

**Ref. No.: 2021-22/36**

**July 4, 2021**

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**

Through : NSE NEAPS

Through : BSE Listing

Dear Sirs,

**Subject : Notice of the 59<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2020-21 pursuant to Regulations 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Reference : Our letter with Ref. No.: 2021-22/17 dated April 29, 2021**

This is further to our letter dated April 29, 2021, informing about the 59<sup>th</sup> Annual General Meeting ('AGM') of the Company, which is scheduled to be held on Monday, July 26, 2021. In this regard, we enclose the Annual Report for the financial year 2020-21 including the Notice of the 59<sup>th</sup> AGM ('Annual Report'), as required pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual Report is being sent through electronic mode today, i.e., Sunday, July 4, 2021, to all such Members whose email address is registered with the Depository Participants/ Company's Registrars and Share Transfer Agent, KFin Technologies Private Limited.

The Annual Report will be made available on the website of the Company viz., <https://coromandel.biz/>

We request you to take this on record.

Thanking you,

Yours faithfully

For **Coromandel International Limited**



**Rajesh Mukhija**

**Sr. Vice President – Legal &  
Company Secretary**

**Encl.: Annual Report 2020-21**



**murugappa**

# Rising with Resilience



# WHAT INSIDE

## Corporate Overview

- Rising With Resilience | 01
- We are Coromandel | 02
- Performance through the years | 08
- Transforming to next gen agriculture company | 10
- A Spirited Performance | 12
- Managing Director's Interactive Q&A | 15
- Board of Directors | 18
- Faster Adoption: Smart Crop Solutions | 22
- Riding the Digital Wave: Reaching Customers | 24
- Nurturing Communities, Changing Lives | 30
- Awards and Recognitions | 33
- Corporate Information | 34

## Management Reports

- Management Discussion and Analysis | 35
- Notice of the Annual General Meeting | 53
- Board's Report | 66
- Corporate Governance Report | 94
- Business Responsibility Report | 115

## Financial Statements

- Standalone | 134
- Consolidated | 200

### 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.



# RISING WITH RESILIENCE

As the world encountered the unprecedented health challenges and economic slowdown due to the COVID 19 pandemic, We, at Coromandel, displayed exceptional resilience to swiftly transform ourselves and continue our growth trajectory. It is this resilient nature of ours backed by our rich legacy and strong commitment that has enabled us to rise in these challenging times.

We were quick to embrace technology to overcome the resource limitations and drive the agenda of Smart Farming. Digital became our biggest enabler as we empowered our people, processes and stakeholders, leading to improved overall performance.

We continued to prioritize the safety and well-being of our employees and operated with desired caution and compliance during the pandemic year. This ensured safe work environment and continuance of our operations for most part of the year, enabled availability of agri inputs and services to the farming community.

We rose to support our nearby communities and Government agencies by assisting in the areas of COVID awareness & relief, health, education and community development.

*Our Farmer's indomitable spirit drives us everyday and strengthens our resilience to rise above the challenges.*



# WE ARE COROMANDEL



## Our 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.



## Our Mission

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

### An integrated agri solutions provider

Coromandel International Limited, part of ₹381 billion (₹38,105 crores) Murugappa Group, is one of India's first and leading Agri solutions provider, offering diverse products and services across the farming value chain. Our business consists of two major segments: Nutrient and Crop Protection. We specialize in Fertiliser,

Crop Protection, Bio pesticide, Specialty Nutrient and Organic fertilizer.

We are the 2<sup>nd</sup> largest manufacturer and marketer of Phosphatic fertiliser in India. Our Crop Protection Business offers wide range of Technical and Formulated products which are marketed across the

world. We are the leading marketer of Organic fertiliser in India and offer rich portfolio of Bio Pesticide solutions.

Our Specialty Nutrients business focuses on water soluble fertilizers, secondary and micro nutrients. With over 750+ rural retail outlets across Andhra Pradesh,

Telangana, Karnataka and Maharashtra, our retail outlets offers agri input products and farming services including crop advisory, soil testing and farm mechanization to over 3 million farmers.

At Coromandel International Limited, we remain strategically focused on strengthening our position in the market

and evolving as a complete agri solutions provider. In line with our strategy, we have been strengthening our R&D and product development setup to accelerate our innovation agenda and introduce new products and solutions.

We have 16 manufacturing facilities, producing wide range of Nutrient and

Crop Protection products, which are marketed through an extensive network of dealers and our retail centres. With our value-added services, customized crop solutions, direct farmer connect and technology prowess, Coromandel is all set to transform the Indian agriculture to emerge smarter and connected.



**₹142 billion**  
Turnover (FY 2020-21)



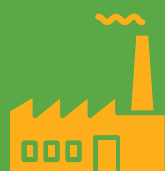
**AA+**  
(Stable Outlook)  
Crisil India

**₹227 billion**  
Market Capitalisation  
As on March 31, 2021



**~20,000+**  
Dealers

**16**  
Manufacturing Plants



**~5000+**  
Employees



**~8000+**  
Contract Employees

## OUR BUSINESS SEGMENTS



### Fertiliser

- No. 1 NPK Player in India
- No.1 Single Super Phosphate (SSP) player in India
- 15.3% market share
- Strong presence in South, East and West India
- 4.5 MT Annual Capacity (NPK+SSP)
- 39% Unique Grades



### Crop Protection

- 5<sup>th</sup> Largest Indian Agro Chemical Player
- Global presence across 80+ Countries
- 1000 + product registrations
- New products and combination focus
- 80,000+ tons manufacturing capacity per annum
- ~ 60+ brand based Product portfolio



### Specialty Nutrients

- Market leader in Water Soluble Fertiliser (WSF) and sulphur segment
- Crop specific solution
- Tie-ups with Drip Irrigation, Contract Farming and Agri universities



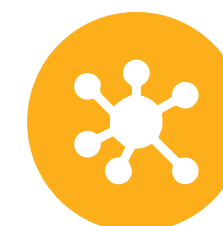
### Retail

- India's largest Agri retail chain
- Wide network of 750+ stores
- One-stop-shop for Agri requirements
- 3 million+ farmers direct connect



### Organic

- Largest Organic marketer in India with annual sales of 1.7 lakh tons
- Wide range of products



### Biologicals

- Largest Azadirachtin manufacturing facility in the world
- 61% export share
- Significant presence in US, Canada and Europe

## NEW PRODUCT LAUNCHES



NPK Fertiliser Balanced Plant Nutrition



### Crop Protection Molecule

Tembotrione Selective, post-emergence broad spectrum herbicide  
Brand: Lottery



### Speciality Nutrient

Water Soluble Fertiliser for Flowers  
Brand: GROMOR POWER  
16:8:24



### Organic Fertiliser

Organic Carbon for Soil Health



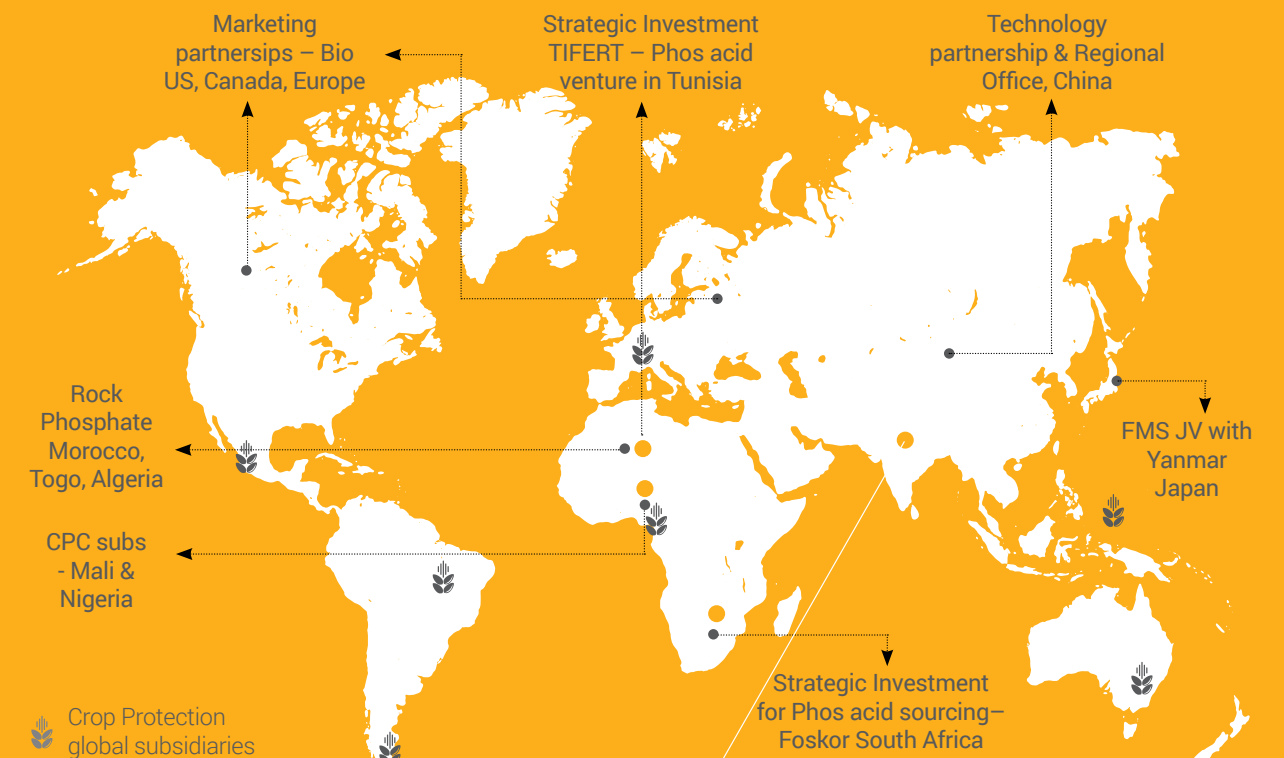
### Speciality Nutrient

Water Soluble Fertilizer  
For Sugarcane

## OUR PRESENCE

### World

Coromandel: Global footprint & collaborations



### India



Fertiliser Plants - Complexes  
 Fertiliser Plants - SSP  
 Crop Protection Plants

# PERFORMANCE THROUGH THE YEARS

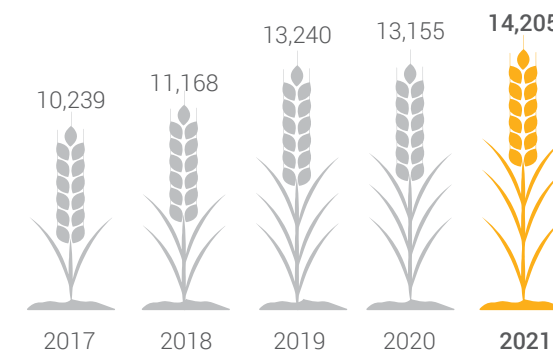
(₹ Crores, unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Gross Revenue	14,205	13,155	13,240	11,168	10,239	11,690	11,341	9,442	8,627	9,940
EBITDA	2,001	1,726	1,450	1,305	1,036	856	905	787	802	1,142
Total Assets	8,942	10,218	10,647	9,873	8,563	9,046	8,309	7,062	7,347	7,306
Net Worth	5,200	4,389	3,434	2,927	2,812	2,503	2,165	2,233	2,176	2,371
PAT	1,312	1,059	714	685	477	358	403	345	444	693
EBIDTA margin (%)	14%	13%	11%	12%	10%	7%	8%	8%	9%	11%
Debt-equity Ratio	0.00	0.37	0.86	0.93	0.79	1.07	1.05	0.68	1.04	1.04
Book Value Per Share (₹)	177	150	117	100	96	86	74	79	77	84
Earnings per share (₹)	45	36	24	23	16	12	14	12	16	25

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

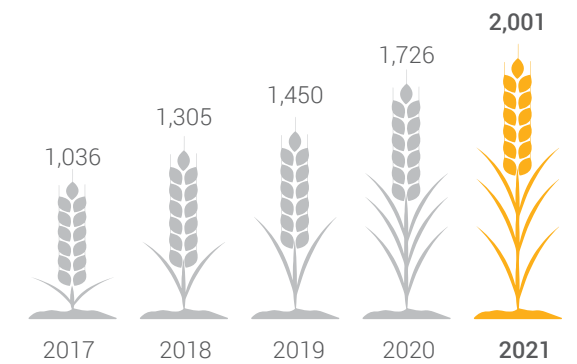
## Gross Revenue

(₹ Crores)



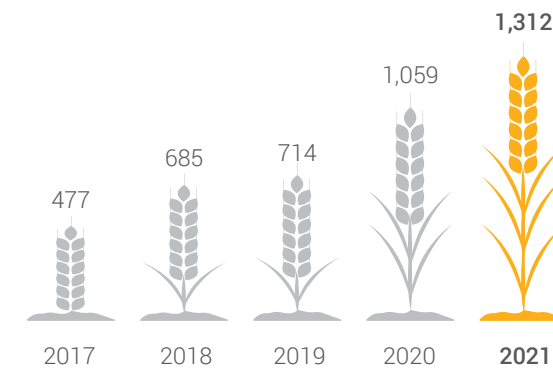
## EBITDA

(₹ Crores)



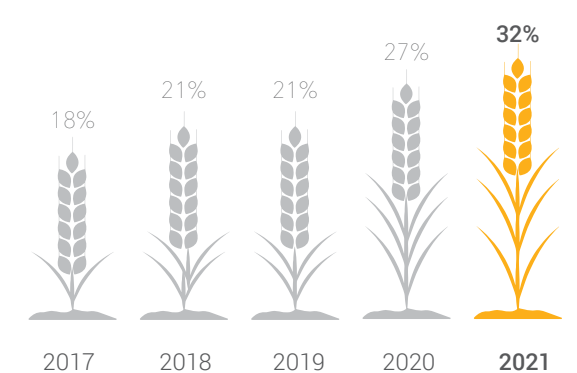
## Profit After Taxes

(₹ Crores)



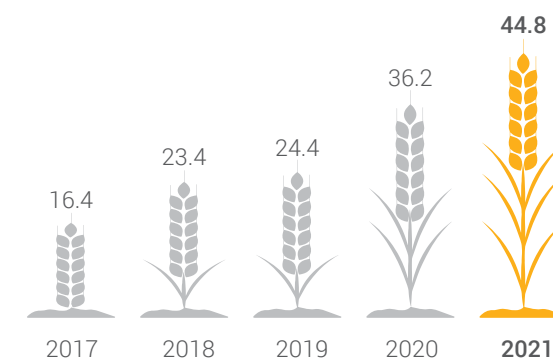
## Return on Capital Employed

(%)

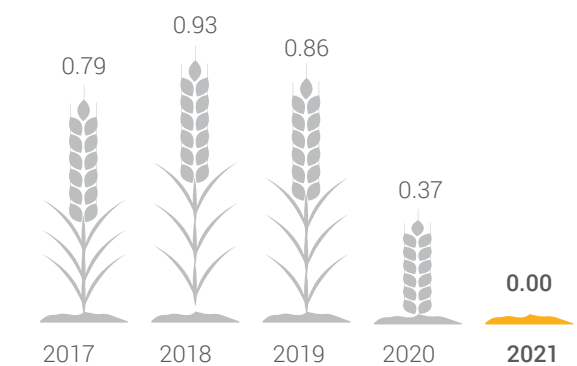


## EPS

(₹ per share)



## Debt to Equity Ratio





## Chairman's Message

# TRANSFORMING TO NEXT GEN AGRICULTURE COMPANY



### Dear Shareholders,

The year 2020-21 has been a very challenging year for India as a Country. Our overall economy has degrown by 7.3% due to the challenges caused by the COVID-19 pandemic. However, in this situation the agriculture sector has shown an impressive growth of 3.6% for the year 2020-21. We are fortunate as a Company to be largely operating in this sector and this has helped us to show an overall good performance for the year 2020-21 despite the prevailing risks and challenges posed by a devastating pandemic.

Against this backdrop of positive growth, there are many challenges facing the agricultural sector too. India is a Country with the second largest farm output. But, shrinking farmland, rising population, shifting food patterns and increased per capita consumption of farm produce are necessitating higher agricultural yields. In addition, there is also a growth in demand for better quality and higher nutritional food products due to shifts in food consumption patterns.

Keeping pace with this growth in demand and consumption pattern requires a considerable shift from the traditional ways of farming. Both the State and the Central Government have been proactively and rightfully focusing on several policy measures and implementation programs to boost farm sector. Soil health card schemes, consumption-based subsidies, crop insurance, corpus for special irrigation fund, more crop per drop approach, sustainable ground water management, unified agricultural marketing e-platforms, Pradhan Mantri Kisan Sammann Nidhi etc., are only a few of the many interventions from our Government to the agri community.

As a responsible Company operating in the Agri-inputs sector, Coromandel too has strived to play an active role in bringing about adoption of modern agronomic practices over the years. Providing effective and affordable nutrition and crop protection solutions to our farmers' needs is critically important. Coromandel is committed to bring in the right products and agri technologies to help the farmers achieve the best possible yields. We firmly believe that there is a tremendous opportunity and an unsaid responsibility for Coromandel to bring the best of technological advancements from the world of agri research to the doorsteps of our Indian farmers.

### Some of the Company's activities to fulfil the foresaid agenda include:

- Ensuring seamless and efficient supply of nutrient and crop protection products and services to farmers through multiple channels, including private trades, Government institutions and MGC stores.
- Continued investment to strengthen in-house R&D with an endeavour to introduce differentiated products

like GroSmart, GroPlus, Gromor Ultra, GroShakti etc. to help farmers grow their yield.

- Tie-ups with agri universities, IITs and other agri agencies to pass on benefits of new products and farming practices to farmers.
- Providing agri extension services like soil Testing, satellite imagery, crop advisory services.
- Extending access for Government welfare schemes like POSHAN abhiyaan (Prime Minister's Overarching Scheme for Holistic Nutrition).
- Conducting crop and farmer specific workshops through Gromor Nutri-clinics.

As a responsible Company committed to preserving the soil health of the nation, Coromandel will continue to offer the best organic and biological solutions in addition to the traditional chemicals-based fertiliser and crop protection solutions.

The financials of Coromandel continued its strong trajectory despite a pandemic year. The EBITDA and net profits for the Company clocked impressive double-digit growth rates of 17% and 25% respectively on top of a 8% revenue growth as well. The consolidated total income reached ₹14,257 crores during the year 2020-21. However, as we enter the year 2021-22, we are witnessing serious challenges in terms of availability and prices of our key raw materials. Although Government of India has rendered timely help by announcing a higher subsidy for the phosphatic sector, the situation is quite challenging.

Built over its 60 plus years of existence, the strong fundamentals of the Company will ensure Coromandel

will continue to perform well in the future. However, there is a growing need for the Company to embark on a transformative journey to imbibe new capabilities. The current leadership team at Coromandel is fully cognizant of this and is making a dedicated effort to spend disproportionate time and effort towards building an agile, next-gen agriculture Company. I am confident the output of these efforts will manifest itself in the coming years in the form of innovative new product launches, geographical outreaches, digital and technology adoption to the Company's manufacturing and supply chain, enhanced customer service models and fringe ecosystem plays.

### Welcoming the new members to Coromandel Board

I would like to welcome Mr. Arun Alagappan and Mr. Ramesh K. B. Menon who joined on the Board of the Company during 2020-21. My congratulations and best wishes to Mr. Arun Alagappan on his subsequent appointment as the Executive Vice Chairman of the Company as well.

### Thank you all...

On behalf of the Board of Directors, I would like to thank our customers, shareholders, banking partners, channel partners and the Government for reposing faith in us and supporting us throughout. I would like to whole heartedly thank my colleagues across factories and offices at Coromandel for going above and beyond their call of duty to support the business during the pandemic. With your continued support, I eagerly look forward to the upcoming year.

**A Vellayan**  
Chairman



## Executive Vice Chairman's Message

# A SPIRITED PERFORMANCE



Dear Shareholders,

### The year gone by: a spirited performance despite the challenges of a pandemic

The past year's headlines were defined by a pandemic that has altered the economic, social and lifestyle aspects of our nation. During these tough times, the farming community stood together and made it a successful year for Indian agriculture. Despite the overall economy de-growing by 7.3%, agriculture sector grew by a commendable 3.6% during the fiscal year 2020-21. It is with immense pride that I say that Coromandel too played its part by ensuring seamless and efficient supply of nutrient and crop protection products and services to farmers through multiple channels, including private trades, government institutions and MGC stores.

During the year, Coromandel's consolidated total income grew by 8% to reach ₹ 14,257 crores, EBITDA grew by 17% to reach ₹ 2,021 crores, EBITDA margin improved by 104 basis point to reach 14.20% and net profit improved by 25% to reach ₹ 1,329 crores for the year. The cash flow position too improved significantly during the year.

### People first approach

Throughout its long and cherished history, Coromandel has always placed the interests of its people first. Our people, including our customers, channel partners, and most importantly my fellow colleagues have been instrumental in ensuring the Company performed to its potential during the challenging year 2020-21. On its part, to help our people during COVID-19, Coromandel has extended several social security measures beyond the statutory requirements, including monthly pay-outs of last drawn salary to bereaved families of employees for 2 years, extended insurance coverage towards medical expenses and life cover of employees, setting up isolation and hospital bed facilities to name a few. In addition, Coromandel has also setup a multi-speciality hospital with COVID care facilities in Kakinada as a reach out to the extended communities.

“

Coromandel has initiated a technology and digital transformation journey along with a refreshed approach to data analytics and change the way the Company extracts, processes, consumes data in line with best-in class practices.

”

### Looking ahead:

Until very recently, agriculture has been relatively immune to disruptive practices over several decades, while several other industries including manufacturing and banking services have leapfrogged in technology adoption. We, at Coromandel, firmly believe that the evolving megatrends suggest an impending disruption of agriculture sector. In its endeavour to be a player of significance in this sector in India and globally, Coromandel has mapped out the following megatrends that are likely to play out in the agriculture space over the coming decade. Our strategies shall be aligned to ensure the Company is sufficiently equipped to deal with the same.

- Growing population and spike in healthy, high calorie diets – necessitating increase in farm productivity, shifting crop patterns and a need for high performance complex agri-input solutions.
- Pressure on natural resources and increasing cost of labour – necessitating a need for precision farming techniques coupled with improvised, highly efficient delivery mechanisms.
- Improved value chain linkages and consolidation of farming activities – necessitating new business models that were earlier not feasible to serve a broken and archaic value chain. Increasing trend of contract farming and shared supply chain infrastructure are a few examples of new possibilities emerging from this trend.
- Deep penetration of technology, digital and finance – access to high speed internet, emerging rural and agri-focused credit products, availability of affordable digital tools for soil health measurement, pest advisory, weather information, demand forecasting, livestock management, etc., are bound to change the quantity, quality and mode of agri and allied inputs consumption by farmers.
- Newer areas of innovation - Biotech and advanced breeding lead to new traits for crops, animals and microbes e.g., higher yield, stress tolerance and disease resistance
- Industrial evolution and competitor plays – increasing consolidation and partnerships at fringes leading to newer product offerings, service models and a broader set of collaborative stakeholders.

## Equipping to be Resilient, Adaptive, and Innovative

Coromandel is committed to protect its existing core business and revenue streams. In parallel, the Company is also embarking on a journey to accommodate the evolving megatrends and be prepared for potential disruptions in the agriculture sector through a variety of operational and strategic interventions. Coromandel aspires to be an agent of transformation and innovation leader in the Indian agriculture sector. Below is a high-level summary of agendas that Coromandel is embarking on.

- Coromandel is investing in digital and technology upgradation – the Company has initiated a technology and digital transformation journey along with a refreshed approach to data analytics. Over the next 2 years, significant changes are expected in the way the Company extracts, processes, consumes data, an increased adoption of digital tools for customer/ dealer interactions, manufacturing sophistications and supply chain interventions in line with best-in-class in the industry.
- Coromandel is investing significantly in R&D – the Company is strengthening in-house R&D with an endeavour to introduce differentiated products and novel agri-input solutions.
- The Company is strengthening in-house R&D with an endeavour to introduce differentiated products and novel agri-input solutions.

