribution tax of ₹1,803 Lakhs and with respect to final dividend is ₹12,343 Lakhs including dividend distribution tax of ₹2,105 Lakhs.

In July 2018, a dividend of ₹3.50 per share amounting to total dividend of ₹12,338 lakhs including dividend distribution tax of ₹2,104 lakhs was paid to holders of fully paid equity shares with respect to the final dividend for the year ended 31 March 2018.

|                                        | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------------|------------------------|------------------------|
| (iii) <b>Capital Reserve</b>           | <b>352</b>             | <b>352</b>             |
| (iv) <b>Capital Redemption reserve</b> | <b>986</b>             | <b>986</b>             |

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on buyback of Company's own shares and on redemption of the preference shares. The Company has bought back its own shares and also redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

|                                                         |               |               |
|---------------------------------------------------------|---------------|---------------|
| (v) <b>Securities premium</b>                           |               |               |
| Balance at beginning of year                            | 13,201        | 12,608        |
| Amount transferred on exercise of employee stock option | 479           | 142           |
| Amount received on exercise of employee stock option    | 1,361         | 451           |
|                                                         | <b>15,041</b> | <b>13,201</b> |

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.

|                                                                       |              |              |
|-----------------------------------------------------------------------|--------------|--------------|
| (vi) <b>Central subsidy</b>                                           | <b>11</b>    | <b>11</b>    |
| (vii) <b>Share options outstanding account</b>                        |              |              |
| Balance at beginning of year                                          | 1,466        | 908          |
| Amount transferred on exercise/ cancellation of employee stock option | (743)        | (142)        |
| Recognition of share based payment expense                            | 518          | 700          |
|                                                                       | <b>1,241</b> | <b>1,466</b> |

Share options outstanding account relates to share options granted by the Company to its employees under its employee share option plan. These will be transferred to retained earnings after the exercise of the underlying options.

|                                                    |              |              |
|----------------------------------------------------|--------------|--------------|
| (viii) <b>Foreign currency translation reserve</b> |              |              |
| Balance at beginning of year                       | 5,517        | 5,054        |
| Movement during the year                           | 210          | 463          |
|                                                    | <b>5,727</b> | <b>5,517</b> |

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency i.e. Indian Rupee (₹) are recognised directly and accumulated in the foreign currency translation reserve. These balances are reclassified to profit or loss on the disposal of the foreign operations.

|                                                                                         |                 |                 |
|-----------------------------------------------------------------------------------------|-----------------|-----------------|
| (ix) <b>Reserve for equity instruments through other comprehensive income</b>           |                 |                 |
| Balance at the beginning of the year                                                    | (22,841)        | (18,354)        |
| Net fair value gain/ (loss) on investments in equity instruments at FVTOCI (net of tax) | 599             | (4,487)         |
|                                                                                         | <b>(22,242)</b> | <b>(22,841)</b> |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

|                                                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------------------------|------------------------|------------------------|
| (x) <b>Cash flow hedge reserve</b>                 |                        |                        |
| Balance at beginning of year                       | (18)                   | -                      |
| Effective portion of cash flow hedges (net of tax) | (898)                  | (18)                   |
|                                                    | <b>(916)</b>           | <b>(18)</b>            |

Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income

### 18. Borrowings

|                                     | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------------|------------------------|------------------------|
| <b>Secured- at amortised cost</b>   |                        |                        |
| Loan repayable on demand from banks | 5,674                  | 26,808                 |
| Short term loans from banks         | 61,695                 | 70,409                 |
| <b>Unsecured- at amortised cost</b> |                        |                        |
| Loan repayable on demand from banks | -                      | 50,230                 |
| Banks                               | 65,143                 | 88,000                 |
| Others                              | 30,000                 | 60,000                 |
|                                     | <b>1,62,512</b>        | <b>2,95,447</b>        |
| Long term borrowings                | -                      | -                      |
| Short term borrowings               | 1,62,512               | 2,95,447               |
|                                     | <b>1,62,512</b>        | <b>2,95,447</b>        |

#### 18.1 Summary of borrowing arrangements

- Secured loan repayable on demand comprises cash credit balances and buyers credit secured by a pari-passu charge on current assets of the Company. Further, certain loans are secured by second charge on moveable fixed assets of the Company.
- Secured short-term loans from banks comprises of working capital demand loan secured by a pari-passu charge on current assets of the Company. Further, certain borrowings are secured by specific subsidy receivables and letter of comfort from Government of India under Special Banking Arrangement.
- Unsecured loans repayable on demand comprises of buyers credit denominated in foreign currency and unsecured short-term loans comprise of commercial paper, short-term6 loans.

#### 18.2 Breach of loan agreement

There is no breach of loan agreement

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 19. Other financial liabilities

|                                                                                                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Financial liabilities mandatorily measured at fair value through profit or loss (FVTPL)</b>       |                        |                        |
| Derivatives not designated in hedge accounting relationships                                         |                        |                        |
| Foreign currency forward contracts                                                                   | 921                    | 5,253                  |
| Derivatives designated in hedge accounting relationships                                             | 1,229                  | 53                     |
|                                                                                                      | <b>2,150</b>           | <b>5,306</b>           |
| <b>Financial liabilities carried at amortised cost</b>                                               |                        |                        |
| Security and trade deposits received (includes non-current portion of ₹144 lakhs (2019: ₹168 lakhs)) | 15,036                 | 13,386                 |
| Interest accrued but not due on borrowings                                                           | 284                    | 407                    |
| Interest accrued but not due on others                                                               | 1,142                  | 1,043                  |
| Unclaimed dividends                                                                                  | 1,923                  | 1,864                  |
| Unclaimed debentures                                                                                 | 844                    | 846                    |
| Payables on purchase of fixed assets                                                                 | 2,546                  | 985                    |
| Others                                                                                               | 4                      | 2                      |
|                                                                                                      | <b>21,779</b>          | <b>18,533</b>          |
|                                                                                                      | <b>23,929</b>          | <b>23,839</b>          |
| Current                                                                                              | 23,783                 | 23,671                 |
| Non-current                                                                                          | 146                    | 168                    |
|                                                                                                      | <b>23,929</b>          | <b>23,839</b>          |

### 20. Provisions

|                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------|------------------------|------------------------|
| Employee benefits* | 3,568                  | 3,207                  |
|                    | <b>3,568</b>           | <b>3,207</b>           |
| Current            | 1,460                  | 1,810                  |
| Non-current        | 2,108                  | 1,397                  |
|                    | <b>3,568</b>           | <b>3,207</b>           |

\*The provision for employee benefits represents leave entitlements and gratuity. Refer Note 34(a) for details

### 21. Income tax

|                                            | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------------|------------------------|------------------------|
| <b>21.1 Deferred tax liabilities (net)</b> |                        |                        |
| Deferred tax liabilities                   | 14,269                 | 19,649                 |
| Deferred tax assets                        | (8,486)                | (8,420)                |
|                                            | <b>5,783</b>           | <b>11,229</b>          |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

| 2019-2020                                                | Opening balance<br>1 April 2019 | Recognised in<br>Profit or loss | Recognised<br>in other<br>comprehensive<br>income | Closing balance<br>31 March 2020 |
|----------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------------------------|----------------------------------|
| <b>Deferred tax liabilities/(assets) in relation to:</b> |                                 |                                 |                                                   |                                  |
| Property, plant and equipment                            | 19,649                          | (5,380)                         | -                                                 | 14,269                           |
| Investments at FVTOCI                                    | (2,159)                         | -                               | 252                                               | (1,907)                          |
| Provision for doubtful debts and advances                | (4,519)                         | 990                             | -                                                 | (3,529)                          |
| Statutory dues allowable on payment basis                | (410)                           | 95                              | -                                                 | (315)                            |
| Employees separation and retirement costs                | (1,015)                         | 79                              | 110                                               | (826)                            |
| Others                                                   | (317)                           | (1,292)                         | (299)                                             | (1,909)                          |
| <b>Total</b>                                             | <b>11,229</b>                   | <b>(5,508)</b>                  | <b>63</b>                                         | <b>5,783</b>                     |

| 2018-2019                                                | Opening balance<br>1 April 2018 | Recognised in<br>Profit or loss | Recognised<br>in other<br>comprehensive<br>income | Closing balance<br>31 March 2019 |
|----------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------------------------|----------------------------------|
| <b>Deferred tax liabilities/(assets) in relation to:</b> |                                 |                                 |                                                   |                                  |
| Property, plant and equipment                            | 20,883                          | (1,234)                         | -                                                 | 19,649                           |
| Investments at FVTOCI                                    | (2,406)                         | -                               | 247                                               | (2,159)                          |
| Provision for doubtful debts and advances                | (4,295)                         | (224)                           | -                                                 | (4,519)                          |
| Statutory dues allowable on payment basis                | (410)                           | -                               | -                                                 | (410)                            |
| Employees separation and retirement costs                | (942)                           | (54)                            | (19)                                              | (1,015)                          |
| Others                                                   | (292)                           | (15)                            | (10)                                              | (317)                            |
| <b>Total</b>                                             | <b>12,538</b>                   | <b>(1,527)</b>                  | <b>218</b>                                        | <b>11,229</b>                    |

|                                                                                                                                                                     | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>21.2 Unrecognised deductible temporary differences, unused tax losses and unused tax credits</b>                                                                 |                        |                        |
| Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following: |                        |                        |
| -long-term capital loss                                                                                                                                             | 44                     | 56                     |
| -short-term capital loss                                                                                                                                            | -                      | 11                     |
| -unused tax losses                                                                                                                                                  | 268                    | 268                    |
|                                                                                                                                                                     | <b>312</b>             | <b>335</b>             |

Long-term capital loss of ₹35 lakhs is available for set-off till 31 March 2025 and ₹9 lakhs till 31 March 2027 (2019: ₹47 lakhs till 31 March 2025 and ₹9 lakhs till 31 March 2027) short-term capital loss till 31 March 2020, unused tax losses amounting ₹226 lakhs (2019: ₹226 lakhs) do not have any expiry and balance unused tax losses have an expiry ranging from 2019 till 2028.