- Coromandel is committing itself to provide sustainable solutions to the farmers – while already being an industry leader in organic agri-inputs, Coromandel will continue to offer the best organic and biological solutions. As a responsible Company committed to enhancing sustainable farming, Coromandel will continue to champion adoption of organic inputs.
- Coromandel is both diversifying and deepening its relationships with the ecosystem players across the value chain - Coromandel is embarking on a journey to deepen its relationships with stakeholders ranging from strategic partnerships with raw material suppliers to retail sale of agriculture products. To name a few, this involves strengthening our existing JVs, pursuing new strategic opportunities, increasing the reach of in-house retail chain, increasing the bouquet of product and service offerings across nutrition, crop protection and farm advisory.
- Coromandel is reaching out to the Agri-Tech businesses – the Company is committed to supporting the upcoming new age agri-tech startups in the Country by providing them access to smart funding capital, expertise and knowledge, pilot marketing activities. The Company has activated a corporate VC model to pursue this agenda.

## Thank you all...

I would like to take this opportunity to thank all our employees for their sustained contribution. I would also like to thank our customers, shareholders, bankers and business partners for their continued support for our Company over the years. Further, I would like to thank the Board for their guidance and support. I would also like to place on record my sincere gratitude for the support, knowledge and wisdom shared by our respected Chairman Mr. A Vellayan.

### Arun Alagappan

Executive Vice Chairman

# MANAGING DIRECTOR'S INTERACTIVE Q&A

## What have been the key factors that enabled Company's growth during FY 2020-21?

Coromandel had a phenomenal FY 2020-21 despite the pandemic related disruptions. Its ability to swiftly transform its operations in an uncertain business environment helped in delivering a strong performance. The Company was able to effectively manage its operations with a dedicated focus on employee well-being & safety, and ensured the continuance of its supply chain and operations by strictly adhering to the safety protocols. This included the formation of Crisis Management teams and SOPs, scenario planning, swift management communication and leveraging the digital tools for seamless connectivity.

Our manufacturing units operated safely for most part of the year. The Company implemented smart sourcing in a highly disrupted supply chain and diversified its sources to improve operational flexibility.

We were quick to adopt digital marketing to reach out to millions of farmers and worked on direct delivery model through our retail stores. We were able to get the agriculture scientists and the farmers connected through the use of virtual platforms. This has helped in acceptance of our new product launches for the benefit of the farming community. The brand marketing has been more efficient and impactful as we could be very selective in reaching our target consumer base.



The new products introduced over the past few years have been the growth engines for some of the business segments and we continue to invest in building a strong product pipeline. Our employees have been our greatest strength and I thank them for rising to the occasion for delivering a strong performance to effectively overcome the health, mobility and other unprecedented challenges.

I would also like to compliment the efforts of the Centre and various State Government towards agriculture and agri inputs sector. The Government's inclusion of the sector in the essential services category ensured sustenance of farming operations. Other factors such as favourable monsoons, improving product liquidation, record fertiliser subsidy disbursement, low financing cost



and stable raw material environment, supported Company's growth during the year.

### How is Digital changing the face of Indian agricultural sector?

With the availability of cheaper smartphones, low data costs and host of applications, the Indian rural internet coverage has picked up considerably and has now overtaken the urban numbers. It is heartening to see that the women are leading the digital shift in rural India. The Government of India has also done well in terms of driving e-commerce and e governance programs, and pushing the digital adoption. The implementation of JAM (Jan Dhan, Aadhaar, Mobile) initiative has paved way for directly transfer of subsidies to intended beneficiaries and is being utilized to improve farm productivity. Newer channels and approaches are being designed to reach out to the consumers like shared farm mechanization models, virtual farm advisory, precision farming techniques etc. With the growing integration of digital solutions with our day-to-day activities, today internet has moved up from being a 'want' to a 'need'.

In our industry, the Direct Benefit Transfer (DBT) was initiated three years back, wherein all fertilizer purchase by the farmers had to be done through point of sale machines. This has helped in ensuring that even during the pandemic, the government can monitor the availability of essential fertilizers across the Country and take appropriate intervention. One thousand agriculture markets have been connected online.

Going forward, I feel that data driven agronomists recommendation can lead to further productivity improvements.

Under DBT in fertilizers, with the soil health information getting integrated with the farmer's purchase patterns, there can be significant productivity gains based on scientifically developed nutrient recommendations. Similarly, GIS/ UAV based data, if utilized correctly, can help in objective advisory and balanced application practices.

### What will be the key focus areas for Coromandel in FY2021-22?

Safety and employee well-being will be key priority for the Company. We intend to create a COVID free workplace and are promoting vaccination, health awareness sessions and introducing COVID-19 related policies like Pandemic leave, Compassionate Payouts, vaccination support to our employees.

The Company will continue to focus on delivering its long-term growth objectives by strengthening its key strategic levers - deepening understanding of its consumer, building power brands, investing in R&D and data analytics, becoming a player of scale, creating new markets and strengthening its efficiency and quality across the value chain. In FY21, the Company has set up a Centre of Excellence in R&D and new product commercialization, supply chain efficiencies, sales and channel management and retail operations, which are expected to strengthen the processes.

On the manufacturing side, we are building operational efficiencies and flexibility, and plan to invest in backward integration capabilities. R&D will work towards new product introductions, testing and commercializing new technologies in the area of liquid fertilisers, bio

injectables, microbials, drones, sensors and farm mechanization. We are also closely looking at the Agtech environment and are working with the start-up ecosystem.

We are evolving from a product-centric to a complete farm solution focused Company by expanding our service offerings and consumer touch points across the farming value chain. Going ahead, we will continue to introduce crop and soil specific customized solutions and strengthen our advisory services to improve our value proposition.

### Tell us about the various steps undertaken by Coromandel under the ESG (Environmental, Social and Governance), during the year?

As a responsible corporate engaged in Agriculture sector, Coromandel is committed to making food systems more sustainable and enable farmers to improve productivity. Our business solutions are closely integrated to drive sustainability across the farming value chain by balancing nutrient needs, improving pest management practices, and adopting technology to maximize resource use efficiency and drive farm profitability. We are the largest neem-based bio pesticide manufacturer globally and are the largest organic fertiliser marketer in India. Although sustainability has long been embedded across our businesses, this year we have taken a step forward and will be releasing our first sustainability report in compliance with the Global Reporting Initiative (GRI) framework.

The Company closely engages with the communities to build stronger linkages and carefully foster its environment and ecosystem. On the environment side, we closely monitor energy, emissions,

waste management, water and effluent usage and biodiversity activities. We are amongst the first few companies in the fertiliser industry to implement Plastic waste Management rules to manage plastic waste responsibly. The Birds Paradise at Kakinada is testimony to the Company's commitment to its environment. In collaboration with the EGREE foundation, our Kakinada plant surroundings have become the largest breeding site in the East Godavari district for a variety of bird species and has been recognised by global agencies like UNDP and Discovery. We are working with organisations like TERI and have adopted Bio-Remediation technology for transforming waste land into green belt. The Company has been making significant progress on expanding its green belt cover.

Our social commitments span in the areas of education, health and community development. During FY 2020-21, we touched upon ~3.6 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 the year, with the COVID-19 pandemic heightening the vulnerability of the marginalized segments such as children, women, the elderly and those with disabilities, Inclusion became the central theme of its CSR programmes and initiatives. We supported development of COVID care ward and established Coromandel Hospital at Kakinada to address the health needs of the community.

Coromandel's Corporate Governance practices are guided by the values and beliefs of the 5 Lights of "Integrity,

Passion, Quality, Respect and Responsibility". The Company has an eminent and diversified Board to drive transparency and accountability and focus on the sustainable growth over the long-term. Six Board Committees, each with clear responsibilities, oversee the Company's governance to continuously work towards its vision of creating value for all its stakeholders and staying committed to sustainability and its values.

### The second wave of the COVID-19 has severely impacted lives and delayed recovery of the Indian economy. How do you see the current situation and its impact on the business? What are the underlying opportunities in these testing times?

Though the emergence of the 2<sup>nd</sup> wave of COVID-19 may have delayed the overall economic recovery, the agri and allied sector is expected to continue its growth trajectory. Besides the forecast of a normal monsoon, the Government is extending full support to the rural sector through record food grain procurement, higher agri input subsidy mechanism, income generation through MNREGA and direct income support.

From a consumer standpoint, there has been increased consciousness towards health, balanced nutrition and greener foods. Being a leading Organic and Bio Pesticide player in the Country, our agronomists are working with organic farmers to promote Organic and healthy food. We are promoting safe, integrated nutrient and pest management practices.

We are seeing an accelerated adoption of digital technology and this will continue to add value right from sourcing to output marketing, improving the efficiencies across the value chain.

The adoption of agriculture technology in the farmer's fields and automation in the manufacturing has accelerated in last one year due to the shortage of labour. The farmers have been quick to adopt mechanization to overcome the shortages of labour in specific areas. The first Green revolution in India happened due to use of agri-inputs like better seeds, fertilizers, etc. I feel the next Green revolution will be powered by superior products, smart delivery mechanism and agri technology with the use of big data and will lead to income security and farm sustainability.

**Sameer Goel**  
Managing Director

# BOARD OF DIRECTORS



## A Vellayan Chairman

Mr. A Vellayan is the Chairman of the Company. He holds a Bachelor's Degree in Commerce from Shri Ram College of Commerce, New Delhi, Diploma in Industrial Administration from Aston University, UK and Masters in Business Studies from University of Warwick Business School, UK. He has been conferred Doctor of Science (Honoris Causa) by Aston University, UK.

Mr. Vellayan is the Chairman of Indian Institute of Management, Kozhikode and Roca Bathroom Products Private Limited. He also holds directorship in Ambadi Investments Limited, AMM Foundation and Kanoria Chemicals & Industries Limited. He held various positions in the Murugappa Group in the past.

Mr. Vellayan has vast experience in Fertilisers Business, General Management and Financial Planning.

## Arun Alagappan Executive Vice Chairman

Mr. Arun Alagappan is the Executive Vice Chairman of the Company. He has done his Graduation in Commerce from the University of Madras and completed the 'Owner President/Management Program' from Harvard Business School at Boston, USA.

Mr. Alagappan started his career with GE Capital Services India in 1997. After a two-year stint with GE, he joined the Murugappa Group in 1999 in Parryware, part of E.I.D Parry (India) Limited. Between 2005 to 2017, he served in Tube Investments of India Limited heading various divisions and functions before eventually becoming the President & Business Head of TI Cycles. In August 2017 Mr. Alagappan was appointed as Executive Director of Cholamandalam Investment and Finance Company Limited and subsequently as the Managing Director in November 2019. He held this position until February 14, 2021, prior to joining Coromandel International Limited. He holds directorship in various other companies such as Lakshmi Machine Works Limited and Roca Bathroom Products Limited.

Mr. Alagappan is acknowledged as a thought leader in the Bicycle Industry and the NBFC Industry.

## Sameer Goel Managing Director

Mr. Sameer Goel is the Managing Director of the Company. He holds a Post Graduate Diploma in Management from IIM, Ahmedabad, and a Bachelor's Degree in Economics from St. Stephens College, New Delhi.

He started his career in 1987 with GlaxoSmithKline Consumer Healthcare (GSK) as Area Sales Manager and rose from ranks in a career spanning more than 26 years. He held various positions in GSK in India, Middle East, Africa and London. Prior to joining Coromandel, he had a brief stint in Cipla Limited as Country Head - India.

He has been the Managing Director of Coromandel International Ltd since October 2015. Under his leadership, Coromandel has shown all round growth in performance and employee engagement. The Company has become debt free and it has been rewarding to all stakeholders. He is on the board of International Fertilizer Association, representing South Asia, and on the board of Fertiliser Association of India. He also holds directorship in Tunisian Indian Fertilizers SA, Tunisia. He has been elected as the Chairman of the Confederation of Indian Industry for Telangana state for the year 2021-22 and is a member of the several national committees on agriculture.

## Ramesh K. B. Menon Director

Mr. Ramesh K. B. Menon is a Director of the Company. He is an alumnus of XLRI, Jamshedpur.

Prior to joining the Board of Coromandel, Mr. Menon led the Group's HR function and was actively involved in the development of business strategy, supervision for business results and governance as Executive Director-HR in the Murugappa Corporate Advisory Board (MCAB). He also served as Lead Director of the Diversified Businesses of the Murugappa Group and had been the Member of MCAB for seven years. Mr. Menon earlier worked as the Director-HR of Coats, South Asia, with a career spanning 26 years in key HR leadership assignments across regions before joining the Murugappa Group. He is currently on the Boards of E.I.D Parry (India) Limited, Parry Agro Industries Limited, Parry Murray & Company Limited, UK and Ambadi Enterprises Limited.

## M M Venkatachalam Director

Mr. M M Venkatachalam is a Director of the Company. He is a graduate from the University of Agricultural Sciences in Bangalore and holds a Master's Degree in Business Administration from George Washington University, USA.

Mr. Venkatachalam has held senior positions in the Murugappa Group of Companies spanning a period of two and a half decades. He is presently the Chairman of Parry Agro Industries Limited. He also serves on the Boards of Ramco Cements Limited, Ramco Systems Limited, Coromandel Engineering Company and EID Parry (India) Limited.





### Prasad Chandran Independent Director

Mr. Prasad Chandran is an Independent Director of the Company. He holds a Bachelor's Degree in Chemistry from Bombay University and an MBA from University Business School, Chandigarh. He pursued advanced management education in Wharton Business School, University of Pennsylvania, and AOTS from Tokyo University, Japan.

Mr. 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 Indo German Chamber of Commerce. He 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 also the Founder Chairman of SEEGOS - 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 Independent Director. He is also on the Boards of Bombay Chamber of Commerce & Industry, and Public Concern for Governance Trust in Mumbai.

### Sumit Bose Independent Director

Mr. Sumit Bose is an Independent Director of the Company. He 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, Mr. Bose has served in various positions with the Government of Madhya Pradesh and the Government of India, before retiring as the Union Finance Secretary, Government of India. 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 of Government of India. He also served on the Board of Oil and Natural Gas Corporation Limited. Mr. Bose is currently on the Boards of HDFC Pension Management Company Limited, HDFC Life Insurance Company Limited, TATA AIG General Insurance Company Limited, BSE Limited, and other companies. He also serves on the Boards of non-profit organisations such as Vidhi Centre for Legal Policy, WaterAid India, Parivaar and Foundation to Educate Girls Globally.

### Aruna B. Advani Independent Director

Ms. Aruna B. Advani is an Independent Director of the Company. She 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.

Ms. Advani is the former Executive Chairman of Ador Welding Limited (AWL). She also served on the Board of several associate companies of AWL. She had been associated with AWL for over 40 years. She is currently on the Board of Metro Brands Limited. Ms. Advani has vast experience in the area of General Management and Strategic Financial Planning.

### Dr. R Nagarajan Independent Director

Dr. R Nagarajan is an Independent Director of the Company. He holds a B.Tech. degree in Chemical Engineering from IIT Madras, and a Ph.D. in the same field from Yale University (New Haven, CT, USA).

Dr. Nagarajan is currently working as Professor and Head at the Department of Chemical Engineering, IIT Madras. He recently stepped down as the Dean of International & Alumni Relations after two terms. His teaching and research activities at IIT, Madras are focused on cleanroom processes, nano-technology and ultrasonic process-intensification. In April 2018, he was named as an "Institute Chair Professor" by IIT Madras. He also served as Research Faculty in the Department of Mechanical & Aerospace Engineering at West Virginia University, Morgantown, WV. He was also a Senior Technical Staff Member with IBM Storage Systems' Development Laboratory in San Jose, CA.

### K V Parameshwar Independent Director

Mr. K V Parameshwar is an Independent Director of the Company. He is a Chartered Accountant and holds a Post Graduate Diploma in Management from IIM, Ahmedabad.

Mr. Parameshwar 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 divisions for the Consumer Bank. He then worked as the Chief Financial Officer of a start-up financial services entity- Dunia Group - in the UAE from 2010 till early 2018. He is currently the head of Administration and Finance at of the Wildlife Conservation Society - India and an Independent Director of IIFL Trustees Limited.

Mr. Parameshwar has more than 30 years of experience and expertise in Business and Financial Management including Control, Reporting, Taxation, Treasury and Legal.

# FASTER ADOPTION: SMART CROP SOLUTIONS



Technology has the power to transcend the resource constraints, mainly of land, water, labour and capital, plaguing the Indian agriculture. As India aspires to 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 Technology is beginning to play a significant role in shaping the way we operate. 'Product as a Service' will be the future theme in times to come, and Coromandel is ready to take the next step forward in this direction.

We are driving the smart crop solutions to improve the farm productivity and resource use efficiency. From technology solutions in the area of input applications to soil and crop diagnostics, we are expanding our farm mechanization footprint.

During the year, we have taken significant strides towards developing superior crop solutions including liquid fertilizers, bio injectables and microbials.

Our Retail Centres are monitoring crop health through satellite and drone imagery and providing site specific recommendations to improve farm productivity.

During the year, the pandemic induced labour shortages accentuated the adoption of mechanization solutions. Our JV with Yanmar Japan supported the farming needs to overcome labour shortages and drive efficiency improvements through its harvesting and transplanting solutions. We are also testing out agrochemical and nutrient spraying services.



Expanding Farm Mechanization Services



# RIDING THE DIGITAL WAVE: REACHING CUSTOMERS

With close to 299 million active internet users in rural India, the Urban-Rural Digital Divide does not exist anymore. Better connectivity, quality of service and mobile affordability, and availability of vernacular content is driving fast adoption of digital in rural India. Moreover, the Government's push towards digitisation across finance, healthcare, agriculture, and education sector, among others, has become a key enabler.



Digital Channel Orders; Direct Delivery

During the pandemic period, India witnessed furtherance of digital adoption in rural India and the trend is expected to scale up as more users experience benefits of an efficient communication and supply chain.

At Coromandel, we were quick to adopt the digital marketing tools to reach out to the farmers and channel partners to offer crop information and advisory services. Our digital branding activities were selective and impactful. In addition, the digital medium was leveraged by the Company for the new

product launches, collaborative trials and channel and farmer engagement initiatives.

The Retail stores utilized the virtual platforms to seamlessly connect agriculture scientists with the farmers. It also initiated direct delivery models to ensure last mile delivery of the products.

With database of ~3 million farmers, these retail stores are customizing the offerings as per the farm needs. As digital enablement drives the supply chain efficiencies, Coromandel is realigning its processes to improve the customer experience, going forward.



Launch of New Products through Digital Channels

With access to information of ~3 million farmers, the retail stores are customizing the offerings as per the farm needs. As digital enablement drives the supply chain efficiencies, Coromandel is realigning its processes to improve the customer experience, going forward. At Coromandel, we are scaling up our digital presence and making new technology tools available to our farmers and stakeholders for a fruitful future with higher return of investments (RoIs) and lower carbon footprint. We are also streamlining our communication tools to be more focused and interactive with our stakeholders digitally, enabling them to close purchases at a click.



## BALANCING OPERATIONS SAFELY AND SUSTAINABLY

Considering the essential nature of agri inputs and its importance to farming community, Coromandel closely engaged with the Government through various industry bodies to bring them under essential commodity. This ensured availability of agri inputs like fertiliser, crop protection, biopesticides and mechanization equipment for the year.

Coromandel undertook various initiatives at its manufacturing sites and in the marketplace both at the

dealer and its retail outlets to ensure safety not only of its employees but also of the neighbouring communities and the farmers. To ensure safe plant operations, Coromandel was quick to implement SOPs as per MHA guidelines. Crisis management teams were formed across the plants to ensure compliance including strict screening, staggered shifts, real time monitoring done through security cameras, etc. The fertiliser and crop protection plants operated flexibly to moderate their Annual Turnaround period for maximizing their production.

Even during the initial phase of lockdown due to the COVID-19 pandemic, our retail stores continued to serve the farming community and took utmost safety measures and sensitized the customers about covid safety protocols. All retail outlets and depots were thoroughly sanitized, and strict COVID-19 protocols were adhered to ensure safe buying for farmers. The retail business launched alternate delivery models for farmers, enabling direct deliveries and mobile-based ordering.



Ensuring Safe Operations at Plants and Offices

## PRIORITIZING EMPLOYEE WELLBEING

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

Given the uncertainties due to the pandemic, the Company prioritized the well-being of its employees by introducing employee centric policies like flexible work environment, safe work environment and other engagement initiatives. HR policies like Compassionate payout, pandemic medical and insurance coverage, pandemic leave, online medical consultations, vaccination drives and awareness sessions were conducted

to address work related physical and emotional stresses.

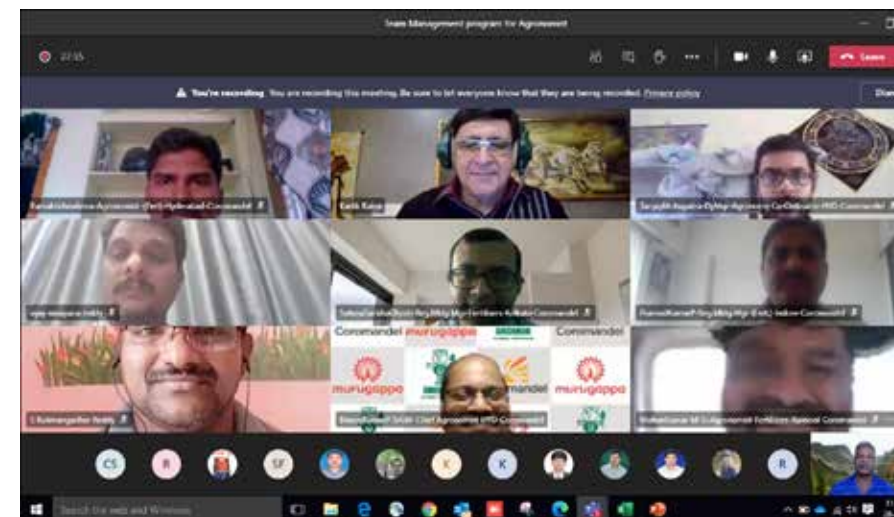
We assessed the manpower intensive operations at our plants and automated the processes with help of sensors and analyzers to ensure social distancing while ensuring continued operations at the plants.

At Coromandel, we did intense scenario planning to prioritise the well-being of our employees. We introduced employee centric policies like flexible work environment, safe work environment and other engagement initiatives.

During the year, Coromandel significantly scaled up its Learning Journey through the digital mode. We trained 4,322 employees in various functional, technical



Vaccination Drive at Plants



Virtual Training Programme for Agronomists

and behavioural training. Learning and Development programmes are designed to cater wide range of functions including marketing, sales, manufacturing, finance, general management and leadership. Some of the flagship programs include Excel - 20, Coromandel Finance Academy, Sales Force Training Academy and Leadership under crisis.

4,322  
employees trained

15,069  
Person-days of training per  
employee in FY21

37  
Average age of team at  
Coromandel



# COVID-19 RESPONSE

As part of our efforts towards COVID-19, we have been working along with Government Agencies, communities around our plants, the health personnel, police department, and frontline workers including ASHA, Anganwadi workers, etc., to fight against this global health crisis.

## 30 Bed

Ward in Government Hospital Kakinada

## ₹10 Crs.

Contribution to PM CARES fund and CM relief funds

## Distribution

Essentials, Masks, Sanitizers, PPE Kits, Medical Kits, Medical Equipment Distribution for frontline workers and near by Communities

- Considering the essential nature of agri inputs and its importance to farming community, Coromandel closely engaged with the Government through various industry bodies to bring them under essential commodity. This ensured availability of agri inputs like fertiliser, crop protection, biopesticides and mechanization equipment for the year.
- Supported medical infrastructure for the Covid ward at Government General Hospital, Kakinada.
- Distribution of safety PPEs: masks, sanitizers, face shields, COVID suits Medical equipment: Oxygen Generation Units, VTM kits, Oximeters & thermal gun.
- Fast and efficient sanitization of areas in nearby communities deploying services of sterifumming, fogging, disinfection drive and distribution of bleaching powder.
- Support to PM CARES fund and CM Relief funds.



COVID ward at Government Hospital Kakinada



Sanitization drive in Neighbouring Communities

- Awareness campaign in nearby communities and Tele counselling services initiated through Coromandel Medical Center
- Supported the local administration with the medical equipment set including Oxygen concentrators, PPEs, hand sanitizers, pulse oximeters, hygiene kits, soap and hand wash kits
- Supported medical infra like 1 digital radiography machine, 8 HFNC machines, 5 multipara monitors and 2 air conditioners to the COVID ward at GGH Kakinada
- Supported the government schools by sterifumming and disinfection drives across the school premises in near by communities.