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

|                                                                                                                     | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>21.3 Income tax credit/(expense) recognised directly in equity</b>                                               |                                     |                                     |
| Tax effect on changes in fair value of other investments                                                            | (252)                               | (247)                               |
| Tax effect on actuarial gains/(losses) on defined benefit obligations                                               | (110)                               | 19                                  |
| Tax effect on Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge | 299                                 | 10                                  |
|                                                                                                                     | <b>(63)</b>                         | <b>(218)</b>                        |

|                                           | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------------------|------------------------|------------------------|
| <b>21.4 Current tax liabilities (net)</b> |                        |                        |
| Income tax payable (net of advance tax)   | 4,305                  | 3,834                  |
|                                           | <b>4,305</b>           | <b>3,834</b>           |

|                                                                                   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------------------------------------|------------------------|------------------------|
| <b>21.5 Reconciliation of tax expense to the accounting profit is as follows:</b> |                        |                        |
| <b>Accounting profit before tax</b>                                               | <b>1,37,851</b>        | <b>1,09,258</b>        |
| Tax expense at statutory tax rate of 25.17% (2019: 34.94%)                        | 34,697                 | 38,179                 |
| <i>Adjustments:</i>                                                               |                        |                        |
| Effect of income that is exempt from tax                                          | (17)                   | (2)                    |
| Effect of expenses that are not deductible in determining taxable profit          | 371                    | 35                     |
| Effect of concessions (research and development and other allowances)             | (17)                   | (718)                  |
| Effect of change in tax rate                                                      | (3,818)                | 51                     |
| Others                                                                            | 131                    | (335)                  |
| <b>Tax expense reported in the Consolidated Statement of Profit and Loss</b>      | <b>31,347</b>          | <b>37,210</b>          |

### 22. Other liabilities

|                                                     | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------|------------------------|------------------------|
| Advances from customers                             | 6,588                  | 5,336                  |
| Income received in advance                          | 877                    | 908                    |
| Other liabilities (including statutory remittances) | 1,337                  | 1,506                  |
|                                                     | <b>8,802</b>           | <b>7,750</b>           |
| Current                                             | 7,925                  | 6,842                  |
| Non-current                                         | 877                    | 908                    |
|                                                     | <b>8,802</b>           | <b>7,750</b>           |

### 23. Trade payables

|                                                                                              | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------------------------------------------------------------------|------------------------|------------------------|
| Acceptances                                                                                  | 63,073                 | 2,66,256               |
| Other than Acceptances                                                                       | 2,71,738               | 1,09,991               |
|                                                                                              | <b>3,34,811</b>        | <b>3,76,247</b>        |
| of the above:                                                                                |                        |                        |
| i) Total outstanding dues of micro enterprises and small enterprises*                        | 943                    | 1,261                  |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises** | 3,33,868               | 3,74,986               |
|                                                                                              | <b>3,34,811</b>        | <b>3,76,247</b>        |

\*Dues to MSME have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Refer Note 47

\*\*Includes amount payable to related party ₹1,206 Lakhs (2019: ₹987 lakhs). Also Refer Note 41(E)

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 24. Revenue from operations

|                                                            | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|------------------------------------------------------------|-------------------------------------|-------------------------------------|
| The following is an analysis of the Group's revenue:       |                                     |                                     |
| Sales                                                      | 9,83,977                            | 10,05,269                           |
| Government subsidies                                       | 3,25,119                            | 3,10,641                            |
| Other operating revenue                                    | 4,573                               | 6,546                               |
| <b>Total Revenue from operations</b>                       | <b>13,13,669</b>                    | <b>13,22,456</b>                    |
| <b>Other operating revenues comprise:</b>                  |                                     |                                     |
| Service income                                             | 389                                 | 443                                 |
| DEPB income/ excise benefits                               | 2,263                               | 2,591                               |
| Provision for liabilities no longer required, written back | 45                                  | 880                                 |
| Insurance claim                                            | 22                                  | 281                                 |
| Others                                                     | 1,854                               | 2,351                               |
|                                                            | <b>4,573</b>                        | <b>6,546</b>                        |

### 25. Other income

|                                                    | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|
| Interest income                                    | 3,771                               | 3,696                               |
| Dividend income from investments carried at FVTPL  | 13                                  | 4                                   |
| Dividend income from investments carried at FVTOCI | 19                                  | 3                                   |
| Profit on sale of investment                       | 34                                  | -                                   |
| Others                                             | 167                                 | 5                                   |
|                                                    | <b>4,004</b>                        | <b>3,708</b>                        |

### 26. Changes in inventories of finished goods, work-in-process and stock-in-trade

|                                                | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>As at 1 April</b>                           |                                     |                                     |
| Work-in-process                                | 2,369                               | 1,576                               |
| Finished goods                                 | 1,66,265                            | 1,04,176                            |
| Stock-in-trade                                 | 34,149                              | 20,598                              |
|                                                | <b>2,02,783</b>                     | <b>1,26,350</b>                     |
| <b>Less: As at 31 March</b>                    |                                     |                                     |
| Work-in-process                                | 3,847                               | 2,369                               |
| Finished goods                                 | 1,41,630                            | 1,66,265                            |
| Stock-in-trade                                 | 36,936                              | 34,149                              |
|                                                | <b>1,82,413</b>                     | <b>2,02,783</b>                     |
| Less: Inventory written-off (Refer note 48(b)) | -                                   | 2,082                               |
|                                                | <b>20,370</b>                       | <b>(78,515)</b>                     |

### 27. Employee benefits expense

|                                           | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus                 | 38,266                              | 33,842                              |
| Share based payments (Refer Note 33.3)    | 518                                 | 700                                 |
| Contribution to provident and other funds | 3,350                               | 2,738                               |
| Staff welfare expenses                    | 3,974                               | 3,827                               |
|                                           | <b>46,108</b>                       | <b>41,107</b>                       |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 28. Finance cost

|                                     | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Interest expense*                   | 19,279                              | 24,303                              |
| Other borrowing costs and charges   | 678                                 | 767                                 |
| Lease interest cost (Refer Note 38) | 3,571                               | -                                   |
|                                     | <b>23,528</b>                       | <b>25,070</b>                       |

\* Net of ₹433 lakhs capitalised at the average interest rate of 5.01% (2019: ₹283 capitalised at the average interest rate of 5.14%)

### 29. Depreciation and amortisation expense

|                                                                | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment (refer Note 3)   | 11,969                              | 11,096                              |
| Amortisation of intangible assets (refer Note 5)               | 214                                 | 288                                 |
| Amortisation on Right-of-use assets (refer Note 4 and Note 38) | 3,618                               | -                                   |
|                                                                | <b>15,801</b>                       | <b>11,384</b>                       |

### 30. Other expenses

|                                                                                                    | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Stores and spares consumed                                                                         | 8,594                               | 10,497                              |
| Power, fuel and water                                                                              | 28,046                              | 25,060                              |
| Rent                                                                                               | 921                                 | 6,276                               |
| Repairs to:                                                                                        |                                     |                                     |
| Buildings                                                                                          | 623                                 | 641                                 |
| Machinery                                                                                          | 3,606                               | 3,305                               |
| Others                                                                                             | 2,160                               | 2,217                               |
| Insurance charges                                                                                  | 2,128                               | 1,245                               |
| Rates and taxes                                                                                    | 1,203                               | 1,273                               |
| Freight and distribution                                                                           | 88,440                              | 1,03,272                            |
| Exchange differences (net)                                                                         | 12,218                              | 14,836                              |
| Loss on sale/scrap of property, plant and equipments (net)                                         | 471                                 | 615                                 |
| Impairment allowance recognised for doubtful trade and other receivables, loans and advances (net) | 845                                 | 622                                 |
| Trade and other receivables written off                                                            | -                                   | 28                                  |
| Loss on sale of investments                                                                        | -                                   | 8                                   |
| Loss on measuring investments at FVTPL (net)                                                       | 104                                 | 24                                  |
| Miscellaneous expenses                                                                             | 39,543                              | 33,167                              |
|                                                                                                    | <b>1,88,902</b>                     | <b>2,03,086</b>                     |

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(₹ in lakhs, unless otherwise stated)

### 31. Segment information

#### 31.1 Products and services from which reportable segments derive their revenues

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Group's reportable segments under Ind AS 108 are as follows:

1. Nutrient and other allied business
2. Crop protection

The following is an analysis of the Group's revenue and results from operations by reportable segment:

|                                                       | Segment revenue                     |                                     | Segment profit                      |                                     |
|-------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                                       | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
| Nutrient and other allied business                    | 11,55,003                           | 11,50,529                           | 1,50,698                            | 1,18,032                            |
| Crop protection                                       | 1,68,540                            | 1,80,191                            | 22,029                              | 28,315                              |
|                                                       | <b>13,23,543</b>                    | <b>13,30,720</b>                    | <b>1,72,727</b>                     | <b>1,46,347</b>                     |
| Less: Inter - segment                                 | (9,874)                             | (8,264)                             | (648)                               | (334)                               |
| <b>Total</b>                                          | <b>13,13,669</b>                    | <b>13,22,456</b>                    | <b>1,72,079</b>                     | <b>1,46,013</b>                     |
| Other income                                          |                                     |                                     | 4,004                               | 3,708                               |
| Exceptional item                                      |                                     |                                     | -                                   | (2,385)                             |
| Unallocable expense                                   |                                     |                                     | (14,782)                            | (13,092)                            |
| Finance costs                                         |                                     |                                     | (23,528)                            | (25,070)                            |
| Share in profit/(loss) of joint venture and associate |                                     |                                     | 78                                  | 84                                  |
| <b>Profit before tax</b>                              |                                     |                                     | <b>1,37,851</b>                     | <b>1,09,258</b>                     |

The accounting policies of the reportable segments are same as the Group's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

#### 31.2 Segment assets and liabilities

|                                    | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------|------------------------|------------------------|
| <b>Segment assets</b>              |                        |                        |
| Nutrient and other allied business | 7,83,820               | 8,42,283               |
| Crop protection                    | 1,51,905               | 1,34,828               |
| Unallocable assets                 | 79,152                 | 80,281                 |
| <b>Total assets</b>                | <b>10,14,877</b>       | <b>10,57,392</b>       |
| <b>Segment liabilities</b>         |                        |                        |
| Nutrient and other allied business | 3,15,828               | 3,70,060               |
| Crop protection                    | 45,371                 | 28,310                 |
| Unallocable liabilities            | 2,21,908               | 3,23,183               |
| <b>Total liabilities</b>           | <b>5,83,107</b>        | <b>7,21,553</b>        |

For the purposes of monitoring segment performance and allocating resources between segments:

1. All assets are allocated to reportable segments other than inter-corporate deposits, investments, cash and cash equivalents and derivative contracts.
2. All liabilities are allocated to reportable segments other than borrowings, defined benefit obligation and long-term employee benefits, derivative contracts, current and deferred tax liabilities.

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(₹ in lakhs, unless otherwise stated)

### 31.3 Other segment information

|                                    | Depreciation and amortisation       |                                     | Additions to non- current assets     |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|                                    | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 | For the year ended<br>31 March 2020* | For the year ended<br>31 March 2019 |
| Nutrient and other allied business | 12,090                              | 8,521                               | 63,103                               | 20,386                              |
| Crop protection                    | 3,711                               | 2,863                               | 5,551                                | 7,429                               |

\*Includes Right-of-use recognised on transition date, 1 April 2019 (refer Note 38)

### 31.4 Revenue from major products

The following is an analysis of the Group's revenue from operations from its major products:

|                                           | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Phosphatic Fertilisers                    | 6,37,951                            | 6,40,771                            |
| Urea                                      | 25,957                              | 52,614                              |
| Muriate of Potash                         | 28,172                              | 18,924                              |
| Single Super Phosphate                    | 37,278                              | 35,099                              |
| Others                                    | 1,00,526                            | 92,480                              |
|                                           | <b>8,29,884</b>                     | <b>8,39,888</b>                     |
| Government subsidies                      | 3,25,119                            | 3,10,641                            |
| <b>Nutrient and other allied business</b> | <b>11,55,003</b>                    | <b>11,50,529</b>                    |
| Crop protection                           | 1,68,540                            | 1,80,191                            |
| <b>Total</b>                              | <b>13,23,543</b>                    | <b>13,30,720</b>                    |
| Less: Inter - segment                     | (9,874)                             | (8,264)                             |
| <b>Revenue from operations</b>            | <b>13,13,669</b>                    | <b>13,22,456</b>                    |

### 32. Financial instruments

#### 32.1 Capital management

The Group's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Group ensures optimal credit risk profile to maintain/enhance credit rating.

The Group determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and inter-corporate deposits with financial institutions.

The following table summarises the capital of the Group:

|                                                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------|------------------------|------------------------|
| <b>Equity</b>                                        | <b>4,31,770</b>        | <b>3,35,839</b>        |
| Short-term borrowings                                | 1,62,512               | 2,95,447               |
| Inter-corporate deposits with financial institutions | (42,857)               | (42,805)               |
| Cash and cash equivalents                            | (5,054)                | (13,213)               |
| <b>Net debt</b>                                      | <b>1,14,601</b>        | <b>2,39,429</b>        |
| <b>Total capital (equity + net debt)</b>             | <b>5,46,371</b>        | <b>5,75,268</b>        |
| Net debt to capital ratio                            | 0.21                   | 0.42                   |
| Interest coverage ratio                              | 7.53                   | 5.36                   |

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(₹ in lakhs, unless otherwise stated)

### 32.2 Categories of financial instruments

|                                                                            | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------------------------------------------------|------------------------|------------------------|
| <b>Financial assets</b>                                                    |                        |                        |
| <b>Measured at fair value through profit or loss (FVTPL)*</b>              |                        |                        |
| (a) Mandatorily measured:                                                  |                        |                        |
| (i) Derivative instruments not designated in hedge accounting relationship | 7,015                  | 1,285                  |
| (ii) Derivative instruments designated in hedge accounting relationship    | 5                      | 25                     |
| (iii) Equity investments                                                   | 3                      | 26                     |
| (iv) Other investments                                                     | 174                    | 324                    |
| <b>Measured at amortised cost</b>                                          |                        |                        |
| (a) Cash and cash equivalents                                              | 5,054                  | 13,213                 |
| (b) Bank balances other than cash and cash equivalents                     | 2,776                  | 2,719                  |
| (c) Other financial assets at amortised cost                               | 4,50,964               | 4,67,594               |
| <b>Measured at FVTOCI*</b>                                                 |                        |                        |
| (a) Investments in equity instruments designated upon initial recognition  | 17,264                 | 16,413                 |
| (b) Investments in other instruments designated upon initial recognition   | 1,609                  | 1,609                  |
| <b>Measured at cost</b>                                                    |                        |                        |
| (a) Investments in equity instruments in joint ventures and associate      | 2,083                  | 1,710                  |
| <b>Financial liabilities</b>                                               |                        |                        |
| <b>Measured at fair value through profit or loss (FVTPL)*</b>              |                        |                        |
| (a) Derivative instruments not designated in hedge accounting relationship | 921                    | 5,253                  |
| (b) Derivative instruments designated in hedge accounting relationship     | 1,229                  | 53                     |
| <b>Measured at amortised cost</b>                                          | 5,58,499               | 6,90,227               |

\*Refer note 32.9 for fair valuation methods and assumptions

### 32.3 Financial risk management objectives

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Group's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

| Item                             | Primarily affected by                                                                                          | Risk management policies                                                                                                          | Refer       |
|----------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------|
| Market risk - currency risk      | USD balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings | Mitigating foreign currency risk using foreign currency forward contracts, option contracts and currency swaps                    | Note 32.4.1 |
| Market risk - interest rate risk | Change in market interest rates                                                                                | Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies | Note 32.4.2 |
| Market risk - other price risk   | Decline in value of equity instruments                                                                         | Monitoring forecasts of cash flows; diversification of portfolio                                                                  | Note 32.4.3 |
| Credit risk                      | Ability of customers or counterparties to financial instruments to meet contractual obligations                | Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions       | Note 32.5   |
| Liquidity risk                   | Fluctuations in cash flows                                                                                     | Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities           | Note 32.6   |

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(₹ in lakhs, unless otherwise stated)

### 32.4 Market risk

The Group's financial instruments are exposed to market rate changes. The Group is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

#### 32.4.1 Foreign currency risk management

The Group is exposed to foreign exchange risk on account of following:

- Nutrient and other allied business has foreign exchange exposure for its imports of raw materials, intermediates and traded goods.
- Crop Protection segment has foreign exchange exposure on both exports of finished goods and imports of raw materials, intermediates and traded goods.
- Foreign currency borrowings in the form of buyers credit, packing credit etc. are availed for meeting its funding requirements.

The Group has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Group follows netting principle for managing the foreign exchange exposure for each operating segment.

There are no long-term borrowings outstanding as on 31 March 2020 and 31 March 2019.

#### a. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

| Currency         | Liabilities            |                        | Assets                 |                        |
|------------------|------------------------|------------------------|------------------------|------------------------|
|                  | As at<br>31 March 2020 | As at<br>31 March 2019 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| USD (millions)   | 335.46                 | 514.71                 | 40.25                  | 37.48                  |
| INR (₹ in lakhs) | 2,53,826               | 3,55,973               | 30,455                 | 25,921                 |
| EURO (millions)  | 0.05                   | 0.33                   | 2.18                   | 2.13                   |
| INR (₹ in lakhs) | 45                     | 253                    | 1,805                  | 1,655                  |

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

#### b. Foreign currency forward and option contracts outstanding as at the Balance Sheet date:

|                          | As at<br>31 March 2020 |        | As at<br>31 March 2019 |        |
|--------------------------|------------------------|--------|------------------------|--------|
|                          | Buy                    | Sell   | Buy                    | Sell   |
| <b>Forward contracts</b> |                        |        |                        |        |
| USD (millions)*          | 293.96                 | 73.33  | 378.88                 | 67.73  |
| INR (₹ in lakhs)         | 2,22,425               | 55,479 | 2,62,035               | 46,837 |
| Number of contracts      | 96                     | 47     | 93                     | 31     |

The forward contracts have been entered into to hedge the foreign currency risk on purchase of raw materials, stock-in-trade and the related buyer's credit and in certain cases the foreign currency term loan and trade receivables.

\*Includes 70.11 USD (millions) (31 March 2019: 64.58 USD (millions)) Sell contracts outstanding under past performance facility as per Reserve Bank of India (RBI) Master Direction on Risk Management and Inter-Bank Dealings.