Distribution of Essentials Kits



# NURTURING COMMUNITIES, CHANGING LIVES



At Coromandel, we endeavour to strengthen the social infrastructure and nurture communities. Our various multi-stakeholder engagement programmes and initiatives focus towards achieving all-inclusive development and growth in the Country. The key areas of CSR focus include Education, Healthcare, Community Development, and Research and Development. During 2020-21, we engaged and nurtured 3,50,000+ beneficiaries.



Giving back to the society has been an integral part of Murugappa Group and we take the pride in working and contributing towards the nation building and creating livelihood for communities. During the year, Inclusion became the central theme of our CSR programmes and initiatives as COVID-19 pandemic heightening the vulnerability of the marginalized segments such as children, women, the elderly and those with disabilities.

## EDUCATION

All our educational initiatives are aligned to the national goals and complement the goal of the Country in ensuring 'basic education for all'. We have been undertaking multi-dimensional initiatives to reduce dropouts, provide better educational infrastructure, supplying

appropriate equipment, books, financial assistance, scholarships to promote meritorious girl students to continue education. The educational programmes and initiatives are developed keeping in mind the specific requirements of an area or the community.



Girl Child Scholarship

## Highlights of FY2020-2021

### Coromandel Girl Child Education Scheme

1102  
CHILDREN

Girl Child Education Scheme has touched 1102 children and counting

12479  
GIRLS

More than 12479 girls benefited through the scholarships for the past 3 yrs.

### Bala Vidyalaya School for Special Children

40  
INFANTS

Free learning environment for 40 infants and young children born with hearing impairment

40  
CHILDREN

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

### Murugappa Polytechnic College

1500  
STUDENTS

(Number of students reached)

Courses in Civil Engineering, Computer Engineering, Electrical Engineering, Electronics and Communication Engineering, Mechanical Engineering and Electronics

### Support to Udbhav School

584  
STUDENTS

100% pass rate for students of 10th standard

Supporting Udbhav school to provide quality education to the children in Rasoolpura slum area.



## HEALTH

At Coromandel, our healthcare initiatives are well aligned with the United Nations Sustainable Goals as well as the National Health Mission. We are committed towards improving health, physical and mental well-being of local communities in and around our areas of operations. Our various healthcare initiatives are focused on both medical care and preventive care. The healthcare programmes range from providing care through Coromandel Medical Centres, general health camps, multi-specialty health camps, school camps, formation of support groups, need based referral support to patients and mobile medical van services and also the newly added hospital.



Coromandel Hospital Kakinada



Coromandel Medical Centre



## Highlights of FY2020-2021

### Coromandel Medical Centres

**4194**

PATIENTS

Reached out to 4194 patients

**12423**

PATIENTS

12,423 patients benefitted through Telecounselling services

### Partnership with Government

#### At General Hospital in Kakinada

**2313**

INFANTS

2313 infants were treated

**6.6%**

MORTALITY RATE

Mortality rate has come down to 6.6%

#### At Health centre in Ankleshwar

**112**

WOMEN

112 women registered at the centre

**84**

DELIVERIES

84 deliveries took place in 2020-21

### Medical Camps

**50066**

PEOPLE

50066 people benefitted through behavior change communication awareness on various facets of health

No Medical camps in 20-21

**'Hrudaya – Cure a little Heart Foundation'**

**191**

SURGERIES

191 surgeries took place in the last seven years

**Mobile Medical Van**

**1874**

PEOPLE

Reached out to 1874 people in interior areas of Valsad district

## COMMUNITY DEVELOPMENT



## Highlights of FY2020-2021

### Training programmes

**600**

WOMEN

600 women were trained in tailoring skills and other livelihood activities

**427**

YOUTH

427 youth were trained in 12 batches on retail operations and 299 placed in rural areas

**40**

YOUTH

40 youth trained on computer skills

**500+**

WOMEN

500+ women were trained and deployed to stitch face masks



#### Vocational Training to Women

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 help them lead a life of dignity and prosperity.

# AWARDS AND RECOGNITIONS

- Coromandel received best video film Award at FAI Annual Seminar.
- Coromandel won the CSR Times award for Best Corporate in Women Empowerment on 10<sup>th</sup> December 2020 at National CSR Summit at New Delhi.
- Coromandel won CSR Leadership Awards for Best COVID 19 Solutions for Community care held on 18<sup>th</sup> Feb'21 at Taj Lands, Mumbai.
- Occupational Health Centre (OHC) of Coromandel Ranipet, SSP & CPC units, received Dr. C.K.Ramchandrar Award from Indian Association of Occupational Health (IAOH).
- 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 21<sup>st</sup> February 2021.
- Hospet SSP unit has achieved 3-Star rating for excellence in EHS performance in Confederation of Indian Industry – South Region (CII-SR) EHS Excellence Award 2020 under Process Industry Category.
- Hospet units has achieved this award for 3<sup>rd</sup> Consecutive year.
- National Award for Excellence in Energy Management 2020 to Vizag Unit.



CSR Times Award



Platinum Rating from BlueSky Sustainable Business LLP

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**A Vellayan** (DIN 00148891)  
Chairman  
(Effective November 12, 2020)

**M M Murugappan** (DIN 00170478)  
(Chairman upto November 11, 2020)

**Arun Alagappan** (DIN 00291361)  
Executive Vice Chairman  
(Effective February 15, 2021)

**V Ravichandran** (DIN 00110086)  
(Vice Chairman upto November 11, 2020)

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

**B V R Mohan Reddy** (DIN 00058215)  
(Director upto October 12, 2020)

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

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

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

**Ramesh K.B. Menon** (DIN 05275821)  
Additional Director  
(Effective November 11, 2020)

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

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

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

## MANAGEMENT TEAM

**S Sankarasubramanian**  
President-Fertilisers

**Amir Alvi**  
Executive Vice President and  
Head Manufacturing-Fertilisers

**Amit Rastogi**  
Executive Vice President-Technology

**Arun Leslie George**  
Executive Vice President and  
Head-Retail

**Arun Vellayan**  
Head-Corporate Strategy and Planning

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

**Kalidas Pramanik**  
Executive Vice President and  
Marketing-Fertilisers & Organics

**Madhab Adhikari**  
Associate Vice President and  
Head-Speciality Nutrients & Organics

**Narayanan Vellayan**  
Head-Commercial  
Fertilisers & Super Single Phosphate

**Prasannatha Rao**  
Executive Vice President and  
Head-Human Resources

**Rajavelu NK**  
Executive Vice President and  
Business Head-Crop Protection  
Chemicals

**Venkateswaran TS**  
Vice President and  
Head-Internal Audit & Risk Management

## COMPANY SECRETARY

**Rajesh Mukhija**  
Sr. Vice President-Legal and  
Company Secretary  
(Effective September 1, 2020)

**Varadarajan P**  
(Sr. Vice President-Legal and  
Company Secretary upto  
August 31, 2020)

## BANKERS

State Bank of India  
HDFC Bank Limited  
Axis Bank Limited  
ICICI Bank Limited

## 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- 500 081

## COST AUDITORS

Narasimha Murthy & Co.,  
Cost Accountants  
Jyothi Satish  
Practising Cost Accountant

## REGISTRARS & SHARE TRANSFER AGENTS

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.

## REGISTERED OFFICE

"Coromandel House" 1-2-10, Sardar  
Patel Road,  
Secunderabad - 500 003, Telangana.  
CIN No. : L24120TG1961PLC000892  
Tel.: +91 40 2784 2034  
E-mail: [mail@coromandel.murugappa.com](mailto:mail@coromandel.murugappa.com)  
[investorsgrievance@coromandel.murugappa.com](mailto:investorsgrievance@coromandel.murugappa.com)  
Website: [www.coromandel.biz](http://www.coromandel.biz)

# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC OVERVIEW Global Economy

2020-21 has been a black swan event, exemplified by unprecedented disruption in health, trade and economy as humanity encountered one of the most lethal pandemic episodes. The global response was characterized by instant lockdowns, closure of public transport and international borders, followed by the ramp-up of healthcare infrastructure, scientific collaborations for vaccine development, and most importantly, an urgent and adequate policy intervention towards social relief and economic support. Thankfully, timely and comprehensive local (governments, regulators and people) response to this ubiquitously global challenge coupled with the ingenuity of the scientists and the medical fraternity succeeded in reining in the challenge.

Amid COVID-19 dominated global headlines, few other significant developments of 2020 included heightened geopolitical/ economic uncertainty in the Asia Pacific, Brexit (the UK exiting the EU), Middle East peace initiatives (Israel and few Arab nations), devastating bushfire of Australia and change of regime in the US.

Unprecedented health challenges and economic disruption led to the global economic slowdown. Barring a few exceptions, the entire world slipped into a sudden economic contraction. After a massive contraction in the first half of the year, the global economy began

reviving in the later part of 2020. The commodity prices of energy and metals have shown a trend reversal and the IMF's price index moved by 29% in the 2nd half of 2020, reflecting a broad-based revival in the global economy.

IMF's World Economic Outlook of April 2021 estimates the world output to have de grown by a negative (-) 3.3% in 2020. Advanced economies (AEs) and Emerging markets and developing economies (EMDEs) witnessed output contractions by a negative (-) 4.7% and (-) 2.2% respectively.

The success in rolling out vaccines has helped positive sentiments resurface at the start of 2021. On the back of steady gains made during the second half and partly on account of a contracted base, IMF predicts a sharp recovery for 2021, followed by a growth moderation in the subsequent year. 2021 growth rate forecast for the world, AEs and EDMs are (+) 6%, (+) 5.1%, and (+) 6.7% respectively. The average growth rate for three years (2020 through 2022) would still be lower than the pre-pandemic level (2019). Moreover, the efficacy of inoculation and other pandemic control measures alongside sustained economic and policy support holds the key to sustained recovery. Strong multilateral cooperation and financial support to accelerate vaccine manufacturing and distribution would help strengthen the global economic outlook. However, some nations are witnessing a resurgence of the second wave of the Pandemic resulting in disruptions and can impact the speed of economic recovery.

## Indian Economy

India ushered into its new fiscal year 2020-21, exactly a week into an ongoing and dynamically evolving 68-day-long nationwide lockdown. The second-largest emerging economy and also the second-most populous Country of the world opted to prioritize the lives of its 1.3+ billion citizens over economic gains. The approach helped contain the first wave and also ramp up healthcare infrastructure in an optimum manner.

The Government's efforts in the form of reduction in lending rates, moratorium of loans, easing out of financial obligations of State to the Centre, cash to farmers and declaring agriculture and allied activities under essential services - allowing them to operate during the lockdown period - enabled the Country to keep its food security intact and ably prepare to face the worst pandemic in the century. The Government's prompt response to the situation with quick turnaround in setting up of COVID-19 dedicated healthcare infrastructure, making industries adapt to newer needs of medical requirements and imparting COVID-appropriate behaviour guidelines to its large population has helped it avert risks of severely impacting the health of the people and economy. Moreover, the Country has set an example of a collaborative global fight against the pandemic with its humanitarian measures of supplying Made in India COVID-19 medicines and vaccines to many countries.

With a massive economic contraction in the first quarter (two-third of the period witnessed nationwide lockdown)





*Bringing Prosperity to Farmers*

as a given, the rise from a 24% Q1 contraction to a 0.4% positive growth in Q3 testified to sound fundamentals and inherent resilience of the Indian economy. Second advance estimates of the Govt. of India pegs the Indian Economy to have contracted by 8% for the full year 2020-21, which indicates a sustained sequential recovery quarter over quarter for the economy. The fact that there still are severe restrictions across certain sectors and activities and consumer sentiments remain susceptible amid uncertainties linked with the second wave of the pandemic, the headroom for accelerated recovery remains substantial.

India's rural economy led the economic recovery with undisrupted food and dairy supplies. The Government's focus on agriculture and timely infusion of financial support and food grain procurement helped in keeping the rural economy afloat and emerging as a key growth driver. While services and manufacturing sub-segments suffered the most of pandemic-induced restrictions as well as dampened consumer sentiments subsequently, agriculture stood out as the bright spot. In terms of GVA, agriculture and allied activities are estimated to have grown by 3.4% in a year that witnessed manufacturing and construction sectors contracting by 8.4% (-) and 10.3% (-) respectively. Utilities was the only other

segment other than agriculture to have secured a positive growth (of 1.8%).

Looking ahead, sequential recovery from the second half of the year, the impact of Government stimulus and infrastructure push, strengthening of corporate earnings and financial position, improving employment situation, surfacing of pent-up demand and forecast of a normal monsoon augurs well for economic recovery. The contracted base is also likely to make a positive contribution. Sustained performance of the capital markets coupled with increasing participation by the global investing community makes India a bright spot in the world economy.

Not surprisingly, IMF predicts the Indian economy to stage a steep rebound in the fiscal year 2021-22. In doing so, India shall not only lead the global recovery but also emerge as the fastest-growing large economy. However, as the 2nd wave of COVID 19 has gripped the Country in the first half of FY21-22 the GDP growth forecast been revised downwards for the year FY21-22.

## INDUSTRY OVERVIEW

### Global Agriculture

With COVID-19 creating widespread disruptions across the economic segments, agriculture remained the least impacted sector, more so at the point of production. The global agriculture, though, had to withstand multifaceted challenges including the pandemic, locust infestation, extreme climate

conditions, African swine fever, growing resistance to antimicrobial substances, and fertilizer usages. Supply chain disruptions, low container availability and pandemic-related restrictions further aggravated the stress.

The impact of the COVID-19 pandemic was found at varying degrees across all food sectors. With agricultural commodity markets showing more resilience, FAO estimates world cereal production to grow by 2.6% in 2020 and expects a health rise of 2.2% in world cereal trade in 2020/21.

While the pandemic's impact on agricultural production and also supply chain disruptions and demand volatility are far from over, the sector's long-term challenges and prospects remain intact. The growing food demand with

contracting land and water resources hinges significantly on yield improving inputs, practices and technology.

According to OECD-FAO Agricultural Outlook 2020-2029, yield improvements through enhanced agri-inputs, production technology and cultivation practices are pegged to account for nearly 85% of production growth over the next decade. Production growth in the Asia Pacific, Latin America, Sub Saharan Africa and the Rest of Africa are expected to be at 17%, 15%, 21% and 16% respectively. Significant growth in emerging and low-income countries is projected to be achieved on account of larger investments in technology and better resource availability.



*Driving Automation across Manufacturing Locations*





Reaching out to Farmers for Crop Solutions

Indian Agriculture

India continues to dominate the world agriculture as the largest producer of spices, pulses, milk, tea, cashew and jute, and the second-largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. In addition to this, India has the largest livestock population of around 535.8 million, which translated to around 31% of the world’s livestock population in 2019.

From 197 million tonnes in 2000-01 to an estimated 303 million tonnes in 2020-21, total food grain production in India has grown by an impressive 54%. The steady performance of the Indian agricultural sector signifies many things. The most prominent ones include food surplus, irrigation gains, yield improvement, and advancements made across agronomy practices, quality of agri-inputs, and technological interventions. Food security for our populace stands long accomplished. The time for setting more progressive and sustainable goals has come for Indian Agriculture Sector. While India leads the agricultural output, its productivity and resource use efficiency remains low compared to the global average. India needs to adopt smart farming, technology solutions and data driven agronomic practices

to drive agricultural gains and improve farm prosperity.

Despite severe health and socio-economic challenges inflicted by the COVID-19 pandemic in FY 2020-21, the Indian Agriculture Sector received significant impetus during the year. First among them was exemptions allowed for the agriculture and allied sectors from the nationwide lockdown. The three laws namely The Farmers’ Produce Trade and Commerce (Promotion and Facilitation) Act, The Essential Commodities (Amendment) Act and The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act were introduced during the year and are presently under discussion with the stakeholders.

Switching the overarching objective from eradicating hunger to ensuring diverse nutrition, from growing for India to grow for the world, from yield improvement to raising farm incomes, from monsoon dependence to sustainable, green farming ought to be to the larger agenda now. India has the potential to not only provide food support to the nation but also catapult agricultural contribution to the national GDP to a much higher level.

Looking back at the year gone by, agriculture was classified as an essential commodity and hence exempted from the nationwide lockdown. With good reservoir levels and retained soil moisture from the previous Rabi season, the sector was blessed with an above-normal monsoon for the second consecutive year. Early cropping during the Kharif season and prolonged monsoon created a very favourable climatic and soil condition for year-round cultivation of food crops, cash crops, fruits and vegetables.

Consequently, Indian food grain production is estimated to register a record output of 303 MT, a 2% y-o-y increase over the previous year. Rice and wheat both are estimated to reap a record harvest quantum of 120 MT and 109 MT respectively. Pulses and Oilseeds production is pegged to reach 24.4 MT and 37.3 MT respectively. Sugarcane and Cotton productions too are estimated to grow to 397.66 MT and 36.54 million bales (170 kg equals 1 bale) for the year. The higher output was well supported by the higher procurement by the Government leading to improved price realization by the farmers.



Farm Advisory through Agronomists

Payment to farmers via Govt procurement (₹ crores)

	FY14	FY20	FY21
Wheat	33,874	62,802	75,060
Rice	63,928	1,41,930	1,72,752
Pulses	236	8,285	10,530

Source: PIB

Under the Aatma Nirbhar Bharat Abhiyan, the Government has urged the agriculture and allied services sector to create a robust infrastructure. It has emphasized the need to innovate and develop competencies that provide the sector a stronger hold in the world market. Some of the schemes and initiatives run by the Government for the rural sector include PM Kisan disbursement, Kisan Rail, Direct benefit transfers to farmers, Pradhan Mantri Fasal Bima Yojna, increased allocations under MGNREGA, enhanced agri credit schemes, formalization of Micro food enterprises, and developing market system with larger procurement under MSP (Minimum Support Price) for farm produce. A step towards doubling farmers’ income has been the fixing up of MSP in such a manner that it supports a 50% margin over the production cost of concerned crops.

BUSINESS PERFORMANCE SUMMARY

In a year marked with the COVID-19 pandemic, Coromandel International delivered an all-round performance, strengthening its market and financial position, operating efficiencies, product mix and pipeline while also deepening its farmer engagement and digital footprint. Staying alert to the evolving socio-economic challenges as they panned out, the Company showed agility in prioritizing the health and safety of its employees, ensured safe running of its operations, optimising production and catering to the requirements of the farmers.

Towards helping the Country fight the pandemic cohesively and effectively, the Company contributed in several ways including monetary contributions, healthcare support, advocacy and public awareness campaigns, supporting self-help groups along with volunteering from its employees.

All along, the safety of its people reigned supreme. Several measures

AGRI-FOCUS: UNION BUDGET 2020-21

- Agricultural credit target increased to ₹ 16.5 lakh crores in FY2021-22
- Rural Infrastructure Development Fund- Increased allocation to ₹ 40,000 crores (+33%)
- Micro Irrigation Fund: ₹ 10,000 crores (+100%)
- Operation Greens Scheme - Increased scope to 22 perishable products
- Additional Mandis to be brought under eNAM: +1000
- Revision in Custom Duty rates in Chemicals
- APMCs to get access to the Agriculture Infrastructure Funds for augmenting infrastructure facilities
- Increased Custom Duty on Agricultural products: Cotton, Prawn/ Fish feed, Maize/ Rice bran
- Agriculture Infrastructure and Development Cess (AIDC) on a small number of items
- Ensured MSP at minimum 1.5 times the cost of production across all commodities



including extending insurance coverage, introducing a health helpline, access to medical care, setting up isolation facilities and awareness sessions for the families were undertaken to ensure the safety and well-being of both on roll and off roll employees.

During the year, the Company registered good performance driven by a continuous emphasis on superior sales mix, farmer connect initiatives, increased operational efficiencies and better working capital management. The Company balanced partial capacity constraints arising out of lockdown with a staggered annual turnaround plan for its various manufacturing units. The Company practiced measured restraint on Capex for a reasonable part of the volatile year. In the later part of the year, the Company took a calibrated approach and improved the pace of implementation of its capital projects as the pandemic situation began to normalize.

The Company leveraged its prior investments made towards digital transformation in empowering a large portion of its workforce to seamlessly work from home. It further accelerated the digital connect with the farming community and introduced multiple initiatives to improve its reach and communication with its customers.



Product Trials at Farmer Fields

The Company has set up R&D and new product commercialization, supply chain efficiencies, sales and channel management and retail operations.

In terms of financial performance, the Company's consolidated total income grew by 8% to reach ₹ 14,257 crores, EBITDA grew by 17% to reach ₹ 2,021 crores, EBITDA margin improved by 104 basis point to reach 14.20% and net profit improved by 25% to reach ₹1,329 crore for the year. With good market collections and higher subsidy receipts from the Government, the cash flow position improved significantly during the year.Net interest was reduced by 67% to come down to ₹65 crore (Including Ind AS Interest) and debt-equity ratio stood at 0.0 as of March 2021. Continuing to maintain deposits earmarked for specific growth-related investments, the Board recommended a final dividend of ₹6 per equity share for approval of shareholders at the ensuing AGM. During the year the Board approved and paid an interim dividend of ₹6 per equity share.

## BUSINESS SEGMENTS REVIEW

### Fertiliser Business

**Global Fertiliser Scenario:** Be it in helping the global farming community feed a steadily rising world population or meet

the diverse nutritional needs demand of its aspirational population, fertilisers – bulk and specialized including organic – continues to play the central role.

Despite the covid-19 inflicted disruptions panning out differently for different geographies, world fertiliser demand witnessed a sequential increase through the crop year 2020/21. The global fertiliser demand is expected to increase by 2% to 193.5 million tons (MT) in 2020/21. Markets including South Asia, Latin America and North America are expected to have led the demand growth. The forecast for 2021/22 crop year suggests a 1.1% growth (195.6 MT) with EECA, Africa and South Asia being amongst the fastest-growing markets.

**Indian Fertiliser Scenario:** India is the second-largest consumer and the third-largest producer of fertilisers in the world. The Indian fertiliser ecosystem comprises of the private, Government and cooperative sectors. Presently, 25-30% of the domestic demand is met through imports. The Government is increasing domestic Urea production by reviving five units, which can significantly bring down the Country's dependence on Urea imports.

Thanks to the Government's decision to exempt agriculture and its allied sectors from the nationwide lockdown and the favourable climatic and monsoon situation, the Indian fertilisers industry was amongst the growth sectors in a pandemic impacted year. While it had to overcome challenges like the shortage of labour, raw materials and transportation during the early stage, the Government's efforts and relaxations in ensuring seamless delivery of fertilisers to farmers resulted in healthy consumption growth.

The industry produced 426 lakh tons of fertilisers (Urea, DAP/NPK and SSP) during the financial year 2020-21, marginally higher than 419 lakh tons produced in the previous year. With PoS sales recording an impressive 10% growth in reaching a record 667 lakh tons, the consumption growth was one of the strongest in recent years.

### India - Fertiliser - Production & Consumption trends - in lakh tons (Source: FAI)

	Production			Consumption-PoS		
	FY19	FY20	FY21	FY19	FY20	FY21
Urea	239	245	246	320	337	350
DAP	39	46	38	87	101	119
NPK	90	87	93	90	99	118
SSP	41	42	49	43	44	45
MOP				27	28	34
Total	408	419	426	568	608	667

During the year, the government announced an additional allocation of ₹ 65,000 crore to clear the subsidy backlog of the fertiliser industry. This enabling move has significantly brought down the working capital requirement of the industry and can encourage further investment in the sector.

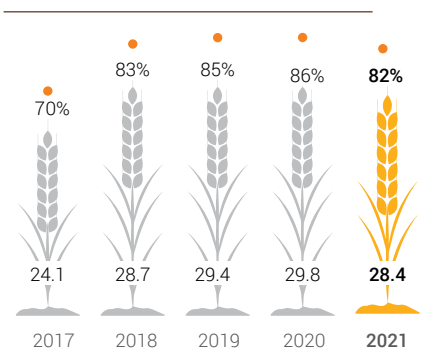
Direct Benefit Transfer (DBT), which has digitized fertiliser value chain, facilitating real-time monitoring of the availability and sale of fertilisers, has fully stabilized. The Government is piloting models to develop linkages between soil health and farmer purchases. Going forward, it is expected that the subsidies get

directly transferred to the farmer's account based on the soil health and crop requirement, which can drive balanced nutrition practices.

### Fertilisers Business' Performance

With close to 3.5 million-ton installed capacity, Coromandel is the largest private sector marketer and manufacturer of phosphatic fertilisers (DAP, NPK) in India. Manufacturing units located at Vizag, Kakinada and Ennore, have the flexibility to operate with multiple rock and acid combinations and can produce 13 products. The Company enjoys a considerable market presence in Southern, Eastern and Western regions in the Country. Further, its seven Single Super Phosphate (SSP) plants spread across the Country strengthen its product offering and provides diversified market access.