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(₹ in lakhs, unless otherwise stated)

### c. Net open exposures outstanding as at the Balance Sheet date:

|                  | Liabilities            |                        | Assets                 |                        |
|------------------|------------------------|------------------------|------------------------|------------------------|
|                  | As at<br>31 March 2020 | As at<br>31 March 2019 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| USD (millions)   | 41.50                  | 135.83                 | -                      | -                      |
| INR (₹ in lakhs) | 31,401                 | 93,939                 | -                      | -                      |
| EURO (millions)  | 0.05                   | 0.33                   | 2.18                   | 2.13                   |
| INR (₹ in lakhs) | 45                     | 253                    | 1,805                  | 1,655                  |

### d. Summary of hedging instruments outstanding at the end of the year designated as cash flow hedges:

|                                                 | As at         | No. of<br>contracts | USD<br>(millions) | Amount<br>in ₹ lakhs | Average<br>exchange rate |
|-------------------------------------------------|---------------|---------------------|-------------------|----------------------|--------------------------|
| Sell Currency - USD with tenor less than a year | 31 March 2020 | 25                  | 50.82             | 38,450               | 75.66                    |
|                                                 | 31 March 2019 | 6                   | 17.70             | 12,240               | 69.15                    |

Foreign currency forward contracts designated as hedging instruments in cash flow hedges of forecast sales in USD are measured at fair value through OCI. While the Company enters into other foreign exchange forward contracts to reduce the foreign exchange risk, these other contracts are not designated in hedge relationships and are measured at FVTPL.

The terms of the hedging instruments match the terms of the forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

### e. Foreign currency sensitivity analysis

The Group is mainly exposed to fluctuations in US Dollar. The following table details the Group's sensitivity to a ₹1 increase and decrease against the US Dollar. ₹1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ₹1 change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by ₹1 against the US Dollar. For a ₹1 weakening against the US Dollar, there would be a comparable impact on the profit or equity.

Amount in ₹ lakhs

| Currency USD impact on:                                                                      | 2019-20 | 2018-19 |
|----------------------------------------------------------------------------------------------|---------|---------|
| Impact of ₹1 strengthening against US Dollar on profit or loss for the year                  | 311     | 884     |
| Impact of ₹1 weakening against US Dollar on profit or loss for the year                      | (311)   | (884)   |
| Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period | 311     | 884     |
| Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period     | (311)   | (884)   |

### 32.4.2 Interest rate risk management

The Group issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Group manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

#### a. Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in

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(₹ in lakhs, unless otherwise stated)

case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Group's profit for the year ended 31 March 2020 would decrease/ increase by ₹ 608 lakhs (2019: ₹ 808 lakhs)

### 32.4.3 Other price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group's equity investments are held for strategic rather than trading purposes. The Group also holds certain other equity investments for trading purposes.

#### a. Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower other comprehensive income/ equity for the year ended 31 March 2020 would increase/ decrease by ₹ 662 Lakhs (2019: ₹ 629 Lakhs) as a result of the changes in fair value of equity investments measured at FVTOCI. The impact of change in equity price on profit or loss is not significant

### 32.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken up on case to case basis. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

### 32.6 Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 32.8 sets out details of additional undrawn facilities that the Company has at its disposal to reduce liquidity risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020:

|                                    | Carrying<br>amount | upto 1 year     | 1-3 year     | More than<br>3 year | Total contracted<br>cash flows |
|------------------------------------|--------------------|-----------------|--------------|---------------------|--------------------------------|
| Accounts payable and acceptances   | 3,34,811           | 3,36,390        | -            | -                   | 3,36,390                       |
| Borrowings and interest thereon#   | 1,62,796           | 1,63,325        | -            | -                   | 1,63,325                       |
| Other financial liabilities**      | 21,495             | 21,323          | -            | 1,500               | 22,823                         |
| Lease liabilities                  | 39,397             | 1,855           | 5,643        | 31,899              | 39,397                         |
| Foreign currency forward contracts | 2,150              | 2,148           | 2            | -                   | 2,150                          |
| <b>Total</b>                       | <b>5,60,649</b>    | <b>5,25,041</b> | <b>5,645</b> | <b>33,399</b>       | <b>5,64,085</b>                |

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(₹ in lakhs, unless otherwise stated)

The table below provides details of financial assets as at 31 March 2020:

|                                                   | Carrying amount |
|---------------------------------------------------|-----------------|
| Investments                                       | *               |
| Trade receivables                                 | 1,73,411        |
| Government subsidies receivable                   | 2,31,622        |
| Cash and cash equivalents including bank balances | 7,830           |
| Loans                                             | 42,857          |
| Other financial assets                            | 3,074           |
| Foreign currency forward contracts                | 7,020           |
| <b>Total</b>                                      | <b>4,65,814</b> |

\* less than a lakh

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019:

|                                               | Carrying amount | upto 1 year     | 1-3 year | More than 3 year | Total contracted cash flows |
|-----------------------------------------------|-----------------|-----------------|----------|------------------|-----------------------------|
| Accounts payable and acceptances              | 3,76,247        | 3,80,280        | -        | -                | 3,80,280                    |
| Borrowings and interest thereon#              | 2,95,854        | 2,96,427        | -        | -                | 2,96,427                    |
| Other financial liabilities**                 | 18,126          | 17,956          | -        | 1,500            | 19,456                      |
| Foreign currency forward and option contracts | 5,306           | 5,306           | -        | -                | 5,306                       |
| <b>Total</b>                                  | <b>6,95,533</b> | <b>6,99,969</b> | <b>-</b> | <b>1,500</b>     | <b>7,01,469</b>             |

The table below provides details of financial assets as at 31 March 2019:

|                                                   | Carrying amount |
|---------------------------------------------------|-----------------|
| Investments                                       | 14              |
| Trade receivables                                 | 1,82,442        |
| Government subsidies receivable                   | 2,39,348        |
| Cash and cash equivalents including bank balances | 15,932          |
| Loans                                             | 42,805          |
| Other financial assets                            | 2,999           |
| Foreign currency forward contracts                | 1,310           |
| <b>Total</b>                                      | <b>4,84,850</b> |

#Included in Borrowing and interest thereon are certain borrowings which are subject to variable interest rates. Amount included in the above maturity analysis assumes interest outflows based on the year end benchmark interest rates, the actual interest rates may differ based on the changes in the benchmark interest rates.

\*\*Other financial liabilities include deposits received from customers amounting to ₹14,892 Lakhs (2019: ₹ 13,217 Lakhs). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment, these deposits have been classified as current balances. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

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(₹ in lakhs, unless otherwise stated)

### 32.7 Financial guarantee contract

The Company has provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of installment due to the lenders and delayed the payment. The same was not agreed to by the Lenders and the acceleration notice was served on TIFERT by lenders on 28 March 2017. The loan instalment was immediately paid on 30 March 2017 by TIFERT. However, on 4 April 2017 the lenders followed up with call notice on shareholders towards guaranteed amount (Coromandel's share USD 35.25 million outstanding as on 31 March 2017). The Company alongwith other shareholders of TIFERT are in discussion with the Lenders to resolve the matter with regard to liquidity situation and operational improvements of TIFERT and also to find a solution for meeting the future debt obligations of TIFERT.

TIFERT has paid the subsequent half-yearly instalments that were due as per the payment schedule. The sponsor guarantee was valid upto 31 March 2018. Considering the discussions held with Lenders and operational improvement achieved by TIFERT during the year, the Company reasonably considers that TIFERT would be in a position to meet the debt obligations and it is unlikely that such an event of payment under guarantee amount will arise. The Company's obligation under this corporate guarantee if that amount is claimed by the counterparty to the guarantee is subject to a maximum of ₹13,707 Lakhs (31 March 2019: ₹15,538 Lakhs)..

### 32.8 Financing facilities

The Company has access to financing facilities of which ₹3,10,699 Lakhs (2019: ₹ 1,41,463 Lakhs) were unused at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

### 32.9 Fair value measurements

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used):

| Financial assets/financial liabilities                   | Fair Value as at*   |                     | Fair value hierarchy | Valuation techniques & key inputs used |
|----------------------------------------------------------|---------------------|---------------------|----------------------|----------------------------------------|
|                                                          | As at 31 March 2020 | As at 31 March 2019 |                      |                                        |
| 1) Foreign currency forward contracts                    | 4,870               | (3,996)             | Level 2              | Refer Note 3(a) below                  |
| 2) Investments in quoted equity instruments at FVTPL     | 3                   | 26                  | Level 1              | Refer Note 2 below                     |
| 3) Investments in unquoted venture capital fund at FVTPL | 174                 | 324                 | Level 3              | Refer Note 4(a) below                  |
| 4) Investments in quoted equity investments at FVTOCI    | 295                 | 715                 | Level 1              | Refer Note 2 below                     |
| 5) Investments in unquoted equity instruments at FVTOCI  | 14,217              | 13,136              | Level 3              | Refer Note 4(b) below                  |
|                                                          | 2,752               | 2,562               | Level 3              | Refer Note 4(c) below                  |

\*positive value denotes financial asset (net) and negative value denotes financial liability (net)

#### Notes:

- There were no transfers between Level 1 and 2 in the period.
- The Level 1 financial instruments are measured using quotes in active market.
- The following table shows the valuation technique and key input used for Level 2:

| Financial Instrument                   | Valuation Technique  | Key Inputs used                                                                       |
|----------------------------------------|----------------------|---------------------------------------------------------------------------------------|
| (a) Foreign currency forward contracts | Discounted Cash Flow | Forward exchange rates, contract forward and interest rates, observable yield curves. |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

4. The following table shows the valuation technique and key input used for Level 3:

| Financial Instrument                                      | Valuation Technique          | Key Inputs used                                                                                                                                                                                                                                                                 | Sensitivity                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Investments in unquoted venture capital fund at FVTPL | Net Asset Value (NAV) method | The Group uses net asset value (NAV) as reported by the venture capital fund for its valuation purpose.                                                                                                                                                                         | A 10% increase/ decrease in the value of unquoted investments of the fund would increase/ decrease the carrying amount of investment by ₹ 13 Lakhs (2018: ₹ 17 Lakhs).                                                                                                                                                                                                                                                 |
| (b) Investments in unquoted equity instruments at FVTOCI  | Discounted Cash Flow Method  | Long-term growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 0 to 2% (2019: 0 to 2%)<br><br>Weighted average cost of capital (WACC) as determined ranging from 12% to 15% (2019: 12% to 15%) | If the long-term growth rates used were 100 basis points higher/lower while all the other variables were held constant, the carrying amount would increase/decrease by ₹1,766 lakhs (2019: ₹1,888 lakhs)<br><br>A 100 basis points increase/ decrease in the WACC or discount rate used while holding all other variables constant would decrease/ increase the carrying amount by ₹ 1,427 lakhs (2019: ₹ 3,049 lakhs) |
| (c) Investments in unquoted equity instruments at FVTOCI  | Market Multiple Approach     | Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from 30% to 50% (2019: 30% to 50%)                                                                                                             | A 10% increase/ decrease in the discount for lack of marketability used in isolation would decrease/ increase the carrying amount by ₹206 lakhs (2019: ₹ 196 lakhs)                                                                                                                                                                                                                                                    |