### Phosphatic Fertiliser production (in lakh tonnes)



As a leading agri solutions player in India, Coromandel stood in support of the farming community. During the year, its major manufacturing units continued

to operate with required safety norms to meet the farmer's plant nutrient needs. There was a slight loss in production on account of lockdown restrictions and lower labour availability during the initial phase of the lockdown. However, the business responded promptly and undertook staggered annual turnaround activities across the units to optimize its production.

Its second Phosphoric Acid plant commissioned last year, helped in record acid production, improving its raw material self-sufficiency. The business focused on improving Safety and Quality systems and implemented key infrastructure projects. The Business engaged in smart sourcing in a highly disrupted supply chain and diversified its sources to improve operational flexibility. The SSP business operated at a higher capacity and the production for the year stood at 6.7 lakh tons, up by 9%.

On the marketing side, the Business continued to strengthen its brand presence. During the year, its unique product 14-35-14 was rebranded as Gromor Shakti and launched in the market.TheBusinessintensifieditsbrand promotions and farmer engagement activities leading to enhanced brand salience. Digital Marketing efforts were stepped up to ensure continuous farmer engagement. The Agronomist structure and the Nutriclinics continued to offer farm advisory services and promoted balanced nutrition.

The Business achieved its highest ever primary sales volumes of 33.5 lakh tons, up by 7% over the last year. Market share moderated marginally to 15.3% in 2020-21 from 15.7% in the previous year. Point of Sales (PoS) volumes, the measure of actual consumption, recorded a growth of 18% over 2019-20 to reach 37.2 lakh tons. The business has substantially improved its working capital position as branding and marketing initiatives led to improved liquidation and higher market collections. Single Super Phosphate (SSP) business sustained its leadership position with a market share at 13.5%, growing its sales volumes by 17%.



Coromandel – Phosphatic/SSP  
fertiliser sale - in lakh ton

	Complex	DAP	Total	SSP
FY16-17	19.8	5.1	24.9	4.8
FY17-18	21.7	6.0	27.7	5.2
FY18-19	24.2	6.1	30.3	5.7
FY19-20	26.1	5.4	31.5	5.7
FY20-21	28.1	5.4	33.5	6.7

The digital and automation transformational journey and supply chain improvements through the Centre of Excellence led to significant improvement in the Company's efficiencies and last mile deliveries. The R&D team executed multiple projects during the year focusing on quality improvement, rock flexibility, gypsum enhancements etc. The Business has collaborated with premier research institutions like IISc, Bangalore, IARI Delhi, IIT Bombay-Monash University and TERI to develop novel nutrient technologies for improving the use efficiency of the fertilisers. During the year, the business set up the Liquid Fertiliser pilot plant at its Vizag facility.

Crop Protection Chemicals  
Business

CPC Industry Overview

The global crop protection industry is estimated to grow by 2.7% in 2020, as agriculture sector remained less impacted by the COVID-19 disruptions, given the essential nature of food production. The growth was supported by higher planted area, favourable pricing environment and improved weather conditions in key markets. Geographically, major markets like Brazil, the US, China, Japan and India registered good demand for Agrochemicals. The industry, which has seen significant consolidation in the past 3-4 years, witnessed major investments in biological, smaller businesses and product lines. The stringent regulatory environment and increased consumer scrutiny has been supporting the adoption of greener chemistries and growth of biological portfolio.



In India, agrochemical sales improved during the year as above normal monsoon, higher pest incidence and increased cereal procurement and income support by the Government drove its consumption. On the regulatory side, the Pesticide Management Bill introduced in Rajya Sabha last year is currently under consultation between the Parliamentary Expert Committee and the industry. The bill seeks to regulate the highly fragmented agrochemical markets in India and ensure the availability of pesticides with minimum risks. During the year, the Government has also come up with a notification to ban 27 molecules based on recommendations of Anupam Verma committee. The industry through the technical task force formed by the Crop Care Federation of India (CCFI) has represented to the Government on the draft notification relating to the proposed ban and is hopeful for a favourable resolution.

With the supply chain disruptions post the COVID-19, the global agrochemical companies are looking at diversifying the sourcing and India is well positioned as a strong manufacturing alternate. 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. Presently, India exports ~USD 3.3 billion Agrochemicals annually and is the 4<sup>th</sup> largest producer of agrochemicals after the USA, Japan & China. The export segment has been growing at 14% CAGR in the last 5 years.

CPC Business Performance

Coromandel is the sixth largest Crop protection player in the Country, having three technical and three formulation manufacturing facilities across India. Besides a wide domestic and international presence, it caters to the domestic B2B segment as well. It has a strong portfolio of bio pesticides and is the largest Azadirachtin manufacturer in the world with a state-of-the-art manufacturing facility in Cuddalore, Tamil Nadu.

Considering the essential nature of Agri Inputs, the Crop Protection and Bio pesticide plants of the Company operated safely throughout the year, amidst at a lower capacity during the initial phase of lockdown. The Plants focused on improving safety and structural strengthening, while also enhancing their technical manufacturing capability and bringing quality improvements.

During the year, the Crop Protection and Bio businesses registered their highest ever turnover, growing by 24%. The CPC business took progressive steps towards upgrading its portfolio from old generics to patented combinations or recently off patented molecules. The Business has set up the Centre of Excellence in the areas of sales & channel and new product development to improve its business processes. The business also partnered with the Government towards controlling the locus infestation by offering products like Malathion and Neemazal.

On the domestic formulation side, the new products were the key growth drivers for the Company and its share in domestic sales stands at ~25%. The business has strengthened its marketing structure and swiftly adopted digital tools to improve its connect with the farming community. The domestic B2B business registered strong growth during the year, supported by its expanded product portfolio. The Exports markets had a stable year registering growth in APAC and Africa. The Bio

business registered significant growth in the US market and leveraged online platforms for marketing its products.

The Product development and regulatory team, which has been strengthened in the last few years is supporting the business in new product introductions. During the year, it received more than 50 registrations including combination products and plans to leverage them for strengthening its offerings in the domestic and international markets. The R&D team of the business is focussing on various initiatives, including process improvement, product development, new delivery mechanisms such as tree injections. The business has a rich product pipeline backed by strong R&D capabilities and tie-ups with major research organizations.

Retail Business Performance

Coromandel has successfully pioneered the rural retail model in India and operates a network of around ~750+ outlets across Andhra Pradesh, Telangana, Karnataka, and

Maharashtra which are supported by ~2,000-member strong field team. Besides contributing to the Company's growth and profitability, the Retail business goes a long way in strengthening the Company's connect and engagement with the farmers.

During the initial phase of lockdown due to the COVID-19 pandemic, the Retail business continued to serve the farming community and took utmost safety measures and sensitized the customers about covid safety protocols. All Retail outlets and depots were thoroughly sanitized, and strict COVID-19 protocols were adhered to to ensure safe buying for farmers. The Retail business launched alternate delivery models for farmers, enabling direct deliveries and mobile based ordering.

During the year, the Retail business continued to diversify its portfolio of products and services and focused on digital farming solutions to ensure better reach to the end customer. The 'Scientist at the store' initiative helped



Farmer Education and Engagement



in virtually connecting the farmers with the Agri scientists to promote balanced farm management practices. The business is utilizing technology for crop stress mapping to promote precision farming and is developing technology solutions in the areas of nutrient management, delivery mechanisms and farm advisory.

### Speciality Nutrients Business Performance

Improved nutrient use efficiency and balanced fertiliser usage hold the key to superior yields and soil enrichment with secondary and micronutrients. The Company's Speciality Nutrient Business continues to ace a solution-based approach to deliver technologically superior and differentiated products. The business deploys its manufacturing and marketing capabilities to produce and market the best quality Bentonite Sulphur, Water Soluble fertilisers and Micronutrients.

The Company has collaborated with various value chain partners including seed Companies, drip irrigation Companies, FPOs and contract farming entities to further strengthen its value proposition. The business added two new crop specific products to its portfolio with the launch of 'Fitsol Sugarcane' and 'Gromor Power 16-8-24' during the year addressing nutrient needs for sugarcane and flower segments.

With strengthened digital marketing capabilities, the business engaged with the farmers through digital and social media, improving its connect and launching new products. The business continued to deepen its engagement with the dealers and conducted several virtual dealer meetings.

During the year, Speciality Nutrient Business has gained access to the water soluble fertiliser manufacturing capacity at Kakinada, Andhra Pradesh through the acquisition of its Joint Venture, Coromandel SQM. Further, it continues to focus on strengthening its crop specific product offering through its plants in Vizag and Kakinada.



Soil Testing

### Organic Fertilisers Business Performance

With the endeavour to boost sustainability in Indian Agriculture, Coromandel has been supporting soil health enrichment with a diversified portfolio of organic products like Compost & Variants, Gypsum & Variants, Cake Mixture and Potash rich fertilisers. Its Compost brands like Karbon+, Phosgold, and Godavari Gold are a rich source of organic carbon and help replenish the soil.

During FY2020-21, the Company furthered its organic fertilisers business through an intensified awareness campaign and organic carbon tests at the farmers' fields. The business launched 'Godavari BhuBhagya', a bio enriched organic manure. It collaborated with several organic marketing and farmer producer organizations to increase its reach and market development. It continued to promote differentiated variants segment, strengthened its sourcing capabilities and quality assurance systems.

The business has implemented digital initiatives during the pandemic to ensure better reach to the end consumers. The business makes a vital contribution to the 'Swachh Bharat' campaign by promoting Compost manure usage, which is derived from municipal waste.

## OPPORTUNITIES AND STRENGTHS

### Opportunities

- Government's focus on agriculture and doubling farmers income through various agri reforms such as Agri output marketing reforms
- 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 improving soil health
- 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



New Technology Product Trails

- India's low-cost manufacturing in crop protection and high capacity opens significant export potential. Further, COVID 19 induced sourcing diversification approach by major global players has improved opportunities for Indian Agrochemical 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
- Agri infrastructure fund to enhance farm gate infrastructure for farmers, investing in FPOs, primary agriculture cooperatives (PACS), and agriculture entrepreneurs
- Formalization of Micro Food Enterprises (MFEs) to help them upgrade their technical knowledge, comply with the Food Safety and Standards Authority of India (FSSAI) standards
- 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

### Strengths

- Leading agriculture input solution provider having direct connect with farmers through a large rural retail network and its strong distributor/dealer network.

product development, manufacturing technology and marketing.

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

## FINANCIAL REVIEW

The Company registered a good performance in FY2020-21 with total standalone revenue at ₹ 14,163 Crores as compared to ₹ 13,117 Crores in the previous year. The Company's PBT was at ₹ 1,766 Crores as compared to ₹ 1,371 Crores in the previous year. PAT was at ₹ 1,312 Crores as compared to ₹ 1,059 Crores in the previous year. Net cash from operating activities after tax is ₹ 4,125 Crores as compared to ₹ 1,867 Crores in the previous year.

## RISK MANAGEMENT

**Background:** Dynamic business environment with regard to regulatory changes, technology disruptions, financial markets, Pandemic, 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 Enterprise Risk Management (ERM) framework.



**ERM Framework & Policy Overview:**

The Enterprise Risk Management framework includes Risk Management Policy dealing with identification, analysis, evaluation & treatment of risks at all 3 levels i.e., Entity Level, Business Level and Operational level. The Company has adopted the ISO 31000 Standard risk management best practices. Accordingly, the Risk Management Policy provides the framework of Enterprise Risk Management by describing mechanisms for the proactive identification and prioritisation of risks based on the changes in the external environment and continuous monitoring of internal risk factors. Analysis of the identified risks is carried out by way of focussed discussion at the meetings of the empowered Site level Management Committee (SLMC), Corporate Business level Management Committee (CMC/BMC) and Risk Management Committee ('RMC') of the Board. The robust governance structure has also helped in the integration of the Enterprise Risk Management process with the Company's strategy and planning processes where emerging risks are used as inputs in the strategy and planning process.

Coromandel's RMC of Board comprising of three Directors, of which one is an Independent Director who chairs the Committee meetings. The Committee members along with the Senior Executives and Business Heads of the Company carry out a detailed review of risk management practices and evaluate the implementation status of mitigation measures. The identified key risks at the Entity Level are evaluated & prioritized based on quantitative, and qualitative aspects of impact & likelihood for timely decision on its mitigation.

**COVID-19 Crisis Management:** The outbreak of the Novel Corona Virus ("COVID-19") pandemic is one of the biggest risks faced by the industry as it severely impacted the operations. Despite this, the Company has been able to effectively manage the challenge with a dedicated focus on employee well-being & safety and ensured the

continuance of its supply chain and operations by strictly adhering to the safety protocols. This included the formation of Crisis Management teams and SOPs, scenario planning, swift management communication and leveraging the digital tools for seamless connectivity. This was possible due to Company's resilient and adaptive Risk management strategy which includes Crisis Management & Business continuity plans. Relevant Risk registers at all levels have been suitably recalibrated to monitor mitigation plans related to disruption caused by COVID-19 related risks.

**Cyber Security:** IT/Cyber Security has taken the highest priority for both management and IT function at Coromandel. A dedicated team was set up at Coromandel to constantly keep upgrading its IT Assets and implement the latest technologies to keep the environment safe and secure. This team conducts awareness campaigns, training sessions for senior management, employees at all locations and their families. Periodic cyber reviews, Vulnerability Assessments, penetration testing of applications is conducted by authorized third parties. These activities help the Company in understanding the areas of improvement and keep its IT environment safe from both external and internal threats.

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

- **Environmental Risk:** Due to the adverse impact of its effluents on the ecosystem, the Company may face litigation and penalty.
- **Economic Risk:** Due to downturn or adverse political situations which may negatively impact the -Company's organizational 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, supply chain and distribution operations, monsoon failures 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, which could impact the organization.

- **HR & Legal Risk:** Due to attrition of any Key Managerial Person or disruption of operations due to any other human resources issue. Risk due to non-Compliance of laws and regulations applicable.

- **Pandemic Risk:** Pandemics like Coronavirus, would be having a significant impact across sectors, affecting the way business is being carried out and to be carried out in the future.

- **IT-related risks** include hardware and software failure, human error, spam, viruses and malicious attacks that can result in loss of data and can significantly impact the operations. These are addressed through adequate backup mechanisms, including Disaster Recovery Centre, authorization 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 also has insurance coverage for its employees, 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 as risk being dynamic in nature:

Risk	Risk Assessment	Mitigation Plan
<b>Environmental / Economic / Regulatory Risks</b>		
Handling and storage of hazardous materials incl., ammonia, sulphuric acid, etc.	- Impact on operations - Stoppage of production - Accidents resulting from the release of the hazardous materials and consequent claims	• Strict PSMS Implementation • Strict adherence to maintenance/ inspection schedules, training and emergency / disaster management plans. • Public Liability Insurance Policy • Comply with ISO 14001 & OHSAS 18001 guidelines.
Emission / Un-treated effluents causing pollution	- Revocation of factory license - Levy of penalties - Civil/criminal action	• Augmenting ETP facilities. • Strict adherence to environmental standards • Installation & effective maintenance of pollution controls equipment/
Non-Compliance with Legal / Regulatory / Tax Compliance - including other countries	- Disruption of operations - Legal proceedings against the Company and its officials.	• Understanding/awareness of regulations and statutes • Engagement/advice by renowned lawyers and experts • Monitoring regulatory changes
Non-Compliance with FCO Standards & Specifications	- Civil/criminal proceedings - Production stoppages - Disallowance of subsidy claims	• Rigid quality checks at Plants • Test verification of bags • Reprocessing of non-standard materials • Better bags handling procedures
Change in Government Subsidy Policies	- Impact on turnover/working capital	• Increased focus on non-subsidy Business • Policy advocacy for Direct Transfer of subsidy to Farmers
Restriction on sale/usage of some crop protection products in India / abroad	- Impact on turnover/profitability	• Portfolio enrichment with the development of newer and safer products. • Extension of the product lifecycle.
Change in climate / Monsoon failure in the target market	- Impact on turnover/profitability	• Diversified Market / High Margin Products • Promoting efficient crop management practices through Integrated Nutrient & Agronomist Structure
<b>Operational Risks</b>		
Availability and timely supply of key raw materials High RM prices	- Impact on turnover/profitability - Increase in working capital requirement - Volume shrinkage	• Forecasting • Close monitoring of the international price of raw materials. • Diversified sourcing & Strategic tie-up • Manufacturing Flexibility
Safe manufacturing operations	- Casualty/ Loss of life - Loss of production	• Strict adherence to safety protocols • Asset lifecycle management
High dependence on certain product categories Product obsolescence The slow pace of new product/ molecules introduction	- Impact on turnover/profitability	• Faster new product pipeline & Registration • Combination molecules -Co-marketing arrangements with leading agrochemical Companies
<b>Financial Risks</b>		
Currency and exchange fluctuation risk	- Impact on profitability	• Close monitoring of exchange trend • Forward covers at appropriate time and Level
Credit risk	- Impact on working capital - Dues becoming bad	• Review of credit evaluation and limits • Close monitoring of receivables



Risk	Risk Assessment	Mitigation Plan
Liquidity risk	- Impact on working capital - Impact on interest	• Close monitoring of trade receivables. Timely submission and follow-through of subsidy receivables.
<b>Legal &amp; Human Resource</b>		
Contractual Liability Risk	- Disruption of operations - IP infringement related disputes	• Contract Management Policy • Standardization of Contract templates • Legal to approve Changes in contract clauses if any • Monitoring strict adherence • Monitoring patent filing • Monitoring strict adherence
Attrition of skilled / trained Manpower	- Disruption of operations - Knowledge dissipation	• Compensation revision in line with market • Succession Planning • Career planning and training
<b>Pandemic Risks</b>		
Pandemic Risks	- Health & Safety of Employees  - Safeguarding the assets of the Company and safe operations  -Stoppage of Production and despatch activities  -Disruption to business in both demand and supply-side activities.	• Regular Advisories/Communications to all employees • Monitoring employee health status • Strengthen security & safety procedures • Strict Compliance to the policies laid down for shutdown and restarting the production activities. • Long-term contracts with Suppliers to ensure continuous availability of key raw materials. • Identification of Critical Activities and ensure actions are taken • Establish Business Continuity Plans

## INTERNAL CONTROL SYSTEMS

Commensurate with the nature of its business and the size of its operations, the Company deploys adequate internal control measures and systems. The internal control mechanisms are aimed at the protection of assets, optimum utilization of available resources, reliability of financial statements, compliance with applicable statutes and span across accounting policies and approval procedures. These systems are reviewed and improved periodically.

The Company has a comprehensive budgetary control system to monitor revenue and expenditure against the 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 their implementations are reviewed by the Audit Committee and concerns, if any, are reported to the Board.

## HUMAN RESOURCE DEVELOPMENT

Treating human resources as the central pivot of its value creation and sustainable development strategy, Coromandel remains committed to help its employees realize their true potential. As a key contributor to the successful attainment of organizational goals, holistic development and well-being of employees remain at the forefront of its business approach. Investment in skill development and accelerating

employees' professional and personal development remained a key focus area during the year.

**Talent Development:** In line with Company's long-term business plan, several talent management and skill development programs have been rolled out at business and functional levels. The Company's learning and development programs cater to a wide variety of employee profiles including Sales and Marketing, Manufacturing and Leadership, Finance and Operations etc. The Company's flagship digital learning platform Vidhya online is being used extensively for the learning and development of employees and during the year received global recognition from the European Foundation for Management Development.

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

- **Crisis Management:** Training modules for the leadership team and in the area of Crisis Management and Leadership under COVID were organised to inculcate best practices during COVID times.
- **Coromandel Finance Academy:** The Program aims to improve the functional, IT and general management skills of the Finance professionals and the Company has engaged a leading Knowledge management firm for the program implementation. Further, the Company initiated a unique learning program for all finance executives through "Finance Teach Back" sessions.
- **Sales Force Learning Academy:** Sales Force Learning Academy (SFLA) is conceptualized to augment agri domain capabilities and managerial skills of its Frontline and Middle

Management Fertilizers Sales and Marketing team.

- **Coromandel Knowledge Centre (CKC) at Kakinada:** The main objective of the CKC is to build Manufacturing capability with an integrated model of knowledge, best practices sharing involving Safety, Manufacturing, Production, Operations, Engineering, Technology, 5S, TQM, TPM, etc.
- **Other Programs:** programs with some of the leading academic institutions such as ISB, Great Lakes, Indian Institute of Management, IIFT, NAARM, Centre for Creative Leadership, SHRM, ANGRAU, etc. The Company has also used the services of specialized consulting firms like BCG and KPMG to offer niche and customized programs to strengthen employee capabilities. These programs include Excel-30, Coromandel Finance Academy, Sales Force Training Academy, Branding

and Communication & Corporate Knowledge Centre. The Company has also strengthened its talent review and succession management processes which include a regular review by the Leadership team, leading to recalibrated offering that helps to develop and nurture future leaders.

**Employee Engagement:** The Company remains focused on delivering an employee experience wherein they feel strongly connected to the brand, the business and the overarching guiding principles of the Murugappa Group. During the year, the Company rolled out various online employee engagement initiatives including Family connect, Wellness sessions, festival celebrations etc. The leadership team at Coromandel continues to review the key engagement agendas for the organization through specific action plans.

**Prevention of Sexual Harassment at Workplace:** 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. As per the requirement of the Sexual Harassment of Women at Workplace Act, Coromandel has constituted the IC. During the year 2020-21, no case was reported on sexual harassment.

**The adoption of agriculture technology in the farmer's fields and automation in the manufacturing has accelerated in last one year due to the shortage of labour.**



Employee Training



## CORPORATE SOCIAL RESPONSIBILITY

With a firm conviction that the underprivileged sections in its immediate surroundings must benefit from its sustained value creation, Coromandel endeavours to strengthen social infrastructure and nurture communities. Key intervention domains of its CSR programme are Education, Healthcare, Community Development, and Research and Development.

During the year, an independent Impact Assessment of some of its CSR programmes was undertaken. As per the study, the CSR initiatives met their objectives in empowering target communities with access to special health care, safe drinking water, quality education and sustainable livelihood options.

With the COVID-19 pandemic heightening the vulnerability of the marginalized segments such as children, women, the elderly and those with disabilities, inclusion became the central theme of its CSR programmes and initiatives during the year. Realizing that the daily wagers, migrant labourers, street dwellers and other socially vulnerable sections were in distress, the Company provided timely help in form of ration and hygiene kits. Many women from the Self Help Groups promoted by Coromandel were actively engaged in stitching facemasks and gloves and making handwash and phenyl. The Company made monetary contributions to the PM CARES Fund and CM Relief fund. To ramp up pandemic-related relief supplies, Coromandel established COVID Care Centres and built facilities in government hospitals including a COVID ward in Kakinada. The Company also volunteered by joining COVID Warriors in their efforts in providing PPEs and sanitation kits to the local community and workforce.

The Company collaborated with the government authorities and communities towards containing the virus spread around its manufacturing



Coromandel Medical Center

locations in Telangana and Andhra Pradesh. Efforts were made to propagate COVID-appropriate behaviour through frequent and effective communication campaigns. The door-to-door program reached a large number of communities and brought about behavioural change around social distancing, mask donning and frequent hand washing.

### Education

Coromandel has been pursuing holistic developmental activities for providing quality education by providing adequate learning materials, infrastructure and environment in government schools around our manufacturing units. All the education initiatives are aligned to the national goals and Complement the goal of the Country in ensuring basic education for all. Coromandel has been undertaking multi-dimensional initiatives to reduce dropouts, provide better educational infrastructure, supplying appropriate equipment, books, financial assistance, scholarships to promote meritorious girl students to continue education.

The Coromandel Girl Child Education Scheme, ensuring equal opportunities for girl children, has continued its aim of supporting girls in standards IX to XII. During the year, the scheme has reached out to 1102 girls in government schools and ensured that they continue to shine and set examples for their peers in society.

The Company focused on the importance of learning science among school children. The unique initiative of Fundamentals of Chemistry provides the learning of Chemistry, interesting. This includes a series of intra school quiz competitions, science fairs, spelling bee Competitions, etc. Coromandel continued to support the students and their families of Udbhav School. The higher-class students were provided tablets to continue online education.

The Company continues to support education for children born with a hearing impairment. In the pandemic year, the school turned all its classes into the virtual mode and worked extensively with the parents to train them to work with the children. The school provides a free learning environment to infants & young children and diagnoses hearing loss in children & provides intensive training, so they acquire early verbal languages. The school has 42 children studying in the school and 15 teachers and 2 audiologists. The school takes pride in integrating children into regular schools. This year, 10 children got integrated into these schools.

Coromandel supports the Murugappa Polytechnic College which 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.

### Healthcare

Aligned with the United Nations Sustainable Goals as well as the National Health Mission, Coromandel's healthcare initiatives aimed at the health, physical and mental well-being of the local communities. Focussing both on medical care and preventive care, the healthcare programs range from providing care through Coromandel Medical Centres, general health camps, multi-specialty health camps, school camps, formation of support groups, need based referral support to patients and mobile medical van services. The Mobile Medical Van reached out to 19348 people in interior areas of the Valsad district.

The Company's Medical Centres turned into tele counseling centers during the pandemic and provided support and counseling services to patients. Once the situation improved, the Coromandel Medical Centres opened with care to ensure the safety of the patients. These Medical Centres reached out to ~16,000 patients in 2020-21. The partnership with the Government General Hospital in Kakinada

supported the lives of 2,313 infants, who availed the services of the ward.

Coromandel also supported a government health center in Ankleshwar to ensure the institutionalization of childbirth. A total number of 112 pregnant women registered in the center and 22 deliveries took place in 2020-21. The center continues to be a shining star in terms of the services being offered to women and children. Coromandel has also undertaken awareness sessions to spread information about the importance of institutional deliveries and special vaccination drives for pregnant mothers.

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 150 surgeries have taken place. The commitment to ensuring quality healthcare to the needy has been strengthened with the support of the AMM Foundation-run hospitals namely the Sir Ivan Stedeford Hospital, AMM Hospital and AMM Arunachalam Hospital.

Coromandel has reinstated its commitment to healthcare with the establishment of a hospital in Kakinada. The out-patient facility caters to the not-so privileged and ensures that healthcare

is not a privilege for only a few people. This hospital offers services of senior doctors and specialties of a dentist, physiotherapist, ophthalmologist along with state-of-the-art diagnostic laboratory and pharmacy services.

### Community Development

The community development initiatives aim to enhance the standard of living for the communities through strengthened social infrastructure. The Company has been implementing several programmes towards livelihood enhancement and women empowerment. These include skill-based training, capacity building and providing backward and forward linkages towards sustained income generation. Inculcating a habit of savings and enforcing credit discipline among Self Help Groups remains a key focus.

In the recently initiated tailoring training programme, 500+ women were trained and deployed to stitch face masks. A training program in retail operations for youth was also initiated. The community development programs also addressed the need for providing physical infrastructure to the communities.

## ENVIRONMENT & SUSTAINABILITY

Coromandel is committed to making food systems more sustainable and enables farmers to improve productivity and address world hunger. Its business solutions are closely integrated to drive sustainability across the farming value chain by balancing nutrient needs, improving pest management practices, and adopting technology to maximize resource use efficiency and drive farm profitability. The Company closely engages with the communities to build stronger linkages and carefully foster its environment and ecosystem.

As part of this commitment, its Fertilisers, SSP and CPC businesses made a submission for plastic waste management to CPCB during the year and have subsequently entered into an agreement with competent recyclers and has recycled around 2000 metric tonnes of plastic waste.



Coromandel Hospital at Kakinada





The Company has been making significant progress on expanding its green belt cover. During the year, it planted around 9,020 saplings under TERI's bioremediation mycorrhiza technology at the Visakhapatnam unit. Under the 'Green Visaka' flagship programme of Govt. of Andhra Pradesh, the Company has already planted 145,000 saplings with a plan to plant 80,000 saplings in 2020-21. At the SSP plants, the green coverage has been increased to 8,983 sqm with plantation of additional 2,029 saplings during the year.

The Birds Paradise at Kakinada is testimony to the Company's commitment to its environment. In collaboration with the EGREE foundation, the Coromandel's Kakinada plant surroundings have become the largest breeding site in the East Godavari district for a variety of bird species, including the Grey Heron and the Painted Storks.

Extending the philosophy of 3R – Reduce (the landfilling waste), Recycle (the MEE condensate in the process) and Reuse (the raw materials and ingredients) – the Company's CPC sites have furthered green initiatives. At the Ankleshwar plant, external green belt development is in progress for 15,597 Sqm. Its fertiliser plants at Vizag and Ennore completed HDPE lining to the gypsum ponds to reduce its ingress to the ground. Its manufacturing units continue to improve water efficiency by treating,

recycling and utilizing the wastewater its major plants have implemented Zero Liquid discharge (ZLD) programmes.

The Company's sustainability and safety initiatives continue to get validated with many citations and awards. Vizag unit was awarded CII National Excellent Energy Efficient Unit 2020. Hospet unit achieved CII EHS Excellence award from Southern Region and rated 3 stars. Ranipet OHC (jointly with CPC division) has been awarded the Dr. CRK award for the Year 20-21 by the Indian Association of Occupational Health (IAOH), Tamil Nadu Branch. The Ankleshwar and Dahej plant won QCF (Quality Circle Forum of India – Gujarat Chapter) awards in various Safety and health environment projects.

## BUSINESS OUTLOOK

As the Company continues to grow and establish itself as a foremost agri-inputs player globally, a renewed focus on advancements in technology and business models has been necessitated at the fringe intersections of various industries. Given that the agri-inputs industry continues to experience technological disruptions – smart farming, robotics & automation, bio-tech, blockchain tracers, drones & satellites, IoT, etc., to name a few – it is imperative for Coromandel to actively pursue developments in upcoming Agri Technology, to not just be aware of the disruptions happening within the industry, but also to build a technology

absorption platform to fuel its growth and innovation agenda. To further the same, CIL will pursue active engagements with the AgriTech ecosystem in India in the coming years.

While the COVID-19 pandemic has impacted lives and continues to push humankind to its extremes, the fact that food remains the center of all development is indisputable. India has proved to the world its capabilities in the way it has been handling the pandemic. It is these testing times that have led to open new opportunities for the Country and the agricultural sector. Technology advancements, development of agri infrastructure, the Government's focus on agriculture and reform mindset are likely to positively impact the agriculture sector.

Coromandel International as a leading agri input solution provider is well placed to play a pivotal role in this journey of agricultural transformation. Under the *Aatmanirbhar Bharat Abhiyan*, the Company is continuously investing in creating new capacities and backward integration of its key operations. The Company's focus on expanding organic fertiliser and bio-pesticide offerings is in line with changing consumer preferences worldwide towards sustainable farming. Coromandel's R&D team has been working extensively with research institutions and academia to develop newer solutions and introduce new-generation products. In line with its long term growth aspiration, the Company is focusing on deepening its understanding of its consumer, building power brands, investing in R&D and data analytics, becoming a player of scale, creating new markets and strengthening its efficiency and quality across the value chain.

With positive business sentiments in agriculture, forecasts for normal monsoons and expectation of overall economic recovery, the Company stands confident to achieve steady growth during the coming period. Coromandel will continue to serve the farming community and drive prosperity through promoting technology solutions and adopting sustainable farm practices.

# Notice of the 59<sup>th</sup> Annual General Meeting of the Company

To the Members of  
**Coromandel International Limited**

Notice is hereby given that the **Fifty Ninth (59<sup>th</sup>) Annual General Meeting** (AGM) of the Members of Coromandel International Limited will be held on **Monday, July 26, 2021 at 3:30 p.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, 2021, the Report of the Auditors' thereon and the Report of the Board of Directors, and in this regard 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, 2021, the Report of the Board of Directors and the Report of the Auditors' thereon placed before the 59<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, 2021, the Report of the Auditors' thereon and in this regard 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, 2021 and the Report of the Auditors' thereon placed before the 59<sup>th</sup> Annual General Meeting be and are hereby received and adopted."

3. To confirm the interim dividend paid during the financial year and declare a final dividend for the financial year ended March 31, 2021, and in this regard to consider and, if deemed fit, to pass, the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** a final dividend of ₹6 per equity share of ₹1 each be declared for the financial year ended March 31, 2021 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 16, 2021 in case the shares are held in physical form and to the beneficial holders of the dematerialized shares as on July 16, 2021 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.

**RESOLVED FURTHER THAT** the interim dividend of ₹6 per equity share of ₹1 each approved by the Board of Directors and paid by the Company during the financial year ended March 31, 2021 be and is hereby confirmed."

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 regard 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 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), 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."

5. To appoint Statutory Auditors to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 64<sup>th</sup> Annual General Meeting and also fix their remuneration, 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 139 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. S.R. Batliboi & Associates LLP (Firm Regn. No. FRN 101049W/E300004) as the Statutory Auditors of the Company to hold office from the conclusion of the 59<sup>th</sup> Annual General Meeting until the conclusion of the 64<sup>th</sup> Annual General Meeting on a remuneration of ₹75,00,000 (Rupees Seventy Five Lakhs Only) plus reimbursement of out-of-pocket expenses and applicable taxes and the Board of Directors of the Company be and are hereby authorised to pay such increased audit fee as they may deem fit."

## Special Business

6. To appoint Mr. A Vellayan (DIN: 00148891) as a Director of the Company, who was appointed as an Additional Director, 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 Sections 152, 161 and other applicable provisions of the

- Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. A Vellayan, holding DIN 00148891, who was appointed as an Additional Director on November 11, 2020 by the Board of Directors of the Company pursuant to Section 161(1) of the Act and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
7. To appoint Mr. Arun Alagappan (DIN: 00291361) as a Director of the Company, who was appointed as an Additional Director, 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 Sections 152, 161 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arun Alagappan, holding DIN 00291361, who was appointed as an Additional Director on November 11, 2020 by the Board of Directors of the Company pursuant to Section 161(1) of the Act and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
8. To appoint Mr. Arun Alagappan (DIN: 00291361) as a Whole-time Director, designated as Executive Vice Chairman of the Company, and in this regard to consider and, if deemed fit, to pass the following Resolution as a **Special Resolution:**
- “**RESOLVED THAT** pursuant to Article 22 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”), the Rules made thereunder and Schedule V of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) approval of the members of the Company be and is hereby accorded for appointment of Mr. Arun Alagappan, Director (DIN 00291361) as the Whole-time Director, designated as Executive Vice Chairman of the Company, for a period of 5 years with effect from February 15, 2021 to February 14, 2026.
- RESOLVED FURTHER THAT** Mr. Arun Alagappan, Whole-time Director (DIN 00291361) designated as Executive Vice Chairman, be paid remuneration by

- way of salary, allowances, perquisites, incentive and retirement benefits, subject to the 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 February 15, 2021.
- RESOLVED FURTHER THAT** within the maximum limit of 5% of the net profits of the Company, Mr. Arun Alagappan be paid the following remuneration with effect from February 15, 2021:
- |      |                            |  |
|------|----------------------------|--|
| i)   | Basic Salary               | ₹12,50,000 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, subject to a maximum of 225% of Basic Salary. |
| iii) | Incentive                  | As may be determined by the Nomination and Remuneration Committee, based on the achievement of the performance parameters laid down.   |
| iv)  | Retirement Benefits        | (i) Contribution to Provident Fund, Superannuation Fund and Gratuity as per the approved scheme of the Company in force from time to time.<br>(ii) Encashment of leave as per rules of the Company in force  |
- 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. Arun Alagappan, Whole-time Director, designated as Executive Vice Chairman, will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
- (v) Mr. Arun Alagappan, Whole-time Director, designated as Executive Vice Chairman, 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. Arun Alagappan, Whole-time Director, designated as Executive Vice Chairman, 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.
- RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to alter, modify and vary the terms and conditions including his designation and remuneration and/or perquisites payable or to be provided (including any monetary value thereof) to Mr. Arun Alagappan, to the extent the Board of Directors may at its discretion deem fit.”
9. To appoint Mr. Ramesh K.B. Menon (DIN: 05275821) as a Director of the Company, who was appointed as an Additional Director, 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 Sections 152, 161 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s)

- or re-enactment thereof for the time being in force), Mr. Ramesh K.B. Menon, holding DIN 05275821, who was appointed as an Additional Director on November 11, 2020 by the Board of Directors of the Company pursuant to Section 161(1) of the Act and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
10. To ratify the remuneration of the Cost Auditors for the financial year 2021-22 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 and the Rules made thereunder (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 2021-22, 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  | ₹8.50 Lakhs         |
| Mrs. Jyothi Satish          | 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**

**Rajesh Mukhija**  
**Sr. Vice President – Legal**  
**& Company Secretary**

Place: Secunderabad  
Date: April 29, 2021

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: [investorgrievance@coromandel.murugappa.com](mailto:investorgrievance@coromandel.murugappa.com)  
Website: <https://coromandel.biz>

#### NOTES:

- In view of the outbreak of COVID-19 pandemic and the consequent restrictions and requirements like social distancing, and pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs (MCA) and Circular numbers SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). Hence, in compliance with the Circulars, the 59<sup>th</sup> AGM of the Company is being held through VC/OAVM, hereinafter called as electronic Annual General Meeting ("e-AGM"). The deemed venue for this e-AGM shall be the registered office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is given below and will also be available at the Company's website [www.coromandel.biz](http://www.coromandel.biz).
- In compliance with the aforesaid Circulars, this e-AGM Notice along with the Annual Report for the financial year 2020-21 is being sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories. The AGM notice and Annual Report of the Company are also made available on the Company's website at [www.coromandel.biz](http://www.coromandel.biz) and on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited - [www.nseindia.com](http://www.nseindia.com). The Company has published a Notice by way of advertisement in the newspapers viz., Business Line and Andhra Prabha on June 19, 2021, giving the

required details of 59<sup>th</sup> AGM and Final Dividend related information.

- Since the 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 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.
- 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").
- 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.
- An Explanatory Statement under Section 102(1) of the Act in respect of special business to be transacted at the AGM, is annexed hereto. The Board considered and concluded that special businesses under item nos. 6 to 10 are considered critical and unavoidable, and hence need to be transacted at this AGM.
- As required by Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), the relevant details of Directors seeking appointment or re-appointment at this e-AGM are provided in the Report on Corporate Governance forming part of the Annual Report.
- Book Closure:** The Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, July 17, 2021 to Monday, July 26, 2021 (both days inclusive)**.
- Unclaimed/Unpaid Dividend:** Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 and Section 124 of the Act, the amount of dividend/ dividend declared/paid up to the financial year 2012-13, 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, 2021 is available on the website of the Company at [http://coromandel.biz/inv\\_investorsinformation.html](http://coromandel.biz/inv_investorsinformation.html) and Ministry of Corporate Affairs at <http://www.iepf.gov.in/>. Members are requested to contact KFin

Technologies Private Limited ("KFin"), (formerly Karvy Fintech Private Limited), Unit: Coromandel International Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal, Hyderabad – 500 032, Telangana, the Registrar and Share Transfer Agents of the Company, to claim the unclaimed /unpaid dividends.

- Compulsory transfer of Equity Shares to IEPF Account:** 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.

The Members / claimants whose shares, have been transferred to IEPF, may claim the shares by making an application to IEPF Authority in webform IEPF 5 (available on <http://www.iepf.gov.in/>). The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

- Final Dividend:** The final dividend, as recommended by the Board of Directors of the Company, if approved at the e-AGM, will be paid on or after August 11, 2021 but within 30 days from the declaration of dividend at the e-AGM, as provided in the Act, to those Members whose names stand registered on the Company's Register of Members:

- as Beneficial Owners as at the end of business hours on Friday, July 16, 2021 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in dematerialized form.
- as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before Friday, July 16, 2021.

#### 12. Tax Deducted at Source (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 1, 2020 and the Company is required to deduct tax at source 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 (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 16, 2021. Shareholders are requested to note that in case their PAN is not registered, or his/her PAN is not linked with Aadhaar number within the due date notified by Central Government, 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 16, 2021.
  - 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 Company's website [www.coromandel.biz](http://www.coromandel.biz). Wherever, TDS is made, TDS Certificates will be sent to the concerned shareholders through email or post, as the case may be.
  - Shareholders who have not filed returns with Income Tax Authority for the financial years 2018-19 and 2019-20 before the due date and aggregate of TDS is ₹50,000 or more in each of these two years, the TDS will be at the rate of 20% for dividend paid on or after July 1, 2021.
  - The documents submitted in this regard, are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the provisions of the Income Tax Act, 1961.
- 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.

14. Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to Kfin. The requisite NECS/ECS application form can be obtained from Kfin. Alternatively, Members may provide details of their bank account quoting their folio numbers, to Kfin to enable them to print such details on the dividend warrants.
15. 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.
16. **Submission of PAN:** SEBI has mandated 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.
17. **Share Transfer permitted only in Demat:** As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice.
18. **Nomination:** As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant.
19. 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).

**20. Procedure for obtaining the Annual Report, e-AGM Notice and e-Voting instructions by the Members 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 address of the shareholders. Therefore, those Members who have not yet registered their email address are requested to get their email address registered by following the procedure given below:

- i. Register their email address and mobile number validate/update 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.
- ii. Members 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/clientservices/mobilereg/mobileemailreg.aspx>. In case of any queries, Members may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- iii. Members 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.kfintech.com/public/Downloads.aspx> for downloading the Annual Report and Notice of the e-AGM.
- iv. 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. Procedure for 'remote e-Voting':**

In compliance with the provisions of Section 108 of the Act and Rules made thereunder, 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.

In pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

The details of the process and manner for remote e-Voting is explained herein below:

**I. Individual shareholders holding shares of the Company in Demat mode:**

**The procedure to login and access remote e-Voting as devised by Depositories / Depository Participants are given below:**

**A. Individual Shareholders holding shares in Demat mode with National Securities Depository Limited ("NSDL"):**

**1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:**

- i. Type in the browser / Click on the following e-Services link: <https://eservices.nsdl.com>
- ii. Click on the button "Beneficial Owner" available for login under 'IDeAS' section.
- iii. A new page will open. Enter your User ID and Password for accessing IDeAS.
- iv. On successful authentication, you will enter your IDeAS service login. Click on "Access to e-Voting" under Value Added Services on the panel available on the left hand side.
- v. Click on "Active E-voting Cycles" option under E-voting.
- vi. You will see Company Name: "Coromandel International Limited" on the next screen. Click on the e-Voting link available against Coromandel International Limited or select e-Voting service provider "KFin" and you will be re-directed to the e-Voting page of KFin to cast your vote without any further authentication.

**2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:**

- i. To register, type in the browser / Click on the following e-Services link: <https://eservices.nsdl.com>
- ii. Select option "Register Online for IDeAS" available on the left hand side of the page
- iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.
- iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

**3. Users may directly access the e-Voting module of NSDL as per the following procedure:**

- i. Type in the browser / Click on the following link: <https://www.evoting.nsdl.com/>
- ii. Click on the button "Login" available under "Shareholder/ Member" section.
- iii. On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL's e-voting platform)/ through generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen.
- iv. On successful authentication, you will enter the e-Voting module of NSDL. Click on "Active E-voting Cycles / VC or OAVMs" option under e-Voting. You will see Company Name: "Coromandel International Limited" on the next screen. Click on the e-Voting link available against Coromandel International Limited or select e-Voting service provider "KFin" and you will be re-directed to the e-Voting page of KFin to cast your vote without any further authentication.

**B. Individual Shareholders holding shares in Demat mode with Central Depository Services (India) Limited ("CDSL"):**

**1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:**

- i. Type in the browser / Click on any of the following links: <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi / Login to My Easi option under Quick Login (best operational in Internet Explorer 10 or above and Mozilla Firefox)
- ii. Enter your User ID and Password for accessing Easi / Easiest.
- iii. You will see Company Name: "Coromandel International Limited" on the next screen. Click on the e-Voting link available against Coromandel International Limited or select e-Voting service provider "KFin" and you will be re-directed to the e-Voting page of KFin to cast your vote without any further authentication.

**2. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:**

- i. To register, type in the browser / Click on the following link: <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>

- ii.

Proceed to complete registration using your DP ID-Client ID (BO ID), etc.
- iii.

After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

3. Users may directly access the e-Voting module of CDSL as per the following procedure:

- i.

Type in the browser / Click on the following links: [www.cdslindia.com/](http://www.cdslindia.com/) <https://www.evotingindia.com>
- ii.

Provide Demat Account Number and PAN
- iii.

System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account.
- iv.

On successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Coromandel International Limited or select e-Voting service provider “KFin” and you will be re-directed to the e-Voting page of KFin.

C. Individual shareholders holding shares in Demat mode - Procedure to login through their demat accounts / Website of Depository Participant:

Individual shareholders holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts(online accounts)through their demat accounts / websites of Depository Participants registered with NSDL/CDSL. An option for “e-Voting” will be available once they have successfully logged-in through their respective logins. Click on the option “e-Voting” and they will be redirected to e-Voting modules of NSDL/ CDSL (as may be applicable). Click on the e-Voting link available against Coromandel International Limited or select e-Voting service provider “KFin” and you will be re-directed to the e-Voting page of KFinTech to cast your vote without any further authentication.

Members who are unable to retrieve User ID / Password are advised to use “Forgot User ID” / “Forgot Password” options available on the websites of Depositories / Depository Participants.

Contact details in case of any technical issue:	
Securities held with NSDL	Members facing any technical issue during login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free nos.: 1800 1020 990 / 1800 22 44 30
Securities held with CDSL	Members facing any technical issue during login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43.

II. Information and instructions for remote e-Voting by shareholders other than individuals holding shares of the Company in demat mode and all shareholders holding shares in physical mode:

A. In case a Member receives an e-mail from the Company / KFin [for Members whose e-mail address is registered with the Company / Depository Participant(s)]:

- i.

Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- ii.

Enter the login credentials. The E-Voting Event Number 5993 followed by Folio No. or DP ID Client ID will be your User ID. If you are already registered with KFin for e-Voting, you can use the existing password for logging-in. If required, please visit <https://evoting.kfintech.com> or contact toll-free number 1800-3094-001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password. Members who forgotten the Password are advised to use “Forgot Password” options available on the website.
- 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 upon logging-in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, 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 E-Voting Event Number (EVEN): 5993 for Coromandel International Limited.

- vii.

On the voting page, enter the number of shares as on the Cut-off Date under either “FOR” or “AGAINST” or alternatively, you may partially enter any number under “FOR” / “AGAINST”, but the total number under “FOR” / “AGAINST” taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose to “ABSTAIN” and vote will not be counted under either head.

- viii.

Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

- ix.

Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as “ABSTAINED”.
- 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.
- xii.

Once you confirm, you will not be allowed to modify your vote.
- xiii.

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 – 59<sup>th</sup> AGM”.

B. In case whose email address is not registered with the Company / Depository Participants, kindly follow the instruction in Serial No. 20.

In case of any query on e-voting, Members may refer to the “Help” and “FAQs” sections / E-voting user manual available through a dropdown menu in the “Downloads” section of KFin’s website for e-voting: <https://evoting.kfintech.com> or contact KFin as per the details given below.

Members are requested to note the following contact details for addressing e-voting related grievances:

Mr. Rajkumar Kale,  
Senior Manager - Corporate Registry,  
KFin Technologies Private Limited,  
(Formerly known as Karvy Fintech Private Limited),  
“Selenium Tower-B”, Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad - 500032, Telangana.  
Phone No. +91 40 6716 1616, Toll-free No.: 1800 3094 001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

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 cast 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 “Insta Poll” 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. Instructions for attending the e-AGM through VC/ OAVM are as under:

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:

i. Attending e-AGM through Video conferencing:

Members will be able to attend the e-AGM through VC / OAVM provided by KFin. Members are requested to follow the procedure given below:

- a.

Launch internet browser (latest version of Chrome/ Firefox/Safari/ Internet Explorer 11 or MS Edge) by typing the URL: <https://emeetings.kfintech.com>
- b.

On the login page, enter the login credentials (i.e., User ID (In case of Demat Account enter - DP ID and Client ID / In case of physical mode enter Folio No.) and Existing Password.
- c.

After logging in, click on “Video Conference” option.
- d.

Then click on camera icon appearing against AGM event of Coromandel International Limited to attend the AGM.
- ii.

Members who have forgotten the Password are advised to use “Forgot Password” options available on the website.
- iii.

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.
- iv.

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.