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

|                                                      | Fair value hierarchy | As at 31 March 2020 |            | As at 31 March 2019 |            |
|------------------------------------------------------|----------------------|---------------------|------------|---------------------|------------|
|                                                      |                      | Carrying amount     | Fair value | Carrying amount     | Fair value |
| <b>Financial assets</b>                              |                      |                     |            |                     |            |
| Financial assets at amortised cost:                  |                      |                     |            |                     |            |
| - Trade receivables                                  | Level 2              | 1,73,411            | 1,73,411   | 1,82,442            | 1,82,442   |
| - Government subsidies receivable                    | Level 2              | 2,31,622            | 2,31,622   | 2,39,348            | 2,39,348   |
| - Cash and cash equivalents                          | Level 2              | 5,054               | 5,054      | 13,213              | 13,213     |
| - Bank balances other than cash and cash equivalents | Level 2              | 2,776               | 2,776      | 2,719               | 2,719      |
| - Loans                                              | Level 2              | 42,857              | 42,857     | 42,805              | 42,805     |
| - Other financial assets                             | Level 2              | 3,074               | 3,074      | 2,999               | 2,999      |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

|                                          | Fair value hierarchy | As at 31 March 2020 |            | As at 31 March 2019 |            |
|------------------------------------------|----------------------|---------------------|------------|---------------------|------------|
|                                          |                      | Carrying amount     | Fair value | Carrying amount     | Fair value |
| <b>Financial liabilities</b>             |                      |                     |            |                     |            |
| Financial liabilities at amortised cost: |                      |                     |            |                     |            |
| - Borrowings                             | Level 2              | 1,62,512            | 1,62,512   | 2,95,447            | 2,95,447   |
| - Trade payables                         | Level 2              | 3,34,811            | 3,34,811   | 3,76,247            | 3,76,247   |
| - Other financial liabilities            | Level 2              | 21,779              | 21,925     | 18,533              | 18,540     |
| - Lease liabilities                      | Level 2              | 39,397              | 39,397     | -                   | -          |

- In case of trade receivables, government subsidies receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

### Reconciliation of Level 3 fair value measurements for the year ended 31 March 2020:

|                                       | Investments in unquoted venture capital fund at FVTPL | Investments in unquoted equity instruments at FVTOCI | Total         |
|---------------------------------------|-------------------------------------------------------|------------------------------------------------------|---------------|
| Opening balance                       | 324                                                   | 15,698                                               | 16,022        |
| Total gains or losses:                |                                                       |                                                      |               |
| - in profit or loss                   | (96)                                                  | -                                                    | (96)          |
| - in other comprehensive income (net) | -                                                     | 1,271                                                | 1,271         |
| Exchange differences                  | -                                                     | -                                                    | -             |
| Purchases                             | 16                                                    | -                                                    | 16            |
| Sold                                  | (70)                                                  | -                                                    | (70)          |
| <b>Closing balance</b>                | <b>174</b>                                            | <b>16,969</b>                                        | <b>17,143</b> |

### Reconciliation of Level 3 fair value measurements for the year ended 31 March 2019:

|                                 | Investments in unquoted venture capital fund at FVTPL | Investments in unquoted equity instruments at FVTOCI | Total         |
|---------------------------------|-------------------------------------------------------|------------------------------------------------------|---------------|
| Opening balance                 | 361                                                   | 17,328                                               | 17,689        |
| Total gains or losses:          |                                                       |                                                      |               |
| - in profit or loss             | (23)                                                  | -                                                    | (23)          |
| - in other comprehensive income | -                                                     | (3,765)                                              | (3,765)       |
| Exchange differences            |                                                       | 345                                                  | 345           |
| Purchases                       | -                                                     | 1,790                                                | 1,790         |
| Sold                            | (14)                                                  | -                                                    | (14)          |
| <b>Closing balance</b>          | <b>324</b>                                            | <b>15,698</b>                                        | <b>16,022</b> |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 33 Share based payments

| Particulars                                       | Employee Stock Option Scheme 2007<br>(‘ESOP 2007 Scheme’)                                                                                                                                           | Employee Stock Option Scheme 2016<br>(‘ESOP 2016 Scheme’): |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Approval of shareholders                          | 24th July 2007                                                                                                                                                                                      | 11th January 2017                                          |
| Administration                                    | Remuneration and Nomination Committee of the Board of Directors                                                                                                                                     |                                                            |
| Eligibility                                       | The committee determines which eligible employees will receive options                                                                                                                              |                                                            |
| Number of equity shares reserved under the scheme | 1,27,85,976                                                                                                                                                                                         | 1,45,81,000                                                |
| Number of equity shares per option                | 1                                                                                                                                                                                                   | 1                                                          |
| Vesting period                                    | 1-5 years                                                                                                                                                                                           | 1-4 years                                                  |
| Exercise period                                   | Within 6* years from date of vesting                                                                                                                                                                | Within 5 years from date of vesting                        |
| Exercise Price Determination                      | Latest available closing market price of the shares on the stock exchange where there is highest trading volume prior to the date of the Remuneration and Nomination Committee approving the grant. |                                                            |

\* In partial modification of the special resolution passed for establishing ESOP 2007, the shareholders in their meeting held on 23 July 2012 decided to approve the extension of the exercise period of options granted under the ESOP 2007 from three years to six years.

#### 33.1 Employee Stock Option Scheme 2007 (‘ESOP 2007 Scheme’):

- a) Pursuant to the ESOP 2007 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

|                              | For the year ended<br>31 March 2020 |                                        | For the year ended<br>31 March 2019 |                                        |
|------------------------------|-------------------------------------|----------------------------------------|-------------------------------------|----------------------------------------|
|                              | No. of<br>Options                   | Weighted average<br>exercise price (₹) | No. of<br>Options                   | Weighted average<br>exercise price (₹) |
| At the beginning of the year | 28,400                              | 287.50                                 | 52,100                              | 287.50                                 |
| Granted                      | -                                   | -                                      | -                                   | -                                      |
| Exercised                    | 26,250                              | 287.50                                 | 23,700                              | 287.50                                 |
| Cancelled                    | -                                   | -                                      | -                                   | -                                      |
| Lapsed                       | -                                   | -                                      | -                                   | -                                      |
| At the end of the year       | 2,150                               | 287.50                                 | 28,400                              | 287.50                                 |

- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 0.01 years (2019: 0.01 years). The exercise price of the outstanding options is ₹ 287.50 (2019: ₹ 287.50). The weighted average share price during the year is ₹ 468 (2019: ₹ 436).
- c) Number of options exercisable at the end of the year 2,150 (2019: 28,400).
- d) The fair values of the option with modified terms were determined using a Black Scholes’ model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 3-4 years.

Following assumptions were used for calculation of fair value of grants:

|                             | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Dividend yield (%)          | 700                                 | 700                                 |
| Expected volatility (%)     | 0.39-0.47                           | 0.39-0.47                           |
| Risk free interest rate (%) | 8                                   | 8                                   |
| Expected term (in years)    | 4-6                                 | 4-6                                 |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 33.2 Employee Stock Option Scheme 2016 (‘ESOP 2016 Scheme’):

- a) Pursuant to the ESOP 2016 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

|                              | For the year ended<br>31 March 2020 |                                        | For the year ended<br>31 March 2019 |                                        |
|------------------------------|-------------------------------------|----------------------------------------|-------------------------------------|----------------------------------------|
|                              | No. of<br>Options                   | Weighted average<br>exercise price (₹) | No. of<br>Options                   | Weighted average<br>exercise price (₹) |
| At the beginning of the year | 21,54,120                           | 347.68                                 | 21,28,400                           | 334.32                                 |
| Granted*                     | 1,26,840                            | 375.90                                 | 2,43,620                            | 439.25                                 |
| Exercised                    | 4,00,170                            | 322.30                                 | 1,20,220                            | 319.65                                 |
| Cancelled                    | 1,24,800                            | 319.65                                 | 97,680                              | 319.65                                 |
| Lapsed                       | -                                   | -                                      | -                                   | -                                      |
| At the end of the year       | 17,55,990                           | 357.49                                 | 21,54,120                           | 347.68                                 |

\*the weighted average fair value of options granted during the year is ₹ 127.91 (2019: ₹ 173.25)

- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 2.39 years (2019: 3.25 years). The exercise price of the outstanding options range from ₹ 319.65 to ₹ 529.40 (2019: ₹ 319.65 to ₹ 529.40). The weighted average share price during the year is ₹ 468 (2019: ₹ 436).
- c) Number of options exercisable at the end of the year 8,21,850 (2019: 6,13,820).
- d) The fair values of the option were determined using a Black Scholes’ model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 5-6 years.

Following assumptions were used for calculation of fair value of grants:

|                             | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Dividend yield (%)          | 650                                 | 350-650                             |
| Expected volatility (%)     | 0.32-0.33                           | 0.32-0.34                           |
| Risk free interest rate (%) | 6.14-6.43                           | 7.00-8.00                           |
| Expected term (in years)    | 3.51-6.51                           | 3.50-6.50                           |

### 33.3 Share based payments

The Group recorded employee share based payments of ₹ 518 lakhs (2019: ₹ 700 lakhs) under ‘Employee benefits expense’.

## Consolidated Notes (Contd.)

### 34 Employee benefits plan

#### a) Defined benefit plans

(₹ in lakhs, unless otherwise stated)

|                                                                      | Gratuity plan |              |
|----------------------------------------------------------------------|---------------|--------------|
|                                                                      | 2019-2020     | 2018-2019    |
| <b>Change in Defined Benefit Obligation (DBO) during the year</b>    |               |              |
| Present value of DBO at the beginning of the year                    | 5,405         | 5,077        |
| Current service cost                                                 | 578           | 501          |
| Interest cost                                                        | 379           | 377          |
| Actuarial (gain)/ loss arising from changes in financial assumptions | 244           | 78           |
| Actuarial (gain)/loss arising from changes in experience adjustments | (9)           | (124)        |
| Benefits paid                                                        | (743)         | (504)        |
| <b>Present value of DBO at the end of the year</b>                   | <b>5,854</b>  | <b>5,405</b> |
| <b>Change in fair value of plan assets during the year</b>           |               |              |
| Fair value of plan assets at the beginning of the year               | 5,622         | 5,115        |
| Interest income                                                      | 424           | 420          |
| Employer contributions                                               | -             | 690          |
| Benefits paid                                                        | (743)         | (504)        |
| Remeasurements – return on plan assets (excluding interest income)   | 321           | (99)         |
| <b>Present value of DBO at the end of the year</b>                   | <b>5,624</b>  | <b>5,622</b> |
| <b>Amounts recognised in the Balance Sheet</b>                       |               |              |
| Present value of DBO at the end of the year                          | 5,854         | 5,405        |
| Fair value of plan assets at the end of the year                     | (5,624)       | 5,622        |
| <b>Funded status of the plans – (asset)/ liability</b>               | <b>230</b>    | <b>(217)</b> |
| <b>(Asset)/ liability recognised in the Balance Sheet</b>            | <b>230</b>    | <b>(217)</b> |
| <b>Components of employer expense</b>                                |               |              |
| Current service cost                                                 | 578           | 501          |
| Interest income on net defined benefit obligation                    | (44)          | (43)         |
| <b>Expense recognised in Statement of Profit and Loss</b>            | <b>534</b>    | <b>458</b>   |
| <b>Remeasurement on the net defined benefit obligation</b>           |               |              |
| Return on plan assets (excluding interest income)                    | (321)         | 99           |
| Actuarial (gain)/loss arising from changes in financial assumptions  | 244           | 78           |
| Actuarial (gain)/loss arising from changes in experience adjustments | (9)           | (124)        |
| <b>Remeasurements recognised in other comprehensive income</b>       | <b>(86)</b>   | <b>53</b>    |
| <b>Total defined benefit cost recognised</b>                         | <b>448</b>    | <b>511</b>   |
| <b>Nature and extent of investment details of the plan assets#</b>   |               |              |
| State and Central Securities                                         | -             | -            |
| Bonds                                                                | -             | -            |
| Special deposits                                                     | -             | -            |
| Insurer managed funds                                                | 100%          | 100%         |

#includes details of trusts other than those covered under a Scheme of Life Insurance Corporation of India

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Employee who has completed five years of service is entitled to specific benefit depending on the employee's length of service and salary at retirement or relieving age. The fund has the form of trust and it is governed by the Board of Trustees which consists of employer and employee representatives. The Board of Trustees is responsible for the administration of plan assets.

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

The Board of Trustees reviews the level of funding and asset-liability matching strategy in the gratuity plan to keep the scheme adequately funded for settlement of obligations under the plan.

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India (LIC) which is basically a year-on-year cash accumulation plan. As part of the scheme the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity settlements during the year subject to sufficiency of funds under the policy.

|                                         | 31 March 2020 | 31 March 2019 |
|-----------------------------------------|---------------|---------------|
| <b>Assumptions</b>                      |               |               |
| Discount rate                           | 6.84%         | 7.54%         |
| Estimated rate of return on plan assets | 7.54%         | 7.82%         |
| Expected rate of salary increase        | 5-7%          | 5-7%          |
| Attrition rate                          | 5%            | 5%            |

|                                                                       | 31 March 2020 | 31 March 2019 |
|-----------------------------------------------------------------------|---------------|---------------|
| <b>Sensitivity analysis – DBO at the end of the year (₹ in lakhs)</b> |               |               |
| Discount rate + 100 basis points                                      | 5,498         | 5,128         |
| Discount rate - 100 basis points                                      | 6,259         | 5,716         |
| Salary increase rate +1%                                              | 6,209         | 5,679         |
| Salary increase rate -1%                                              | 5,534         | 5,155         |
| Attrition rate +1%                                                    | 5,844         | 5,425         |
| Attrition rate -1%                                                    | 5,865         | 5,381         |

|                                                    | 31 March 2020 | 31 March 2019 |
|----------------------------------------------------|---------------|---------------|
| <b>Weighted average duration of DBO</b>            | 11 years      | 11 years      |
| <b>Expected cash flows (₹ in lakhs)</b>            |               |               |
| 1. Expected employer contribution in the next year | 709           | 1,078         |
| 2. Expected benefit payments                       |               |               |
| Year 1                                             | 807           | 1,001         |
| Year 2                                             | 717           | 739           |
| Year 3                                             | 655           | 627           |
| Year 4                                             | 498           | 583           |
| Year 5                                             | 392           | 427           |
| Beyond 5 years                                     | 1,608         | 1,520         |

#### b) Defined contribution plans

In respect of the defined contribution plans, an amount of ₹2,793 lakhs (2019: ₹2,247 lakhs) has been recognised as an expense in the Statement of Profit and Loss during the year.

### 35 Earnings per share

|                                                                                       |     | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------------------------------------------------------------------|-----|-------------------------------------|-------------------------------------|
| i) Profit after tax (₹ in Lakhs)                                                      | [a] | 1,06,504                            | 72,048                              |
| <b>Basic</b>                                                                          |     |                                     |                                     |
| ii) Weighted average number of equity shares of ₹1/- each outstanding during the year | [b] | 29,26,25,865                        | 29,24,23,474                        |
| <b>Dilution</b>                                                                       |     |                                     |                                     |
| iii) Effect of potential equity shares on employees stock options outstanding         | [c] | 7,14,322                            | 5,13,576                            |
| iv) Weighted average number of equity shares of ₹1/- each outstanding during the year |     | 29,33,40,187                        | 29,29,37,050                        |
| <b>Earnings Per Share (face value of ₹1/- each)</b>                                   |     |                                     |                                     |
| v) Basic – [a]/[b] – (₹)                                                              |     | 36.40                               | 24.64                               |
| vi) Diluted – [a]/[c] – (₹)                                                           |     | 36.31                               | 24.60                               |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

### 36 Contingent liabilities (to the extent not provided for)

#### Claims against the Group not acknowledged as debt:

(₹ in Lakhs)

|                                      | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------|------------------------|------------------------|
| In respect of matters under dispute: |                        |                        |
| Excise duty                          | 390                    | 449                    |
| Customs duty                         | 848                    | 851                    |
| Sales tax                            | 1,549                  | 1,448                  |
| Income tax                           | 2,096                  | 2,126                  |
| Service tax                          | 248                    | 251                    |
| Goods and Services Tax               | 5                      | 5                      |
| Others                               | 5,657                  | 6,010                  |

The amounts disclosed above represent our best estimate and the uncertainties are dependent on the outcome of the legal processes initiated by the Group or the claimant as the case may be.

### 37 Commitments

#### a) Capital commitments

(₹ in Lakhs)

|                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------|------------------------|------------------------|
| Capital expenditure commitments | 5,983                  | 13,073                 |
| Commitment towards investments  | 1,200                  | 316                    |

### 38 Leases

The Group's significant leasing arrangement are in respect of Land, Office premises and Retail outlets.

The Group has adopted Ind AS 116 "Leases" with the date of initial application being 1 April 2019.

Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. On transition to Ind AS 116, Right-of-use assets at 1 April 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/accruals). As a result, the comparative information has not been restated. The Group has discounted lease payments using the incremental borrowing rate as at 1 April 2019, which is 9.10% for measuring the lease liability.

On transition to Ind AS 116, the Group recognised Right-of-use amounting to ₹42,085 Lakhs and a lease liability of ₹38,271. During the year ended 31 March 2020, the Group has recognised interest expense on leases amounting to ₹ 3,571 Lakhs, and amortisation on right-of-use assets amounting to ₹3,618 Lakhs, in the consolidated financial statement.

i) The following is the movement in lease liabilities during the year ended 31 March 2020

(₹ in Lakhs)

|                                                       | For the year ended<br>31 March 2020 |
|-------------------------------------------------------|-------------------------------------|
| Balance at the beginning                              | 38,271                              |
| Additions                                             | 2,734                               |
| Interest accrued during the year                      | 3,571                               |
| Less: Payment of lease liabilities including Interest | 5,179                               |
| <b>Balance at the end</b>                             | <b>39,397</b>                       |

ii) The impact of change in accounting policy on account of adoption of Ind AS 116 is as given below:

(₹ in Lakhs)

|                                                     | For the year ended<br>31 March 2020 |
|-----------------------------------------------------|-------------------------------------|
| Interest on lease liability (refer note 28)         | 3,571                               |
| Amortisation on right of use assets (refer note 29) | 3,602                               |
| Less : Lease rental Expense                         | 5,179                               |
| <b>Impact on the statement of profit and loss</b>   | <b>1,944</b>                        |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

iii) Maturity analysis of lease liabilities as on 31 March 2020 on on discounted basis.