- v. Members are encouraged to participate in the e-AGM through laptops or desktops with Google Chrome for better experience.
- vi. Members are required to allow camera, if any, and use Internet with a good speed to avoid any disturbance during the meeting.
- vii. 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.
- viii. **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. The posting of the questions by the shareholders/members shall commence from Saturday, July 17, 2021 at 9.00 a.m. and shall close on Wednesday, July 21, 2021 at 5.00 p.m.
- ix. **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 17, 2021 at 9.00 a.m. and shall close on Wednesday, July 21, 2021 at 5.00 p.m.
- x. In case of any query relating to the procedure for attending e-AGM through VC/OAVM or for any technical assistance, the members may call on toll free no.: 1800 3094 001 or send an e-mail at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

#### Other Information:

- i. 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).
- ii. The e-Voting period commences on **Friday, July 23, 2021 (9.00 a.m. IST) and ends on Sunday, July 25, 2021 (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., Monday, July 19, 2021, 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.
- iii. Those who become Members of the Company after dispatch of the Notice of e-AGM but on or before Monday, July 19, 2021 (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.

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.

- iv. The voting rights of shareholders shall be in proportion to their shareholding of the paid-up equity share capital of the Company as on the **cut-off date i.e., Monday, July 19, 2021**.
- v. 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.
- vi. 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 forty eight hours from the conclusion of the meeting, make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.
- vii. 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).
- viii. 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 at <https://evoting.kfintech.com>, and communicated to stock exchanges viz., BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.
- ix. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

#### 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 ("Listing Regulations")

#### Item No. 5

#### Appointment of M/s. S.R. Batliboi & Associates LLP as the Statutory Auditors of the Company

M/s. Deloitte Haskins & Sells (DHS), Chartered Accountants, have been the statutory auditors of the Company since 2011-12. The existing term of DHS as Statutory Auditor will expire at the conclusion of the ensuing Annual General Meeting of the Company and they are not eligible for re-appointment in terms of provisions of Section 139(2) of the Act read with the Rules made thereunder.

Accordingly, in terms of the provisions of Section 139 of the Act, the Company is required to appoint new statutory auditors. Based on the recommendation of the Audit Committee, the Board of Directors have recommended the appointment of M/s. S.R. Batliboi & Associates LLP, (Reg. No. FRN 101049W/ E300004) as the Statutory Auditors of the Company to hold office from the conclusion of this 59<sup>th</sup> Annual General Meeting until the conclusion of the 64<sup>th</sup> Annual General Meeting of the shareholders of the Company at a remuneration of ₹ 75,00,000 for the FY 2021-22, subject to the approval by the shareholders pursuant to applicable There is no material change in the fee payable to new auditors.

M/s. S. R. Batliboi & Associates LLP, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the year 1965 and is a Limited Liability Partnership firm ("LLP") incorporated in India. It has its registered office at 22, Camac Street, Kolkata and has 11 branch offices in various cities in India. M/s. S.R. Batliboi & Associates LLP have furnished their consent to act as Statutory Auditors in terms of Section 139 of the Act and have also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act. Further, as required under Regulation 33 of the Listing Regulations, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board recommends their appointment and accordingly, the approval of the Members is being sought by means of an Ordinary Resolution. Further, DHS who hold office as Statutory Auditors of the Company till the conclusion of this AGM would be conducting the limited review on the financial results of the Company for Q1 of the financial year 2021-22.

#### Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the aforesaid Ordinary resolution.

#### Item No. 6

#### Appointment of Mr. A Vellayan as a Director of the Company

Upon turning 65 years of age on November 12, 2020 and with a desire to devote time to philanthropic activity and other interests, Mr. M M Murugappan stepped down from the Board of the Company as Chairman and Director with effect from close of business hours on November 11, 2020.

Consequent to the retirement of Mr. M M Murugappan, the Board of Directors of the Company, based upon the recommendation of the Nomination & Remuneration Committee, at its meeting held on November 11, 2020, appointed Mr. A Vellayan, as an Additional Director and as Chairman of the Company, pursuant to Section 161 of the Act and Article 20.7 of Articles of Association of the Company. In terms of Section 161 of the Act, Mr. A Vellayan holds office upto the date of this AGM of 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. A Vellayan for the office of Director.

The resolution seeks approval of the shareholders for the appointment of Mr. A Vellayan as a Director of the Company, liable to retire by rotation.

The Company has received his consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and the intimation in Form DIR-8 in terms of the said Rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Prior to the tenure of Mr. M M Murugappan as the Chairman, Mr. A Vellayan served the Company's Board close to two decades and stepped down as Chairman and Director of the Company on January 31, 2018. Under his leadership, the Company transformed into one of the leading farm solutions providers in India by establishing long standing relationships across its wide spectrum of stakeholders with a reputation for trust, ethical standards and passion for growth.

Given his deep business insight on agri inputs industry, his association with industry bodies and associations, policy advocacy with various government bodies/institutions, and dealing with global players in the industry, the Board of Directors of the Company appointed Mr. A Vellayan as a Director and Chairman of the Company.

Mr. A Vellayan is the Chairman of the Company. He holds a Bachelor's Degree in Commerce from Shri Ram College of Commerce, New Delhi, Diploma in Industrial Administration from Aston University, UK and Masters in Business Studies from University of Warwick Business School, UK. He has been conferred Doctor of Science (Honoris Causa) by Aston University, UK.

Mr. Vellayan is the Chairman of Indian Institute of Management, Kozhikode and Roca Bathroom Products Private Limited. He also holds directorship in Ambadi Investments Limited, AMM Foundation and Kanoria Chemicals & Industries Limited. He held various positions in the Murugappa Group in the past.

Mr. Vellayan has vast experience in Fertilisers Business, General Management and Financial Planning.

As required pursuant to the Regulation 36(3) of Listing Regulations and Secretarial Standard-2 issued by ICSI, a brief resume of Mr. A Vellayan is given in the "Report on Corporate Governance" forming part of the Annual Report.

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

#### Memorandum of Interest

Except Mr. A Vellayan, 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 Ordinary Resolution. Mr. A Vellayan is not related to any of the Directors or Key Managerial Personnel of the Company.

Item Nos. 7 & 8

Appointment of Mr. Arun Alagappan as a Director and Whole-time Director, designated as Executive Vice Chairman of the Company

Mr. Arun Alagappan, was appointed as an Additional Director of the Company by the Board of Directors at the Board Meeting held on November 11, 2020 pursuant to Section 161 of the Act based on the recommendation of the Nomination & Remuneration Committee. In terms of Section 161 of the Act, Mr. Arun Alagappan holds office upto the date of this AGM of the Company.

Subsequently, the Board at its meeting held on February 1, 2021, based on recommendation of Nomination and Remuneration Committee and subject to approval of the shareholders, appointed Mr. Arun Alagappan as Whole-time Director and designated as Executive Chairman of the Company on the terms and conditions including remuneration as set out in item no. 8 of this notice for a period of 5 (Five) years with effect from February 15, 2021 to February 14, 2026, subject to the approval of the shareholders.

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. Arun Alagappan for the office of Director.

The Resolution in item no. 7 seeks approval of the shareholders for the appointment of Mr. Arun Alagappan as a Director of the Company, liable to retire by rotation.

The Resolution in item no. 8 seeks approval of the shareholders for appointment of Mr. Arun Alagappan as Whole-time Director, designated as Executive Vice Chairman of the Company at the remuneration set out therein. As the proposed remuneration to Mr. Arun Alagappan, who is a promoter, shall be subject to the maximum permissible limit of 5% of the Net Profits of the Company, approval of the shareholders is being sought by way of special resolution as required pursuant to Regulation 17 of SEBI (LODR) Regulations, 2015.

The Company has received his consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and the intimation in Form DIR-8 in terms of the said Rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013. 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 appointment.

Mr. Arun Alagappan is the Executive Vice Chairman of the Company. He has done his Graduation in Commerce from the University of Madras and completed the ‘Owner President/ Management Program’ from Harvard Business School at Boston, USA.

Mr. Alagappan started his career with GE Capital Services India in 1997. After a two-year stint with GE, he joined the Murugappa Group in 1999 in Parryware, part of E.I.D Parry

(India) Limited. Between 2005 to 2017, he served in Tube Investments of India Limited heading various divisions and functions before eventually becoming the President & Business Head of TI Cycles. In August 2017 Mr. Alagappan was appointed as Executive Director of Cholamandalam Investment and Finance Company Limited and subsequently as the Managing Director in November 2019. He held this position until February 14, 2021, prior to joining Coromandel International Limited. He holds directorship in various other companies such as Lakshmi Machine Works Limited and Roca Bathroom Products Limited.

Mr. Alagappan is acknowledged as a thought leader in the Bicycle Industry and the NBFC Industry.

As required pursuant to the Regulation 36(3) of Listing Regulations and Secretarial Standard-2 issued by ICSI, a brief resume of Mr. Arun Alagappan is given in the “Report on Corporate Governance” forming part of the Annual Report.

The Board commends the Ordinary Resolution set out at Item No. 7 and Special Resolution set out at Item No. 8 for approval by shareholders.

Memorandum of Interest

Except Mr. Arun Alagappan, 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(s). Mr. Arun Alagappan is not related to any of the Directors or Key Managerial Personnel of the Company.

Item No. 9

Appointment of Mr. Ramesh K. B. Menon as a Director of the Company

Mr. Ramesh K. B. Menon was appointed as an Additional Director of the Company by the Board of Directors at the Board Meeting held on November 11, 2020 pursuant to Section 161 of the Act, based on the recommendation of the Nomination & Remuneration Committee. In terms of Section 161 of the Act, Mr. Ramesh K.B. Menon holds office upto the date of this AGM of 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. Ramesh K.B. Menon for the office of Director.

The resolution seeks approval of the shareholders for the appointment of Mr. Ramesh K. B. Menon as a Director of the Company, liable to retire by rotation.

The Company has received his consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and the intimation in Form DIR-8 in terms of the said Rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Mr. Ramesh K. B. Menon is a Director of the Company. He is an alumnus of XLRI, Jamshedpur. Prior to joining the Board of Coromandel, Mr. Menon led the Group's HR function and was actively involved in the development of business strategy,

supervision for business results and governance as Executive Director-HR in the Murugappa Corporate Advisory Board (MCAB). He also served as Lead Director of the Diversified Businesses of the Murugappa Group and had been the Member of MCAB for seven years. Mr. Menon earlier worked as the Director-HR of Coats, South Asia, with a career spanning 26 years in key HR leadership assignments across regions before joining the Murugappa Group. He is currently on the Boards of E.I.D Parry (India) Limited, Parry Agro Industries Limited, Parry Murray & Company Limited, UK and Ambadi Enterprises Limited.

As required pursuant to the Regulation 36(3) of Listing Regulations and Secretarial Standard-2 issued by ICSI, a brief resume of Mr. Ramesh K. B. Menon is given in the “Report on Corporate Governance” forming part of the Annual Report.

The Board commends the Ordinary Resolution set out at Item No. 9 for approval by shareholders.

Memorandum of Interest

Except Mr. Ramesh K.B. Menon, 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 Ordinary Resolution.

Item No. 10

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 Mrs. Jyothi Satish, 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 2021-22 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	₹8.50 Lakhs
Mrs. Jyothi Satish	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 2021-22.

The Board commends the Ordinary Resolution set out at Item No. 10 for approval by shareholders.

Memorandum of Interest

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.

By Order of the Board  
For Coromandel International Limited

Rajesh Mukhija  
Sr. Vice President – Legal  
& Company Secretary

Place: Secunderabad  
Date: April 29, 2021



# Board's Report

Dear Members,

Your Board of Directors have pleasure in presenting the 59<sup>th</sup> Annual Report on the operational and business performance of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2021.

## 1. Summary of Standalone Financial Results

₹ In crores

Particulars	2020-21	2019-20
<b>Revenue</b>		
From Operations	<b>14,163</b>	<b>13,117</b>
Other Income	42	38
<b>Total Revenue</b>	<b>14,205</b>	<b>13,155</b>
<b>Profit:</b>		
Profit before Interest, Depreciation and Taxation	2,043	1,763
Less: Interest	106	235
Depreciation	172	157
Profit Before Tax	1,765	1,371
Less: Provision for Tax (including deferred tax)	453	312
Profit After Tax	1,312	1,059

Your Company's Revenue from Operations for the year was ₹14,163 crores as against ₹13,117 crores last year. The Profit before Interest, Depreciation, and Taxation grew to ₹2,043 crores from ₹1,763 crores in the previous year registering a growth of 15.88%. The Net Profit for the year grew to ₹1,312 crores from ₹1,059 crores in the previous year i.e., an increase of 23.89% YoY.

EBITDA margin increased 100 basis points to 14.4% in 2020-21 over 2019-20 and PAT margin increased 120 basis points to 9.2% in 2020-21 over 2019-20. The Earnings Per Share (EPS) for the year stood at ₹44.76 per share, an increase of 23.65% compared to ₹36.20 per share for the previous year.

Your Company does not propose to transfer any amount to the General Reserves and propose to retain ₹2,401.50 crores in the Statement of Profit and Loss.

## 2. Business Environment

The global economy was severely impacted by the COVID 19 pandemic as it experienced one of the most unfathomable health emergencies in modern history. While the impact of the pandemic varied across the regions, it had a disproportionate effect on the vulnerable sections. After a massive contraction in the first half of the year, the global economy began reviving in the later part of 2020. As the countries continue to fight through the pandemic, there are visible green shoots of recovery.

India has also shown remarkable resilience in its fight against the virus, led by its frontline COVID 19 warriors and is emerging as the vaccination capital of the world. Given the vulnerabilities of a weak health system, India undertook lockdown during the initial phase of COVID 19 spread. This enabled the flattening of the pandemic curve and provided the necessary time to ramp up the health and testing infrastructure. Over the last 12 months, India has been able to reverse the economic slowdown – from reporting a 23.9% contraction in GDP in Q1 to a 0.8% growth in Q3. The recovery is seen across all key economic indicators including GST collection, fuel demand, Manufacturing PMI and others. Though the path of recovery has been challenging with the emergence of the 2nd wave, the ramped-up public health measures and policy interventions lend support towards achieving stability in the coming months.

Despite the Covid 19 induced uncertainties impacting the major operations, the Agriculture Sector emerged as a bright spot and is expected to register a 3.4% GVA growth in FY 2020-21. This reflects the indomitable grit and resilience of the Indian farmers ensuring food security for the nation under challenging circumstances. India is expected to produce record food grain (303 million tons) and horticulture (327 million tons) output along with improvement in cereal exports. The Governments at the Centre and State were supportive in enabling continuance of operations and providing cash injection in rural India. Reforms like the advancement of PM Kisan disbursement, direct money transfer, increased MGNREGA days, increase in agri credit schemes, higher procurement under MSP for both Kharif and Rabi season were implemented. The Agri Marketing reforms announced during the year are currently under discussion with the stakeholders and the Government expects an amicable resolution before its implementation.

The Government's efforts were well supported by favourable environmental conditions experienced during the year. Above normal rainfall and good soil moisture conditions resulted in higher crop acreage in Kharif and Rabi seasons. In the Company's home markets of Andhra Pradesh and Telangana, Government continued its support through Direct Cash Transfer schemes to the farmers. Further, the infrastructure investment made over the last few years through the Kaleswaram and Pattiseema projects has resulted in assured irrigation and increased cropping intensity in the catchment areas.

On the subsidy front, the Government provided an additional allocation of ₹65,000 crores for the year, which has improved the working capital position of the industry through a significant reduction in the amount of subsidy outstanding.

With the higher water levels in the reservoirs and the prediction of a normal southwest monsoon by the Indian Meteorological Department, Indian agriculture is expected to witness a good Kharif season during the coming year.

## 3. Performance Review

### Fertiliser

Fertiliser business recorded its highest ever sales volume driven by favourable agro-climatic conditions during the year. Covid-19 protocols such as social distancing, sanitising and usage of masks etc., were implemented at the Plants and field to ensure the safety of employees and enable continuity of operations. Business focused on strengthening quality systems, implementing automation and digitalization projects, optimising the production, smart buying of key raw materials and customer centricity through brand building activities with increased thrust on Digital Marketing. Business implemented critical and safety related infrastructure projects, and consciously deferred other capital expenditure projects considering the uncertainties due to COVID 19.

Overall, primary sales volumes of DAP and Complex fertilisers grew by 7% to 33.5 lakh tons with the sale of manufactured products at 29.4 lakh tons. Consumption as reflected through the point of sales from retailers to the farmers, increased by 18% to 37.2 lakh tons. Market share for the year in DAP + Complex fertiliser segment stood at 15.3 percent, a marginal reduction from 15.7 percent in 2019-20.

Business continued to improve its marketing focus through creation of strong brands. During the year, your Company's unique product 14-35-14 was rebranded as Groshakti. Similarly, Grosmart, which was launched last year, was well received by customers. Integrated nutrient marketing structure with the experienced agronomist team has supported the business well in promoting its balanced nutrition approach and market development initiatives.

Despite disruptions in Q1 due to COVID-19 related restrictions, your Company's fertiliser plants produced 28.4 lakh tons of DAP + Complex Fertilisers at a capacity utilization of 82%.

Single Super Phosphate (SSP) business, which is now fully integrated with fertiliser business, maintained its leadership position with a market share of 13.5%. During the year, sales volumes grew by 17% to 6.7 lakh tons. The business focused on providing farmers with superior granulated and fortified products like Groplus which received encouraging feedback from the market. Production for the year stood at 6.6 lakh tons, which is 9% higher than the previous year.

### Crop Protection

Crop Protection business of your Company witnessed a strong turnaround this year, growing by 24% over last year. The domestic formulation and B2B business has seen robust growth during the period. New products continue to do well and have contributed ~25% of the domestic formulation sales. Business has strengthened its position in certain international geographies. The business continued its focus on customer connect through digital means and is embarking on Sales and Channel Centre of Excellence.

The Business continues to focus on enriching the product portfolio and is working on a rich pipeline of new molecules and combination products. During the year, it received more than 50 registrations including combination products and plans to leverage them for strengthening its offerings in the domestic and international markets. Infrastructure strengthening and capacity expansion projects are on track. On the manufacturing front, the business improved the overall capacity utilisation. Collaboration with global agro chemical companies for new products and co-marketing arrangements was further strengthened during the year. Overall, the profitability of the business has improved due to a better product mix, coupled with efficiencies in sourcing and manufacturing.

The Bio pesticides business registered impressive growth in the US markets. Business plans to expand capacity at its Thyagavalli plant to cater to the increased demand for Bio products. The R&D team is working on several new products and applications to expand its product offerings in collaboration with leading agriculture universities. Some of the products are in the stage of regulatory approvals and slated for launch in the coming year.

### Retail

The Retail stores were fully functional during the year despite the COVID disruptions. The stores followed strict safety protocols and continued to support the farming community by offering Agri solutions including products, farm advisory and mechanization services. The business has improved its operational efficiencies and has leveraged technology to reach out to the farmer community. It has engaged agriculture scientists under the "Scientist at Store" initiative to provide crop advisory to the farmers. Business is actively pursuing farm mechanization activities in the areas of sowing, harvesting and spraying to improve farm efficiency and costs. During the year, the business registered its highest ever turnover driven by favourable environmental conditions and improved advisory to farmers across the markets.

## Specialty Nutrients

The Specialty Nutrient products have been doing very well for the Company and continuously increasing its base in the market. The business has introduced two new products Fitol Sugarcan and Gromor Power 16-8-24 in the market. The Business has collaborated with different value chain partners like seed companies, drip companies and channels like FPOs, contract farming to increase its business prospects. The business has been active in the digital marketing space and reached out to millions of farmers through digital and social media for enhancing its consumer connect.

## Organic Fertilizer

The Company has been pioneering efforts in the area of soil health enrichment by marketing diversified organic portfolio including various composts like City Compost, Pressmud compost, PROM (Phosphate rich Organic Manure) with K-ash (Potash derived from molasses), cake mixtures, soil conditioners like Ca-Mg-S and branded gypsum. During the year, Business continued its commitment towards improving soil health and creating awareness among the users by performing more than 33,000 carbon tests at the farmer's field. Business continued its focus on promoting differentiated variants segment, strengthened its sourcing capabilities and quality assurance systems and registered a 25% volume growth (1.6 lakh tons).

## Update on COVID-19:

Your Company continually assessed and took proactive measures to counter the COVID-19 pandemic and engaged closely with its employees, partners, customers and society to promote safe operations. It worked with the Government and local regulatory bodies and supported them through various initiatives in combating the virus. Agriculture inputs have been designated as essential products and services which helped the Company to operate throughout the year and serve the farmer community to ensure maximum benefit of a good season.

Your Company has implemented COVID-19 safety protocols across its operations to help protect and support its employees, customers and suppliers. It has created Standard Operating Procedures to be followed across its operations including Manufacturing, Supply chain, Marketing and others. The Company successfully transitioned to operate from a virtual environment, enabling "work from home" for its employees. The crisis management team and leadership continue to monitor the COVID-19 situation and adjust plans accordingly.

## 4. Finance

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back up lines of credit. Working capital of the Company

improved through the year and Net Cash from operations for the year stood at ₹4,125 crores.

Your Company became a "Debt Free" company during the year and has deployed the surplus funds purposefully.

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 final Dividend of ₹6 per equity share of ₹1 each. Your Board had earlier approved payment of interim dividend of ₹6 per equity share at its meeting held on February 1, 2021 and same was paid on February 24, 2021. The total dividend for the year ended March 31, 2021 would accordingly be ₹12 per equity share of ₹1 each. The total outgo for the year would be ₹352 Crore, including tax deducted at source (TDS). The Company has adopted Dividend Distribution Policy in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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

The consolidated financial statements prepared in accordance with the provisions of the Act and the relevant accounting standards forms part of this Annual Report. 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 are enclosed as **Annexure A** to this Report.

The financial statements of the subsidiary companies will be made available to the members of the Company 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:

### i CFL Mauritius Limited:

CFL Mauritius Limited, a wholly-owned subsidiary, incurred a loss of \$ 0.04 million during the year ended March 31, 2021. The primary source of income for this subsidiary is dividend income from Foscort (Pty) Ltd. and the subsidiary did not receive any dividend from Foscort during the year 20-21.

### ii Parry Chemicals Limited (PCL):

PCL, a wholly owned subsidiary of the Company, earned a total revenue of ₹0.86 crore for the year ended March 31, 2021 and Profit after Tax was ₹0.30 crore.

### iii 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 crore for the year ended March 31, 2021. DIL has filed an application with Registrar of Companies for change of name of the company into "Dare Ventures Limited".

DIL is proposed to serve as an investment vehicle to Coromandel, in order to tap the growing startup ecosystem and its core objective shall be to identify and invest in early stage to late stage startups in AgTech and other sectors.

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

LPFL, a wholly owned subsidiary of the Company, did not have any significant operations during the year 2020-21. It earned a profit of ₹ 0.06 crore for the year ended March 31, 2021. During the year, your Board approved the amalgamation of LPFL and CSQM with the Company. The necessary joint application was filed before the Hon'ble National Company Law Tribunal (NCLT), Hyderabad. The application was pending for hearing by NCLT.

### v Coromandel Brasil Limitada (CBL):

CBL, a Limited Liability Partnership, owned 100% by the Company and its subsidiary CFL Mauritius Ltd., is primarily engaged in getting product registrations in Brazil and procuring orders for supplies from India. It earned a profit of Brazilian Reals 0.4 million (equivalent to ₹0.51 crore) for the year ended March 31, 2021.

### vi Sabero Organics America SA (SOAL):

SOAL is primarily engaged in getting product registrations in Brazil and procuring orders for supplies from India. It incurred a net loss of Brazilian Reals 0.21 million (equivalent to ₹0.30 crore) for the year ended December 31, 2020.

### vii Sabero Australia Pty Ltd. (SAPL):

SAPL did not have any significant operations during the year ended March 31, 2021.

### viii 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 March 31, 2021.

### ix Sabero Argentina SA (Sabero Argentina):

Sabero Argentina is primarily engaged in getting product registrations in Argentina and procuring orders for supplies from India. It incurred a net loss of ARS 0.90 million (equivalent to ₹ 0.09 crore) for the year ended March 31, 2021.

### x 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 0.17 million (equivalent to ₹0.06 crore) for the year ended December 31, 2020.

### xi Parry America Inc.:

Parry America Inc. is primarily engaged in the sale of bio-pesticides in America. It made a net profit of USD 1.58 million (equivalent to ₹11.71 crore) for the year ended March 31, 2021.

### xii 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 profit of Naira 7.62 million (equivalent to ₹0.16 crore) for the year ended December 31, 2020.