(₹ in Lakhs)

|                                                               | 31 March 2020 |
|---------------------------------------------------------------|---------------|
| Less than one year                                            | 1,855         |
| One to three years                                            | 5,643         |
| More than three years                                         | 31,899        |
| <b>Total discounted lease liabilities as at 31 March 2020</b> | <b>39,397</b> |

### 39 Corporate social responsibility

Expenses incurred on Corporate Social Responsibility (CSR) programs under Section 135 of the Act are charged to the Statement of Profit and Loss under 'Other expenses' (Note 30) ₹1,990 Lakhs (2019: ₹1,380 Lakhs) and under 'Employee benefits expense' (Note 27) ₹72 Lakhs (2019: ₹58 Lakhs).

### 40 Research and development expenses incurred on the following heads have been accounted under the natural heads:

(₹ in Lakhs)

|                                           | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus                 | 880                                 | 787                                 |
| Contribution to provident and other funds | 77                                  | 72                                  |
| Consumption of stores and spare parts     | 228                                 | 166                                 |
| Power and fuel                            | 61                                  | 53                                  |
| Repairs to machinery                      | 120                                 | 89                                  |
| Miscellaneous expenses                    | 497                                 | 138                                 |
|                                           | <b>1,863</b>                        | <b>1,305</b>                        |

### 41 Related party disclosures

#### (A) Names of the related parties and their relationship:

| Names                                                  | Nature of relationship                     |
|--------------------------------------------------------|--------------------------------------------|
| E.I.D.-Parry (India) Limited                           | Parent company                             |
| Sabero Organics Philippines Asia Inc.                  | Associate                                  |
| Parry Infrastructure Company Private Limited (PICPL)   | Fellow subsidiary                          |
| US Nutraceuticals LLC (USN)                            | Fellow subsidiary                          |
| Coromandel SQM (India) Pvt Limited (CSQM)              | Joint venture                              |
| Yanmar Coromandel Agrisolutions Private Limited (YCAS) | Joint venture                              |
| Parry Enterprises (India) Limited (PEIL)               | Associate of parent company                |
| Coromandel Provident Fund                              | Employee benefit plan                      |
| Coromandel Provident Fund No. 1                        | Employee benefit plan                      |
| CFL Gratuity Fund                                      | Employee benefit plan                      |
| Coromandel Gratuity Fund – I                           | Employee benefit plan                      |
| Coromandel Gratuity Fund – II                          | Employee benefit plan                      |
| Coromandel Management Staff Pension Fund               | Employee benefit plan                      |
| Coromandel Superannuation Fund                         | Employee benefit plan                      |
| Mr. Sameer Goel                                        | Key management personnel                   |
| Mr. S Suresh                                           | Key management personnel of Parent company |

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

## (B) Transactions during the year:

|                                                                 | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>i) Sale of finished goods/raw materials/services</b>         |                                     |                                     |
| a) Joint venture – CSQM                                         | 298                                 | 270                                 |
| <b>ii) Rent received</b>                                        |                                     |                                     |
| a) Fellow subsidiary – PICPL                                    | 95                                  | 95                                  |
| b) Joint venture – CSQM                                         | 4                                   | 16                                  |
| c) Associate – PEIL                                             | 8                                   | 7                                   |
| <b>iii) Expenses reimbursed by</b>                              |                                     |                                     |
| a) Joint venture – CSQM                                         | 54                                  | 5                                   |
| b) Joint venture – YCAS                                         | -                                   | 1                                   |
| c) Associate – PEIL                                             | 3                                   | 1                                   |
| <b>iv) Purchase of finished goods and services</b>              |                                     |                                     |
| a) Parent company                                               | 320                                 | 604                                 |
| b) Joint venture – CSQM                                         | 4,195                               | 3,718                               |
| c) Associate – PEIL                                             | 1,230                               | 1,600                               |
| <b>v) Commission on sales</b>                                   |                                     |                                     |
| a) Associate – Sabero Philippines                               | 22                                  | 10                                  |
| <b>vi) Expenses reimbursed to</b>                               |                                     |                                     |
| a) Parent company                                               | 693                                 | 659                                 |
| <b>vii) Purchase of assets and spares</b>                       |                                     |                                     |
| a) Joint venture – YCAS                                         | 36                                  | 28                                  |
| <b>viii) Dividend paid (including interim dividend payable)</b> |                                     |                                     |
| a) Parent company                                               | 6,200                               | 11,515                              |
| <b>ix) Rent paid</b>                                            |                                     |                                     |
| a) Parent company                                               | 49                                  | 58                                  |
| b) Joint venture – YCAS                                         | 1                                   | 2                                   |
| <b>x) Investment made in Equity shares:</b>                     |                                     |                                     |
| a) Joint venture – YCAS                                         | 300                                 | -                                   |

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

## Consolidated Notes (Contd.)

(₹ in lakhs, unless otherwise stated)

## (C) Transactions with key management personnel

- a) Dividends paid to directors during the year is ₹6 lakhs (2019: ₹35 lakhs).
- b) Compensation of key management personnel of the Company:

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

|                              | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|------------------------------|-------------------------------------|-------------------------------------|
| Short-term employee benefits | 496                                 | 484                                 |
| Others*                      | 319                                 | 270                                 |
| <b>Total compensation</b>    | <b>815</b>                          | <b>754</b>                          |

\*excludes Goods and Services Tax/ service tax

- c) During the year, the Company has not granted any employee stock options to its key managerial personnel.

## (D) Refer Note 34 for transactions with Employee benefit funds.

## (E) Outstanding balances as at the year end

|                                                | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------|------------------------|------------------------|
| <b>a) Trade receivables/Loans and advances</b> |                        |                        |
| - Parent company                               | 254                    | 325                    |
| - Fellow subsidiary – PICPL                    | 22                     | 98                     |
| - Associate – Sabero Philippines               | 6                      | 6                      |
| - Joint venture – CSQM                         | 140                    | 132                    |
| - Associate – PEIL                             | 37                     | 3                      |
| <b>b) Trade payables/ Other liabilities</b>    |                        |                        |
| - Parent company                               | 645                    | 358                    |
| - Joint venture – CSQM                         | 514                    | 481                    |
| - Fellow subsidiary – PICPL                    | 1,049                  | 1,076                  |
| - Joint venture – YCAS                         | 19                     | 13                     |
| - Associate – PEIL                             | 28                     | 135                    |

- 42 During the previous year, the Company acquired on a slump sale basis with effect from 1 April 2018, the assets and liabilities of Bio Business of E.I.D. Parry (India) Limited and its subsidiary Parry America, Inc., with effect from 19 April 2018. The Company accounted for the business combination in accordance with the requirements of Appendix C of Ind AS 103 'Business Combinations' which lays down the principles in respect of accounting for business combinations of entities or businesses under common control. As required by the Standard, pooling of interests method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts. Considering the requirement of Ind AS 103- Business Combination, the accounting for the transaction has been given effect retrospectively by the company. Accordingly, the financial statements for the corresponding period 2017-18 have been restated to give effect of the above scheme.

The Bio-Pesticides business is engaged in the manufacture and marketing of Neem based Azadirachtin Technical and Formulations, Plant extract based Bio-stimulants, Micronutrients, Microbials, Fungicides etc. and has brands that are well established in India and Globally.

Parry America, Inc, a 100% subsidiary headquartered in US sources Azadirachtin technical from Bio-Pesticides business in India, formulates and markets the products in North and South America, Australia and Japan.

Consolidated Notes  
(Contd.)

(₹ in lakhs, unless otherwise stated)

Details of the summarized values of assets and liabilities of Bio-Pesticides business and Parry America Inc. as acquired and the treatment of the difference between the net assets acquired and the consideration paid is as under:

|                                                                                 | As of 1 April 2017 |
|---------------------------------------------------------------------------------|--------------------|
| Total assets (A)                                                                | 14,119             |
| Total liabilities (B)                                                           | 4,286              |
| <b>Net assets acquired (C) = (A) - (B)</b>                                      | <b>9,833</b>       |
| Less: Distributions made during the period 01 April 2017 till 31 March 2018 (D) | 2,564              |
| Less: Consideration paid (E)                                                    | 33,000             |
| <b>Balance adjusted against reserves (F)= (C) – (D)-(E)</b>                     | <b>(25,731)</b>    |
| <b>Adjustment to Reserves is as under:</b>                                      |                    |
| - General Reserve                                                               | (27,032)           |
| - Retained Earnings                                                             | 15                 |
| - Foreign currency translation reserve                                          | (12)               |
|                                                                                 | <b>(25,731)</b>    |

43 Financial information in respect of joint ventures and associates that are not individually material:

a. Joint ventures

|                                                                            | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Group's share of profit/ (loss)                                            | 76                                  | 84                                  |
| Group's share of other comprehensive income                                | (1)                                 | 2                                   |
| Group's share of total comprehensive income                                | 75                                  | 86                                  |
|                                                                            | As at<br>31 March 2020              | As at<br>31 March 2019              |
| Aggregate carrying amount of the Group's interests in these joint ventures | 2,077                               | 1,706                               |

b. Associate

|                                                                        | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Group's share of profit/ (loss)                                        | 2                                   | *                                   |
| Group's share of other comprehensive income                            | -                                   | *                                   |
| Group's share of total comprehensive income                            | 2                                   | *                                   |
|                                                                        | As at<br>31 March 2020              | As at<br>31 March 2019              |
| Aggregate carrying amount of the Group's interests in these associates | 2                                   | 1,706                               |

\*less than a lakh

44 Payments to Auditors of the Company

|                           | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---------------------------|-------------------------------------|-------------------------------------|
| Audit fees                | 90                                  | 65                                  |
| Tax audit fees            | 16                                  | 15                                  |
| Limited reviews           | 36                                  | 33                                  |
| Certifications            | 70                                  | 70                                  |
| Other services            | 10                                  | -                                   |
| Reimbursement of expenses | 2                                   | 3                                   |
| <b>Total</b>              | <b>224</b>                          | <b>186</b>                          |

Note: Amounts given above excludes GST/ service tax

45 During the year, the Company has made political donation of ₹413 lakhs (2019: ₹ 300 lakhs) to Triumph Electoral Trust.

Consolidated Notes  
(Contd.)

(₹ in lakhs, unless otherwise stated)

46. Additional disclosures related to consolidated financial statements:  
a. List of subsidiaries and joint ventures considered for consolidation:

| Name of the Company                                               | Relationship  | Country of incorporation | Percentage of voting power as at 31 March 2020 | Net assets    |                              | Share in profit/(loss) |                                 | Share in other comprehensive income |                                              | Share in total comprehensive income |                                              |
|-------------------------------------------------------------------|---------------|--------------------------|------------------------------------------------|---------------|------------------------------|------------------------|---------------------------------|-------------------------------------|----------------------------------------------|-------------------------------------|----------------------------------------------|
|                                                                   |               |                          |                                                | 31 March 2020 | % of consolidated net assets | 31 March 2020          | % of consolidated profit/(loss) | 31 March 2020                       | % of consolidated other comprehensive income | 31 March 2020                       | % of consolidated total comprehensive income |
| Coromandel International Limited                                  | Parent        | India                    | -                                              | 98%           | 4,24,089                     | 99%                    | 1,05,918                        | -46%                                | 53                                           | 100%                                | 1,05,971                                     |
| Liberty Pesticides and Fertilisers Limited (LPFL)                 | Subsidiary    | India                    | 100                                            | *             | 276                          | *                      | 10                              | -                                   | -                                            | *                                   | 10                                           |
| Sabero Organics America S.A. (SOAL)                               | Subsidiary    | Brazil                   | 99.98                                          | *             | 85                           | *                      | (23)                            | *                                   | (19)                                         | *                                   | (42)                                         |
| Sabero Australia Pty Ltd, Australia (Sabero Australia)            | Subsidiary    | Australia                | 100                                            | *             | 4                            | *                      | 5                               | -                                   | -                                            | *                                   | 5                                            |
| Sabero Europe B.V. (Sabero Europe)                                | Subsidiary    | Netherlands              | 100                                            | *             | -                            | *                      | 8                               | -                                   | -                                            | *                                   | 8                                            |
| Sabero Argentina S.A. (Sabero Argentina)                          | Subsidiary    | Argentina                | 95                                             | *             | 8                            | *                      | -                               | *                                   | (3)                                          | *                                   | (3)                                          |
| Coromandel Agromegocios de Mexico, S.A de C.V (Coromandel Mexico) | Subsidiary    | Mexico                   | 100                                            | *             | 183                          | *                      | 89                              | *                                   | (24)                                         | *                                   | 65                                           |
| Coromandel International (Nigeria) Limited (CNL)                  | Subsidiary    | Nigeria                  | 99.99                                          | *             | -                            | *                      | (12)                            | *                                   | -                                            | *                                   | (12)                                         |
| Parry America, Inc (PAI)                                          | Subsidiary    | USA                      | 100                                            | 1%            | 2,911                        | 0%                     | 353                             | -210%                               | 239                                          | 1%                                  | 592                                          |
| Parry Chemicals Limited (PCL)                                     | Subsidiary    | India                    | 100                                            | *             | 1,655                        | *                      | 36                              | -                                   | -                                            | *                                   | 36                                           |
| Dare Investments Limited (DIL)                                    | Subsidiary    | India                    | 100                                            | *             | 281                          | *                      | (1)                             | 330%                                | (376)                                        | 0%                                  | (377)                                        |
| CFL Mauritius Limited (CML)                                       | Subsidiary    | Mauritius                | 100                                            | *             | 194                          | *                      | (26)                            | -13%                                | 15                                           | 0%                                  | (11)                                         |
| Coromandel Brasil Limitada (CBL), Limited Liability Partnership   | Subsidiary    | Brazil                   | 100                                            | *             | (3)                          | *                      | 69                              | *                                   | 2                                            | *                                   | 71                                           |
| Coromandel Mali SASU (CMS)                                        | Subsidiary    | Mali                     | 100                                            | *             | 8                            | *                      | -                               | -                                   | -                                            | -                                   | -                                            |
| Coromandel SQM (India) Private Limited (CSQM)                     | Joint venture | India                    | 50                                             | *             | 1,253                        | *                      | 16                              | -                                   | -                                            | *                                   | 16                                           |
| Yanmar Coromandel Agrisolutions Private Limited (YCAS)            | Joint venture | India                    | 40                                             | *             | 824                          | *                      | 58                              | *                                   | (1)                                          | *                                   | 57                                           |
| Sabero Organics Philippines Asia Inc (SOPA)                       | Associate     | Philippines              | 40                                             | *             | 2                            | *                      | 4                               | *                                   | -                                            | *                                   | 4                                            |
| <b>Total</b>                                                      |               |                          |                                                |               | <b>4,31,770</b>              |                        | <b>1,06,504</b>                 |                                     | <b>(114)</b>                                 |                                     | <b>1,06,390</b>                              |

\*less than 1%

- a. In respect of SOAL, Coromandel Mexico, Sabero Australia and CNL the financial year is from 1 January 2019 to 31 December 2019 and accordingly audited financials statements are available upto 31 December 2019. The consolidated financial statements have been adjusted by the management for significant transactions between 1 January to 31 March to align for consolidation purpose.
- b. In respect of Sabero Argentina, CML, CBL, CMS, SOPA the financial year is from 1 January 2019 to 31 December 2019, however the unaudited financial statements for the period from 1 April 2020 to 31 March 2020 has been considered for the purpose of preparation of consolidated financial statements.
- c. In respect of Sabero Europe the financial year is from 1 June 2019 to 31 May 2020 and in respect of LPFL and YCAS the financial year is from 1 April 2019 to 31 March 2020, however un-audited financial statements for the period 1 April 2019 to 31 March 2020 has been considered for the purpose of preparation of consolidated financial statements.

Consolidated Notes
(Contd.)

(₹ in lakhs, unless otherwise stated)

47 Based on and to the extent of information available with the Group under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

| Sl.No. | Particulars                                                                                           | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------|-------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (i)    | Principal amount due to suppliers under MSMED Act, as at the end of the year                          | 943                    | 1,261                  |
| (ii)   | Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year   | -                      | -                      |
| (iii)  | Payment made to suppliers (other than interest) beyond the appointed day, during the year             | -                      | -                      |
| (iv)   | Interest paid to suppliers under MSMED Act (other than Section 16)                                    | -                      | -                      |
| (v)    | Interest paid to suppliers under MSMED Act (Section 16)                                               | -                      | -                      |
| (vi)   | Interest due and payable to suppliers under MSMED Act, for payments already made                      | -                      | -                      |
| (vii)  | Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi) | -                      | -                      |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

48 Exceptional item

- a) During the previous year 31 March 2019, the Company settled a customer claim for damages arising under an international supply agreement in respect of one of its Crop Protection products, and costs related thereto, including incidental legal costs estimated at ₹ 1,990 Lakhs has been disclosed as an Exceptional item. The Company is pursuing with its insurers for reimbursement of this claim.
- b) On 28 January 2019 a fire accident occurred at the product godown in one of the Company’s manufacturing unit at Sarigam, Gujarat. The damage caused to the inventories and other assets on account of this fire accident together with costs related thereto, net of insurance claims receivable, estimated at ₹ 395 Lakhs was disclosed as an Exceptional item. The Company is pursuing with its insurers for reimbursement of this claim.

49 As the world faces one of its biggest challenge caused by the COVID-19 related disruptions, the agriculture sector remains relatively insular from demand point of view though it had to face some issues related to non-availability of labour and supply chain disruptions. The country wide lock-down enforced from 25 March 2020 had temporarily impacted the Group’s operations. Due to the pro-active steps taken by the Government in supporting the farming community, production, distribution and sales of fertilizers and crop protection chemicals largely remain un-affected. Presently, major manufacturing units and retail stores of the Company have resumed operations and are adhering to strict safety measures and Government guidelines. Though the COVID 19 related uncertainties persist, with good reservoir levels and normal monsoon predictions, impact of the pandemic on Indian agriculture is expected to be minimal.

The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and has concluded that there is no impact of COVID-19 on the recoverability of carrying values of assets. The sudden changes brought about by COVID-19 has also not resulted in any significant modifications to the internal financial controls over financial reporting and thereby there is no impact on the financial statements of the Group for the financial year ended 31 March 2020.

50 During the current quarter ended 31 March 2020, pursuant to the requirements of SEBI circular no SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company has listed commercial papers on a recognised stock exchange.

51 Approval of financial statements

The financial statements were approved by the Board of Directors on 26 May 2020.

For and on behalf of the Board of Directors

Sameer Goel Managing Director
M M Murugappan Chairman
Jayashree Satagopan Chief Financial Officer
P Varadarajan Company Secretary

Place: Secunderabad / Chennai
Date: 26 May 2020

Notes

Notes section containing horizontal lines for additional information.



The light of  
**INTEGRITY**  
that gives us the courage to  
always do the right thing

The light of  
**RESPONSIBILITY**  
that gives us the humility to  
think about the world around us

The light of  
**PASION**  
that provides us with  
the desire to win

The light of  
**RESPECT**  
that inspires people  
around us to perform.

The light of  
**QUALITY**  
which makes us  
dream of excellence

These **five lights** guide us as we navigate through professional and personal decisions.



**Fertilisers | Crop Protection | Speciality Nutrients | Retail**

Coromandel International Limited, "Coromandel House", 1-2-10, Sardar Patel Road, Secunderabad - 500 003, India.

Web: [www.coromandel.biz](http://www.coromandel.biz) • Email: [mail@coromandel.murugappa.com](mailto:mail@coromandel.murugappa.com) • CIN: L24120TG1961PLC000892

Tel: +91 40 6699 7000 / 7300 / 7500 • Fax: +91 40 2784 4117