### xiii 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.

### xiv Coromandel SQM (India) Private Limited (CSQM):

CSQM, a joint venture between Coromandel and Soquimich European Holding (SQM), Chile. CSQM manufactures Water Soluble Fertilisers (WSF) at Kakinada, Andhra Pradesh and offers Speciality Nutrition Solutions to institutional clients. Total



income for the year was ₹51.12 crore and the net profit was ₹1.8 crore.

During the year, Coromandel acquired 50,00,000 equity shares of ₹10 each constituting 50% of the total share capital of CSQM for a consideration of ₹12 Crores. Consequently, CSQM has now become a wholly owned subsidiary of the Company, with effect from August 24, 2020.

#### Joint Venture Company

Brief details of the performance of the Joint Venture (JV) company is given below:

##### i **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 ₹145.95 crore and the net profit was ₹13.28 crore.

#### Associate Company

Brief details of the performance of the Associate company is given below:

##### i **Sabero Organics Philippines Asia Inc (SOPA):**

SOPA, an associate company, is based in Philippines and did not have any significant operations during the year 2020-21.

#### Strategic Investment:

Brief details of the performance of the Strategic Investment companies are given below:

##### i. **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 operations were impacted by the pandemic and other social and technical issues. Indian partners, Coromandel and GSFC, continue to provide necessary technical support to TIFERT to improve the plant performance.

##### ii. **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 the disruptions caused by the Covid pandemic that 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 are identified and risk mitigation plans have been put in place, details of which are set out in the Management Discussion and Analysis Report.

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

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

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

#### 10. Related Party Transactions

All related party transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are repetitive in nature. The related party transactions entered into by the Company are reviewed by independent chartered accountants to confirm that they were in the ordinary course of business and at arm's length basis. Related party transactions entered during the financial year under review are disclosed in Notes to the financial statements of the Company for the financial year ended March 31, 2021. Form AOC-2 will not form part of Board's report, as all the transactions with related parties are in arm's length basis and in ordinary course of business. 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 fee and commission.

#### 11. Auditors

##### a) **Statutory Auditors and their report**

M/s. Deloitte Haskins & Sells (DHS), Chartered Accountants, have been the statutory auditors of the Company since 2011-12. The existing term of DHS as statutory auditors will expire at the conclusion of the ensuing Annual General Meeting of the Company and they are not eligible for re-appointment in terms of provisions of Section 139(2) of the Companies Act, 2013 (Act).

Accordingly, in terms of the provisions of Section 139 of the Companies Act, 2013, the Company is required to appoint new statutory auditors. Based on the recommendation of the Audit Committee, the Board of Directors have recommended the appointment of M/s. S.R. Batliboi & Associates LLP, (Reg. No. FRN 101049W/E300004) as the Statutory Auditors of the Company to hold office from the conclusion of this 59<sup>th</sup> Annual General Meeting until the conclusion of the 64<sup>th</sup> Annual General Meeting of the shareholders of the Company at a remuneration of ₹75,00,000 (Rupees Seventy-Five Lakhs Only) for the financial year 2021-22, subject to the approval by the shareholders pursuant to applicable laws. A resolution seeking approval of the shareholders for the appointment of Statutory Auditors is included in the Notice convening the ensuing Annual General Meeting.

M/s. S.R. Batliboi & Associates LLP have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for their appointment as Statutory Auditors. Further, as required under Regulation 33 of the Listing Regulations, they have also 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 DHS on the financial statements of the Company for the year ended March 31, 2021 forms 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 disclosure is required in terms of Section 134(3)(ca) of the Act. As required under Regulation 33 of the Listing Regulations, DHS have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board of Directors take the opportunity to place on record its sincere appreciation for the contribution and services rendered by DHS, its partners and managers during their tenure as the Statutory Auditors of the Company.

##### b) **Cost Auditors and their report**

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Company is required to maintain cost accounting records in respect of certain specified products of the and accordingly such accounts and records are made and maintained in the prescribed manner. Further, the cost accounting records maintained by the Company are required to be audited.

For the financial year 2020-21, M/s. Narasimha Murthy & Co., and Mrs. Jyothi Satish were appointed as Cost Auditors. On the recommendation of the Audit Committee, the Board has re-appointed M/s. Narasimha Murthy & Co., Cost Accountants and Mrs. Jyothi Satish, Cost Accountant as Cost Auditors for auditing the cost records of the Company for the financial year 2021-22.

The Act 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 Auditors for the FY 2021-22 is included in the Notice convening the 59<sup>th</sup> Annual General Meeting.

During the year, the Company filed the Cost Audit Report for the financial year 2019-20 with the Ministry of Corporate Affairs within the prescribed time limit.

##### 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 2020-21.

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 of a secretarial audit 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 Act 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 Directors. As on March 31, 2021, the Board of Directors comprised of ten (10) Directors consisting of a Managing Director, Executive Vice Chairman and eight (8) Non-executive Directors, out of which five (5) Directors are Independent Directors, including one Woman Director. The composition of the Board is in conformity with Regulation 17 of Listing Regulations and the relevant provisions of the Act. 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 Section 149(6) read with Schedule IV to the Act as well as Listing Regulations and the same were taken on record by the Board.

Dr. B.V.R. Mohan Reddy stepped down as Director from the Board of the Company w.e.f. October 12, 2020 on attaining the age of 70 years.

Mr. M M Murugappan, upon turning 65 years of age and with a desire to devote time to philanthropic activity and other interests, stepped down from the Board of the Company as Chairman and Director with effect from close of business hours on November 11, 2020.

Mr. V. Ravichandran stepped down from the Board of the Company as Vice Chairman and Director with effect from close of business hours on November 11, 2020.

The Board placed on record its appreciation of the significant contribution made and valuable services rendered by Dr. B.V.R. Mohan Reddy, Mr. M M Murugappan and Mr. V. Ravichandran during their tenure.

Mr. A Vellayan was appointed as Additional Director of the Company with effect from November 11, 2020, and was also elected as Chairman of the Board with effect from November 12, 2020.

Mr. Arun Alagappan was appointed as Additional Director of the Company with effect from November 11, 2020 and subsequently appointed as Whole-time Director of the Company for a period of 5 (Five) years with effect from February 15, 2021. Mr. Alagappan was also elected as Vice Chairman, and designated as Executive Vice Chairman, with effect from February 15, 2021 by Board of Directors.

Mr. Ramesh K.B. Menon was appointed as Additional Director of the Company with effect from November 11, 2020.

The Company has received notice from a member under Section 160 of the Act proposing the nomination of Mr. A Vellayan, Mr. Arun Alagappan and Mr. Ramesh K.B. Menon as Directors of the Company at the ensuing Annual General Meeting. The proposal for the appointment as Directors is included in the Notice convening the 59<sup>th</sup> Annual General Meeting for consideration and approval by the shareholders.

Consequent to the changes in the Board composition, the Committees of Board were also reviewed and re-constituted, the details of which are in the Corporate Governance section of the Report.

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 of evaluation of performance and the process adopted for the purpose are explained in the Corporate Governance Report.

### c) Board Meetings

Annual calendar of Board meetings is prepared and circulated to the Directors in advance. During the financial year 2020-21, seven (7) 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, Ms. Aruna B. Advani, Member, Mr. K V Parameshwar, Member, Mr. Prasad Chandran, Member, and Mr. Arun Alagappan, Member. Consequent to the changes in the composition of the Board, the committee was reconstituted with effect from December 1, 2020. During the year, five (5) meetings of the Audit Committee were held, the details of which are provided in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

### e) Familiarisation Programmes for Independent Directors

The Company's independent directors are eminent professionals with several decades of experience in banking and financial services, technology, finance, governance and management areas and are fully conversant and familiar with the business of the Company.

The Company has an ongoing familiarisation programmes for all Independent directors with regard to their roles, duties, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc.

The Independent Directors, on their appointment, 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 made to the Directors from time to time. A manual containing all important policies of the Company is given to the Directors. Meetings with the Chairman and the Managing Director are facilitated for the new appointee to familiarise him/ her about the Company, its businesses and the practices and policies of the Group.

As part of the familiarisation programme, a handbook is provided to all the Directors including Independent Directors at the time of their appointment. The handbook provides a snapshot to the Directors of

their duties and responsibilities, rights, appointment process and evaluation, compensation, board procedure, and stakeholders' expectations. The handbook also provides the Directors with an insight into the Group's practices. Further, periodic emails are sent to all the Directors covering events that may have an impact on the business of the Company and/or the agriculture sector in general and, fertiliser and crop protection industries, in particular. The details of the familiarisation programme as above are also disclosed on the Company's website.

All the Independent Directors of the Company have registered their names in the Independent Directors Databank as required under the Act and the Rules referred therein. The Independent Directors are also required to take up an online proficiency self-assessment test within two years from the date of inclusion of their name in the Independent Directors databank, unless exempted from such requirement, under the Act and the Rules referred therein.

### f) Directors' Responsibility Statement

As required pursuant to the provisions of Section 134(3)(c) and 134(5) of the Act, the Directors' Responsibility Statement is enclosed as **Annexure C** to this Report and forms part of the Report.

## 15. Key Managerial Personnel

Mr. Arun Alagappan, Executive Vice Chairman, Mr. Sameer Goel, Managing Director, Mrs. Jayashree Satagopan, Chief Financial Officer and Mr. Rajesh Mukhija, Company Secretary, are the Key Managerial Personnel of the Company.

During the year, Mr. P Varadarajan, Company Secretary, retired from the services of the Company with effect from August 31, 2020 and Mr. Rajesh Mukhija, was appointed as Company Secretary with effect from September 1, 2020.

## 16. Employees

### a) Remuneration Policy

On the recommendation of the Nomination and Remuneration Committee, the Board has, 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 financial year 2020-21, no incidents of sexual harassment was reported.

#### c) Disclosure of Remuneration

The disclosure with respect to remuneration as required under Section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure D** to this report.

#### d) Particulars of Employees

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. However, the annual report is being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

#### e) 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 from 2007 to 2011. There were no vested Options outstanding at the end of the financial year and there will be no grants under the 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 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 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 ESOP 2016. Options granted under ESOP 2016 would vest on or after 1 (one) year from the date of grant but not later than 4 (four) years from the date of grant of such Options or any other terms as decided by the Nomination and Remuneration Committee. The Company has granted 2,13,400 options to the employees during the year under the ESOP 2016. The number of Options vested and outstanding as at the year-end were 9,68,110. The disclosure required to be made under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company at [https://coromandel.biz/inv\\_financial.html](https://coromandel.biz/inv_financial.html)

#### 17. Annual Return

In accordance with Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021, is available on the website of the Company at <https://coromandel.biz/>

#### 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 compliance with 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 at [https://coromandel.biz/inv\\_financial.html](https://coromandel.biz/inv_financial.html)

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

The particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed under sub-section (3)(m) of Section 134 of the Act, read with Companies (Accounts) Rules, 2014, are enclosed as **Annexure E** to this Report and form part thereof.

#### 20. Corporate Social Responsibility

The Murugappa group is known for its tradition of philanthropy and community service. The group's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education and healthcare as the core focus areas. The Company upholds the group's tradition by earmarking a part of its income for carrying out its social responsibilities.

The Company has been carrying out corporate social responsibility (CSR) activities for many years now even before it was mandated under the Act. The Company has put in place a CSR policy, which is available on the

website of the Company at [https://coromandel.biz/csr\\_policy.html](https://coromandel.biz/csr_policy.html).

As per the provisions of the Act, the Company is required to spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years. This amount aggregated to ₹23.22 crores. The Company, however, spent ₹ 23.01 crores towards CSR activities during the financial year 2020-21.

Details of composition of the CSR Committee and the CSR Projects undertaken during the year are given in the Annual Report on CSR Activities, which is appended as **Annexure F** to this Report.

In addition to the above CSR expenditure, the Company also contributed ₹5 crores to PM CARES Fund, ₹2 crores to Andhra Pradesh Chief Minister Relief Fund, ₹1 crores to Telangana Chief Minister Relief Fund ₹2 crores to Gujarat Chief Minister Relief Fund, and ₹2 crores to Other COVID-19 Relief Fund during the year 2020-21.

#### 21. Health, Safety, and Environment (HSE)

Your Company gives high priority to Health, Safety, and Environment (HSE) and has formulated a policy to operate the facilities safely, efficiently and in an environmentally responsible manner. Your Company has put in robust processes and established safety performance indicators to track its HSE performance. Employees are consistently encouraged to raise safety concerns and these inputs are periodically monitored and actioned. The Company has carried out Safety Culture survey for the third consecutive year for fertilizer and Safety perception survey for CPC and an overall improvement in performance has been observed. The process safety management enhancement is being sustained by successfully rolling out the five enablers for process safety management across the fertilizer facilities, engaging Prism consultant and developing framework for process safety culture in the manufacturing sites of CPC through Dupont sustainable solution and MS Chola. Technical safety audits of Ammonia facilities at fertilizer business were carried out engaging Thyssenkrupp Industrial Solutions (India) and action on recommendations are being implemented. All facilities of Fertiliser & Single Super Phosphate (SSP) business and three facilities (Sarigam, Dahej, and Ankleshwar) of Crop Protection Chemical Plants (CPC) successfully migrated to the new standard "ISO 45001 - OH&S Management Systems" and got certified in 2020-21.

During the year, the combined Total Recordable Injury Rate (TRIR) per million-man hours stood at 0.85 for Fertilizer & SSP business and 0.91 for CPC. All key manufacturing sites continued with the phase-2 of structural integrity upgrading program to mitigate asset integrity risks, which has been audited and ratified by competent third party. As part of emergency

preparedness gap study of fire protection systems has been carried out and upgradation of fire protection systems across fertilizer & SSP business has been taken up. The fire systems at Dahej and Ankleshwar sites were also upgraded. The fertilizer facilities have carried out fleet management study to improve internal road safety and have established the action plan.

Your Company's commitment towards environmental sustainability remains firm. Fertiliser, SSP & CPC business units have made combined submission for plastic waste management to CPCB and entered into agreement with competent recyclers. The Company has completed the plantation of around 1,45,000 saplings under flagship programme of Government of Andhra Pradesh known as "Green Visaka" and further planned 80,000 saplings in the year 2021. In addition, around 9,020 saplings were planted and maintained under TERIs bioremediation mycorrhiza Technology at Visakhapatnam unit. Across the SSP plants the green coverage has been increased by planting additional 2,029 saplings covering 8,983 sqm. New HDPE lining of 10 acres was completed along the gypsum ponds of Visakhapatnam and 2.25 acres at Ennore, for gypsum storage. The plants continue to improve water efficiency by recycling and Zero Liquid Discharge (ZLD) programmes.

CPC sites also implemented green initiatives, through philosophy of 3Rs - Reduce the landfilling waste, Recycle the Multi Effect Evaporator condensate in process, Reuse of raw materials and ingredients. At Ankleshwar plant, external green belt for 15,597 Sqm is planned to be completed in the year 2021.

Visakhapatnam unit was awarded CII National Excellent Energy Efficient Unit 2020. Hospet unit achieved CII EHS Excellence award from Southern Region and was rated 3 stars. Ranipet OHC (jointly with CPC division) has been awarded by Dr. C. K. Ramachandran award for the Year 2020-21 by the Indian Association of Occupational Health, Tamil Nadu Branch. Ankleshwar and Dahej plants won QCF (Quality Circle Forum of India – Gujarat Chapter) awards for various Safety and health environment projects.

During Covid-19 Pandemic lockdown, your Company has ensured safe plant shutdown and start up at all manufacturing sites and continues to sustain all efforts in current pandemic situation.

Your Company is continuously striving for occupational health and 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 Listing Regulations, the Report on Corporate Governance is appended as **Annexure G** to this Report. The requisite certificate from the Auditor confirming compliance with the conditions of Corporate Governance

by the Company is also 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 provided separately in the Annual Report 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 the business principles as provided in the Business Responsibility Policy adopted by the Company. Business Responsibility Report is enclosed as **Annexure H** 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, 2021 was ₹29.33 crore. During the year, the Company has allotted 4,24,930 equity shares of ₹1 each under ESOP Scheme 2007 (2,150 shares) and under ESOP 2016 (4,22,780 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.

#### f) Insolvency and Bankruptcy Code

There are no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

#### g) Onetime settlement with any Bank or Financial Institution

No disclosure or reporting is required in respect of the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

### 26. Banks and financial institutions

Your Company is prompt in making the payment of interest and repayment of loans to the financial institutions / banks. During the COVID-19 Pandemic period, it has not availed any moratorium on any of its payments to the institutions. Banks and Financial Institutions continue their unstinted support in all aspects and the Board records its appreciation for the same.

### 27. 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.

The Directors deeply regret the loss of life caused due to the outbreak of COVID-19 and are grateful to every person who risked their life and safety to fight this pandemic.

On behalf of the Board of Directors

Place : Chennai  
Date : April 29, 2021

A Vellayan  
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

Name of entity	Parry Chemicals Limited*	Dare Investments Limited*	Liberty Pesticides and Fertilisers Limited*	Coromandel SQM (India) Private Limited*	CFL Mauritius Ltd.**	Coromandel Brasil Ltda**	Sabero Australia Pty Ltd.*	Sabero Organics America S.A.*	Sabero Europe B. V.**	Coromandel Agronegocios de Mexico, S.A de C.V.*	Sabero Argentina S.A.**	Parry America Inc*	Coromandel International (Nigeria) Limited*	Coromandel Mali SASU**
Date on which subsidiary is acquired	September 25, 2003	April 13, 2012	May 08, 2014	August 25, 2020	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	1,000	10,281	471	41	888	19	29	18	38	23	6
Reserves and surplus	685	141	208	1,743	(10,118)	(426)	(38)	(813)	(19)	111	(16)	3,931	(12)	1
Total liabilities	503	35	3	943	14	98	6	85	-	24	2	2,288	81	-
Total assets	2,188	676	286	3,686	177	144	9	160	-	164	-	6,257	92	7
Investments (Included in Total assets)	-	675	-	-	4,804	20	1	-	-	-	-	-	-	-
Total income (including other income)	86	-	10	3,000	##	264	19	91	-	255	-	9,769	63	-
Profit/(Loss) before tax	45	(1)	9	120	(31)	51	(3)	(30)	-	6	(9)	1,489	16	-
Provision for tax	15	-	3	32	-	-	-	1	-	-	-	318	-	-
Profit/(Loss) after tax	30	(1)	6	88	(31)	51	(3)	(30)	-	6	(9)	1,171	16	##
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	99.98%	100%	100%	95%	100%	99.99%	100%
Reporting period	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	March 31, 2021	December 31, 2020	March 31, 2021
Reporting currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	USD	Brazilian Real	Australian Dollar	Brazilian Real	Euro	Mexican Peso	Argentina Peso	USD	Naira	West African CFA
Closing exchange rate	-	-	-	-	73.12	12.99	55.60	14.07	85.83	3.68	0.80	73.12	0.192	1.3

##Less than a lakh

Notes:

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



Part "B" : Joint ventures/ Associates

Name of entity	Yanmar Coromandel Agrisolutions Private Limited**	Sabero Organics Philippines Asia Inc.*
Relationship	Joint venture	Associate
Latest audited/unaudited balance sheet date	March 31, 2021	December 31, 2020
Date on which the associate or Joint venture was associated or acquired	January 14, 2014	December 31, 2014
Number of shares held by the Company	16,00,00,000	320
Amount of investment (₹ in lakh)	1,600	#
% of shareholding	40%	40%
Networth attributable to the Company (₹ in lakh)	1,354	6
Profit/ (loss) for the year		
i. Considered in consolidation (₹ in lakh)	531	2
ii. Not considered in consolidation (₹ in lakh)	796	3

#less than a lakh

Notes:

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

\* Audited  
\*\* Unaudited

On behalf of the Board of Directors

**Sameer Goel**  
Managing Director

**A Vellayan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**Rajesh Mukhija**  
Company Secretary

Place: Secunderabad /Chennai  
Date: April 29, 2021

Secretarial Audit Report

For the Financial Year ended 31<sup>st</sup> March, 2021

Annexure B

[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 31st March, 2021 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 31st March, 2021 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. There are no Overseas Direct Investment, 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 during the period under review);
- 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 during the period under review);
- 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 during the period under review) ; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during the period under review);

- (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 systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

With respect to the applicable financial laws such as Direct and Indirect tax laws, based on the information & explanations provided by the Management and Officers of

the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

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

- (i)

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as mentioned above.

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. The changes in the composition of Board of Directors that took place during the period under review were carried out in the compliance with the provisions of the Act.

Adequate notice is given to all directors before the schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with.

During the year under review, directors have participated in the committees/board meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173 (2) of the Act read with Rule 3 & 4 of Companies (Meetings of Board and its Powers) Rules, 2014. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other

provisions of the Act, Rules and Regulations have been complied with by the Company.

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 obtained the approval of the Board of directors at their meeting held on February 1, 2021 for amalgamation of the wholly owned subsidiaries of the Company, viz., Liberty Pesticides and Fertilizers Limited and Coromandel SQM (India) Private Limited with Coromandel International Limited.

For R.SRIDHARAN & ASSOCIATES  
COMPANY SECRETARIES

CS R.SRIDHARAN  
CP No. 3239  
FCS No. 4775

PLACE : CHENNAI UIN : S2003TN063400  
DATE : 29.04.2021 UDIN: F004775C000208275

This report is to be read with our letter of even date which is annexed as ANNEXURE-B(i) and forms an integral part of this report.

'Annexure -B(i)'

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

Our report of even date is to be read along with this letter.

1.

Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5.

It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedure on test basis.
6.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy 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: F004775C000208275

PLACE : CHENNAI  
DATE : 29.04.2021



## Annexure - C

## Directors' Responsibility Statement

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

- 1) That in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed and there have been no material departures therefrom;
- 2) That the accounting policies mentioned in Note 2 of the Notes to the Standalone 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, 2021 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; and
- 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: April 29, 2021

**A Vellayan**  
Chairman

## Annexure - D

The details of remuneration during the year 2020-21 as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

SI 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. A Vellayan*	14.96
		Mr. Ramesh K. B. Menon*	1.02
		Mr. M. M. Venkatachalam	3.32
		Ms. Aruna B. Advani	3.30
		Mr. Prasad Chandran	3.22
		Dr. R Nagarajan	2.57
		Mr. K V Parameshwar	3.05
		Mr. Sumit Bose	3.56
		Mr. M M Murugappan**	23.97
		Mr. V. Ravichandran**	1.88
		Dr. B V R Mohan Reddy**	1.63
		<b>Executive Directors</b>	
		Mr. Sameer Goel	160.75
		Mr. Arun Alagappan*	16.18
		<b>Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary</b>	<b>% increase in remuneration in the financial year</b>
		Mr. A Vellayan*	-
		Mr. Arun Alagappan*	-
		Mr. Ramesh K. B. Menon*	-
		Mr. M. M. Venkatachalam	15.23
		Ms. Aruna B. Advani	19.72
		Mr. Prasad Chandran	9.74
		Dr. R. Nagarajan	8.00
		Mr. K V Parmeshwar	10.34
		Mr. Sumit Bose	19.11
		Mr. Sameer Goel	84.53
		Mr. M M Murugappan**	(37.88)
		Mr. V. Ravichandran**	(24.41)
		Dr. B V R Mohan Reddy**	(44.53)
		Mrs. Jayashree Satagopan	17.87
		Mr. P. Varadarajan@	76.38
		Mr. Rajesh Mukhija@@	-

Note:

1. Increase / Decrease in the remuneration of Non-Executive Directors is due to increase/decrease in the meeting held / attended during the year.
2. \* Appointed as Directors of the Company during the financial year 2020-21 and as such ratio is not comparable. The percentage increase in remuneration is not applicable.

Annexure - E

Information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part Report to Directors.

3.

\*\*Ceased to be Directors of the Company during the financial year 2020-21 and as such ratio and percentage increase are not comparable.
4.

@ Mr. P. Varadarajan retired from the services of the Company as Company Secretary with effect from August 31, 2020.The increase in remuneration is account of exercise of ESOPs during the financial year 2020-21.
5.

@@ Mr. Rajesh Mukhija, was appointed as Company Secretary with effect from September 1, 2020.
- iii.

Percentage increase/(decrease) in the median remuneration of employees in the financial year – **11.01%**
- iv.

Number of permanent employees on the rolls of the Company as on March 31, 2021 – **4,950**
- v.

**Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**  
  
The average annual increase in salaries of employees was around 11.79%. Increase in the managerial remuneration for the year was 61.96%. The overall increase in managerial remuneration is mainly on account of exercise of ESOPs by Mr. Sameer Goel, Managing Director during the financial year 2020-21. The total managerial remuneration is in accordance with resolution approved by the shareholders of the Company.
- vi.

**Affirmation that the remuneration is as per the remuneration policy of the Company:**  
  
The Company is in compliance with its remuneration policy.

On behalf of the Board of Directors

Place: Chennai  
Date: April 29, 2021

A Vellayan  
Chairman

A. CONSERVATION OF ENERGY

Various Energy conservation steps taken by the Company, as detailed below, have yielded considerable energy savings during the year 2020-21.

Fertiliser Plants

- a) Debottlenecking of SAP I, at Vizag plant with furnace renewal for energy utilization, 14 inch upgraded steam line for reduction of pressure drop has resulted in considerable conservation of energy.
- b) Installed several Variable Frequency Drives for better control of variable loads.
- c) Modernized electrical low-tension switch gear.
- d) Installed modern energy efficient LED lighting systems.
- e) Modernized Air conditioning systems.
- f) Right sized belt conveying system.
- g) 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.
- h) Furnace replacement of SAP II at Ennore is planned with capex project investment which will be helping in energy conservation.

CPC Plants

- a) Installed energy saving LED and solar streetlights.
- b) Installed FCU (Fan Coil Unit) at Pymetrozine Plant Control room.
- c) Reduced the Contract Power demanding in Kilovolt-ampere.
- d) Replaced the Cooling Tower Fan Blade Material of Construction.
- e) Replaced the High Pressure Sodium Vapor Light lightings to LED light in Plant and streetlight, which resulted in considerable energy saving at the plants.

SSP Plants

- a) Revamping of Ranipet Sulphuric Acid plant has shown improvement in energy conservation.
- b) Phase-wise replacing old motors with energy efficient motors.

- c) Phase-wise replacement of old existing lighting with LED lights.
- d) Power factor improvement.
- e) Improved monitoring of energy consumption by installing digital energy meter.

B. TECHNOLOGY ABSORPTION

- i. Efforts made towards technology absorptions:  
  
Commissioned flocculant doing system at Phosphoric Acid plant, for removal of high organic content present in rock, the benefits derived are acid that does not impact the product colour and gypsum with less moisture.
- 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) Enhanced the flexibility in use of raw material and capability building with alternate acid trial at Kakinada plant for different product grade combinations.
- c) AFBC Boiler commissioned to generate power in Turbo Generator and supply heat energy for evaporating the manufactured phosphoric acid.
- d) To reduce to current pollution norm and increase the scrubber efficiency, we have revamped our current pollution system in Udaipur, to complete modernized scrubbing system which is well designed, and manufacture of scrubber tower and venturi resulted in increase in the scrubbing efficiency, reduction of downtime of system and pollution.

- 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	:	2020-21
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



RESEARCH AND DEVELOPMENT

Fertilizers

Research and Development (R&D) technology for the removal of organic matter from phosphoric acid was successfully implemented in Vizag plant. A Liquid Fertiliser plant which is based on in-house design was constructed at Vizag and expected to be commissioned in the first quarter of financial year 2022-23. A R&D bench for studies on phosphogypsum was established at the Fertiliser Technology Centre which will allow the Company to evaluate the use of gypsum in new applications. A unique phosphate fertiliser with 5 nutrients – P, Ca, S, Zn and B – was launched as GroPlus. An enriched organic fertilizer which is based on R&D work was also launched. Research agreements were signed with two premier institutes – Indian Agricultural Research Institute, Delhi and Indian Institute of Science, Bengaluru. Progress was made in the development of granular fertilizers which are suitable for machine application. A novel liquid phosphatic fertilizer was developed and trials were conducted with application equipment for liquid fertilizers. The Company's lab at Monash Academy, IIT Bombay, focussed on development of technologies for improving the nutrient efficiency of fertilizers. A novel coating agent was identified which protects the nutrients from getting fixed in soil. New fertilizer products for the emerging urban market were conceptualised and synthesised for evaluation trials. Innovative concepts for improving the efficacy and delivery of water-soluble fertilizers were explored at Monash lab.

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 new processes for 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 of Technical and formulations to Technology Transfer Team. The Technology Transfer Team is conducting the pilot trials of the R & D processes, designing the manufacturing plants, and transferring the technology to the plants thereby commercializing the products.

The Packaging development department has been established to meet the requirements and needs of the customers and the regulatory agencies. This department mainly focuses on development of packaging systems and

its test procedure 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 compatibility (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 advanced analytical instruments. The analytical laboratory at the R&D Centre has been accredited with ISO/IEC 17025: 2017 (NABL) with scope of covering all the existing and new products under the discipline of Pesticide Technical and formulation concentrates. This accreditation has resulted increase of our market presence globally.

During the year, the Centre received 558 samples of Mancozeb technical and 12 Propineb technical samples from Sarigam and Jammu manufacturing units. We generated COA's with NABL symbol and ULR as per NABL requirement and issued reports to Export customers like M/s. Ourofino and M/s. Adama, Brazil.

Manufacturing processes for QUIZALOFOP ETHYL, HALOSULFURON METHYL, AZOXYSTROBIN technical has been transfer to Technology Transfer Team and plants are getting ready to commercialise them.

Recipe and manufacturing Processes for OFFICER, SHAURYA, OPTRA, FINIO, and MAGNITE (combination products), and MALATHION 83EC, AZA 1.2ME and HALOSULFURON METHYL 75WDG formulation products has been transfer to respective plant and getting ready to commercialise them during the year.

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 CS (micro encapsulation), ME (Micro emulsion) and biopesticidal formulations.

During the year, the formulation development team has developed recipes for 42 (forty-two) 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 twelve miscellaneous products for regulatory requirement of various countries.

During the year, the CPC R&D has developed novel process for one technical molecule Quizalofop Ethyl (Appl.no.IN 202141003233) and one intermediate CP-Ketone (Appl.no.IN 202141003599) and filed application for Indian patent as

well as filed the PCT Applications for both the processes. For formulation product total 31 (thirty-one) patent applications were filed (twenty-six are for combination products four are solo chemical products and one for bio pesticide)

During the year, the packaging department has generated container content compatibility (CCC) studies for seven new combination products and five new combination products (Officer, Shaurya, Optra, Finio, Magnite) which are going to be commercialised in the financial year 2021-22.

The expenditure incurred on Research and Development:

(₹ in Lakhs)

Expenditure on R & D	2020-21	2019-20
Revenue	1,452	1,863
Capital	115	98

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

Foreign Exchange Earnings and Outgo	2020-21	2019-20
Foreign Exchange Earnings	73,586	67,230
Foreign Exchange Outgo	7,42,811	6,27,499

On behalf of the Board of Directors

Place: Chennai  
Date : April 29, 2021

A Vellayan  
Chairman

Annual Report on CSR Activities

Annexure F

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy has been uploaded on the website of the Company under the web-link [http://coromandel.biz/csr\\_policy.html](http://coromandel.biz/csr_policy.html)

2. Composition of CSR committee:

Sl. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sumit Bose	Chairman	2	2
2	Mr. Arun Alagappan <sup>§</sup>	Member	-	-
3	Mr. Sameer Goel	Member	2	2
4	Mr. M M Venkatachalam*	Member	2	2
5	Mr. V. Ravichandran <sup>#</sup>	Member	2	2

<sup>§</sup> Inducted as a member on December 1, 2020

\* Ceased to be a member with effect from November 30, 2020

<sup>#</sup> Ceased to be a member with effect from November 11, 2020

3. Provide the web-link where Composition of CSR: web-link [http://coromandel.biz/csr\\_policy.html](http://coromandel.biz/csr_policy.html)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

The Company has been voluntarily conducting impact assessment in respect of specific CSR projects undertaken directly or through implementing agencies to evaluate the effectiveness and impact of such projects. The Company has taken note of the requirements of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. There are no projects undertaken or completed after January 22, 2021, i.e., effective date of aforementioned rules, for which the impact assessment report is applicable in the financial year 2020-21.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl.No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
		Nil	

6. Average net profit of the company as per section 135(5): ₹1,16,090 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹2,322 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a +7b+ 7c): ₹2,322 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in Lakhs)	Date of Transfer	Name of the Fund	Amount (₹ in Lakhs)	Date of Transfer
2,300.68	295.58	Refer Note	-	-	-

Note: The unspent amount to ₹295.58 lakhs includes an amount of ₹17.43 lakhs pertaining to previous year and the unspent amount will be transferred to unspent CSR Account on or before April 30, 2021 in accordance with provisions of the Companies Act, 2013 read with rules made thereunder.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project		Project duration.	Amount allocated for the project for FY 2020-21 (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Establishment of Hospital at Kakinada	Health	Yes	Andhra Pradesh		East Godavari, Andhra Pradesh	150.00	150.00	73.21	No	AMM Foundation	CSR0000000050
2	Scholarships for Class XI students	Education	Yes	Telangana, Andhra Pradesh, Tamil Nadu, Karnataka, Gujarat		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	5.00	5.00	-	Yes	-	-
3	Contribution to increasing green cover in Visakhapatnam	Environment Sustainability	Yes	Andhra Pradesh		Vishakhapatnam in Andhra Pradesh	100.00	68.47	84.53	Yes	-	-
4	Evaluating the impact of biochar addition on crop yield and soil quality through farmer field trials	Research	Yes	Punjab		Punjab	22.00	22.00	-	No	Energy Harvest Charitable Trust and Punjab Agricultural University	CSR00004462
5	Studies on Water related – Eco Sanitation and Safe Drinking Water-MCRC	Health	No	Tamil Nadu		Kancheepuram, Villupuram, Sivaganga, Karur, Dindigul and Coimbatore in Tamil Nadu	59.39	59.39	-	No	Murugappa Chettiar Research Center	CSR000000057
6	Contribution to the corpus of AMM Foundation	Corpus	Yes	Tamil Nadu		Chennai, Tamil Nadu	250.00	250.00	-	No	AMM Foundation	CSR000000050



Sl No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project		Project duration.	Amount allocated for the project for FY 2020-21 (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
7	Contribution towards meeting running expenses in Murugappa Polytechnic College	Education	Yes	Tamil Nadu	Chennai, Tamil Nadu	2 years	46.82	46.82	46.82	No	AMM Foundation	CSR0000000050
8	Contribution towards construction and improvement in Sir Ivan Stedeford Hospital	Health	Yes	Tamil Nadu	Chennai, Tamil Nadu	2 years	550.00	550.00	10.05	No	AMM Foundation	CSR0000000050
9	Contribution towards meeting running expenses in AMM Hospital	Health	No	Tamil Nadu	Sivaganga, Tamil Nadu	2 years	82.62	82.62	9.23	No	AMM Foundation	CSR0000000050
10	Contribution towards meeting running expenses in AMM Arunachalam Hospital	Health	No	Tamil Nadu	Cuddalore, Tamil Nadu	2 years	110.61	110.61	36.75	No	AMM Foundation	CSR0000000050
11	Mobile health care program	Health	Yes	Gujarat	Valsad, Gujarat	2 years	35.06	35.06	17.56	No	AMM Foundation	CSR0000000050
Total							1,411.5	1,379.97*	278.15			

\*Includes amounts given/issued to the Implementing Agency towards the above projects as on March 31, 2021, and accordingly accounted in the financial statements. Subsequently an amount of ₹176.19 Lakhs remained unspent and also the amount of ₹1,379.97 Lakhs including the unspent amount of ₹101.96 Lakhs.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project		Amount spent for the project (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Contribution to Udbhav School	Education	Yes	Telangana	Hyderabad	45.00	No	IIMAAAH	CSR000001664
2	Coromandel Girl Child Education Scheme	Education	Yes	Telangana, Andhra Pradesh, Tamil Nadu, Karnataka, Gujarat	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	50.00	Yes	-	-
3	Contribution to Balavidyalaya- Supporting children with hearing impairment	Education	Yes	Tamil Nadu	Chennai	15.00	No	Bala Vidyalaya Trust	CSR000002710
4	Improving health of communities through medical camps and other measures	Health	Yes	Telangana, Andhra Pradesh, Chennai, Tamil Nadu, Gujarat	Kurnool, Vijayawada, East Godavari (Kakinada) and Visakhapatnam in Andhra Pradesh, Warangal in Telangana, Bharuch (Ankleshwar) in Gujarat, Chennai (Ennore), Vellore (Ranipet) in Tamil Nadu	120.00	Yes	-	-
5	Improving government health facilities in Kakinada	Health	Yes	Andhra Pradesh	East Godavari, Andhra Pradesh	20.00	Yes	-	-
6	Contribution to Hrudaya Cure A Little Heart Foundation	Health	Yes	Telangana	Hyderabad	35.00	Yes	Hrudaya Foundation	CSR000004126
7	Community Development projects	Empowerment	Yes	Andhra Pradesh, Gujarat, Karnataka, Jammu, Chennai, Tamil Nadu, Kota and Udaipur	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	305.50	Yes	India NGO, Help Age India and TB ALERT	Help age india: CSR00000901,TB Alert : CSR000002316

Sl No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project		Amount spent for the project (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
8	Supporting livelihood opportunities to women farmers	Rural Development	Yes	Telangana	Sangareddy	15.00	No	Federation of Farmers Association	CSR00005869
9	Skill development in retail and agri skills	Skill Development	Yes	Telangana	Hyderabad	40.00	No		
10	Nature conservation	Environment Sustainability	Yes	Tamil Nadu	Chennai in Tamil Nadu	50.00	No	Access Livelihood Foundation	CSR00003088
11	COVID Initiatives	Disaster Relief	Yes	Andhra Pradesh, Karnataka, Telangana, Chennai, Sarigam, Gujarat, Karnataka, Tamil Nadu	East Godavari,(Kakinada), Kadapa and Visakhapatnam in Andhra Pradesh, Hospet in Karnataka, Ennore in Chennai, Valsad in Sarigam, Bharuch (Ankleshwar and Dahej) in Gujarat, Bellary (Hospet) in Karnataka, Ranipet in Tamil Nadu ,Kota, Nimrani, Udaipur, Thyagavalli	135.00	Yes	Madras Crocodile Bank Trust	CSR00005322
Total						830.50			

(d) Amount spent in Administrative Overheads: ₹90.21 lakhs

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹2,300.68 lakhs

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	₹2,322.00 lakhs
(ii)	Total amount spent for the Financial Year	₹2,300.68 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Date of transfer
Nil					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing
NA								

Not Applicable, as the concept of ‘ongoing projects’ has been introduced in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, relevant for the financial year 2020-21 onwards only.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The Company has contributed an amount of ₹5 crores to PM Cares Relief Funds which was not considered as part of CSR Expenses in this report. After considering the said contribution the CSR amount spent is in excess of the minimum requirement of 2% of average profits as per section 135 of the Act. The Company was unable to spend the allocated/budgeted amount on Ongoing Projects, details of which are given is 8(b) above due to COVID-19 pandemic. The unspent amount will be transferred to a separate Unspent CSR Account on or before April 30, 2021, and the said amount will be spent during the current financial year 2021-2022.

Sameer Goel  
Managing Director

Place: Secunderabad/Chennai  
Date: April 29, 2021

Arun Alagappan  
Chairperson-CSR Committee



## Annexure - G

## Report On Corporate Governance

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:

### 1. 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 & 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.

### 2. Board of Directors

#### 2.1. Composition and size of the Board

As on March 31, 2021, the Board of Directors comprised of ten Directors, of which the Executive Vice Chairman and the Managing Director are Executive Directors and

the remaining directors being Non-Executive Directors. Among the eight Non-Executive Directors, five are Independent Directors and three 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 also 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 the information that is required to be made available to the Directors under Part A of Schedule II of the Listing Regulations.

#### 2.2. Board Meetings and Attendance

Seven Board Meetings were held during the year. The dates on which the meetings were held are as follows:

S.No.	Date of Meeting	Board Strength	No. of Directors present
1.	May 26, 2020	10	10
2.	July 24, 2020	10	10
3.	November 2, 2020*	9	9
4.	November 2, 2020*	9	9
5.	November 11, 2020	12	12
6.	February 1, 2021	10	10
7.	March 26, 2021	10	10

\* Two separate board meetings were held on November 2, 2020.

- Details relating to 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:

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, 2021*	Member	Chairman
Mr. A Vellayan <sup>#</sup> Chairman	Non-Executive Promoter	3	NA	2	Nil	Nil
Mr. Arun Alagappan <sup>##</sup> Executive Vice Chairman	Executive – Promoter	3	NA	2	Nil	Nil
Mr. Sameer Goel Managing Director	Executive	7	Yes	Nil	Nil	Nil
Mr. M M Venkatachalam Director	Non-Executive & Promoter	7	Yes	7	5	2
Mr. Ramesh K.B. Menon <sup>###</sup> Director	Non-Executive & Non-Independent	3	NA	4	2	Nil
Mr. Prasad Chandran Director	Non-Executive & Independent	7	Yes	2	2	1
Mr. Sumit Bose Director	Non-Executive & Independent	7	Yes	5	5	3
Ms. Aruna B. Advani Director	Non-Executive & Independent	7	Yes	1	2	1
Dr. R. Nagarajan Director	Non-Executive & Independent	7	Yes	Nil	Nil	Nil
Mr. K V Parameshwar Director	Non-Executive & Independent	7	Yes	1	1	Nil
Mr. M M Murugappan <sup>@</sup> Chairman	Non-Executive Promoter	5	Yes	-	-	-
Mr. V Ravichandran <sup>@@</sup> Vice Chairman	Non-Executive	5	Yes	-	-	-
Dr. B V R Mohan Reddy <sup>@@@</sup> Director	Non-Executive	2	Yes	-	-	-

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

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

<sup>#</sup> Mr. A. Vellayan was appointed as Additional Director w.e.f. November 11, 2020 and elected as Chairman w.e.f. November 12, 2020

<sup>##</sup> Mr. Arun Alagappan was appointed as Additional Director w.e.f. November 11, 2020 and as Executive Vice Chairman w.e.f. February 15, 2021.

<sup>###</sup> Mr. Ramesh K. B. Menon was appointed as Additional Director w.e.f. November 11, 2020

<sup>@</sup> Mr. M M Murugappan stepped down as Chairman and Director w.e.f. November 11, 2020. As such no. of other directorships/committee memberships as on March 31, 2021 are not provided.

<sup>@@</sup> Mr. V Ravichandran stepped down from the Board w.e.f. November 11, 2020. As such no. of other directorships/committee memberships as on March 31, 2021 are not provided.

<sup>@@@</sup> Mr. B V R Mohan Reddy stepped down from the Board w.e.f. October 12, 2020. As such no. of other directorships/committee memberships as on March 31, 2021 are not provided.

Mr. M M Murugappan and Mr. M M Venkatachalam are related to each other. 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, 2021:**

Name of Director	Name of Listed Entity	Category
Mr. A Vellayan	Kanoria Chemicals & Industries Limited	Non-Executive & Independent
Mr. Arun Alagappan	Lakshmi Machine Works Limited	Non-Executive & Independent
Mr. Sameer Goel	-	-
Mr. M M Venkatachalam	E.I.D Parry (India) Limited	Non-Executive & Non-Independent
	Coromandel Engineering Company Limited	Non-Executive, Chairman
	The Ramco Cements Limited	Non-Executive & Independent
	Ramco Systems Limited	Non-Executive & Independent
Mr. Ramesh K.B. Menon	E.I.D Parry (India) Limited	Non-Executive & Non-Independent
Mr. Prasad Chandran	HDFC Life Insurance Company Limited	Non-Executive & Independent
Mr. Sumit Bose	BSE Limited	Non-Executive & Independent
	J B Chemicals and Pharmaceuticals Limited	Non-Executive & Independent
	HDFC Life Insurance Company limited	Non-Executive & Independent
Ms. Aruna B. Advani	-	-
Dr. R. Nagarajan	-	-
Mr. K V Parameshwar	-	-

The brief profiles of Directors, as given in the Annual Report, give an insight into the education, expertise, skills and experience of the Directors. In terms of the requirement of the Listing Regulations, the Board has identified the following core skills/ expertise/ competencies of the Directors in the context of the Company's business and its effective functioning:

Name	Financial Management	Governance Practices	Corporate Strategy	Business Strategy	General Management
Mr. A Vellayan	✓	✓	✓	✓	✓
Mr. Arun Alagappan	✓	✓	✓	✓	✓
Mr. Sameer Goel	✓	✓	✓	✓	✓
Mr. M M Venkatachalam	✓	✓	✓	✓	✓
Mr. Ramesh K.B. Menon	✓	✓	✓	✓	✓
Mr. Prasad Chandran	✓	✓	✓	✓	✓
Mr. Sumit Bose	✓	✓	✓	×	✓
Ms. Aruna B. Advani	✓	✓	✓	✓	✓
Dr. R. Nagarajan	✓	✓	✓	✓	✓
Mr. K V Parameshwar	✓	✓	✓	✓	✓

**2.3. Separate Meeting of Independent Directors**

A Meeting of the Independent Directors chaired by Mr. Sumit Bose was held on March 26, 2021 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.

**2.4. Board familiarisation**

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)

**2.5. 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 April 29, 2021 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 the Management.

**3. Audit Committee****3.1. 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 Company and appointment of registered valuers;
- Reviewing the compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, etc.; and
- Reviewing the financial statements of unlisted subsidiary companies and, in particular, the investments made by them.

**3.2. Composition, Meetings and Attendance**

The Audit Committee as at the end of the year March 31, 2021 consisted of 5 (five) directors of which 4 (four) were Independent Directors. During the year, the Committee had 5 (five) meetings on May 26, 2020; July 24, 2020; November 2, 2020; February 1, 2021 and March 26, 2021.

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
Mr. Arun Alagappan <sup>s</sup>	Member	Executive	2
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
Mr. M M Venkatachalam*	Member	Non-Executive	3
Mr. B V R Mohan Reddy <sup>#</sup>	Member	Non-Executive	2

<sup>s</sup> Inducted as a member on December 1, 2020.

\* Ceased to be a member with effect from November 30, 2020.

<sup>#</sup> Ceased to be a member with effect from October 12, 2020.

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

The Chairman of the Audit Committee, Mr. Sumit Bose, was present at the Annual General Meeting of the Company held on July 24, 2020.

**4. Nomination & Remuneration Committee****4.1. Brief description of Terms of Reference**

The terms of reference of the Nomination & Remuneration Committee, *inter alia*, include:

- 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) and 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; and
- Recommend the Remuneration policy to the Board and ensuring Board ; and
- Recommend to the Board, all remuneration in whatever form, payable to the Senior Management etc.

#### 4.2. Composition, Attendance and Meetings

- During the year, the Committee had 7 (seven) meetings on May 1, 2020; May 26, 2020; July 24, 2020; August 31, 2020; November 2, 2020; November 11, 2020 and February 1, 2021. 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	7
Mr. A Vellayan <sup>\$</sup>	Member	Non-Executive	1
Ms. Aruna B. Advani	Member	Non-Executive & Independent	6
Dr. B V R Mohan Reddy <sup>*</sup>	Member	Non-Executive	5
Mr. MM Venkatachalam <sup>#</sup>	Member	Non-Executive	5

<sup>\$</sup> Inducted as a member on December 1, 2020.

<sup>\*</sup> Ceased to be a member with effect from October 12, 2020.

<sup>#</sup> Ceased to be a member with effect from November 30, 2020.

### 5. Stakeholders Relationship Committee

#### 5.1. 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;
- 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.

#### 5.2. Composition, Attendance & Meetings

- During the year, the Committee had one meeting on November 3, 2020. Details of the composition of the Stakeholders Relationship Committee and attendance of Members in the meeting during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Mr. Prasad Chandran	Chairman	Non-Executive & Independent	1
Mr. Sameer Goel	Member	Executive	1
Mr. Ramesh K. B. Menon <sup>\$</sup>	Member	Non-Executive	-
Mr. V Ravichandran <sup>*</sup>	Member	Non-Executive	1

<sup>\$</sup> Inducted as a member on December 1, 2020.

<sup>\*</sup> Ceased to be a member with effect from November 11, 2020

- **Name, designation and address of the Compliance Officer:**

Mr. Rajesh Mukhija  
Sr. Vice President – Legal & Company Secretary  
Coromandel International Limited  
Coromandel House, 1-2-10 Sardar Patel Road  
Secunderabad – 500 003  
Phone: +91 40 6699 7000 / 7300 / 7500  
Fax: 040 27844117  
[@investorsgrievance@coromandel.murugappa.com](mailto:investorsgrievance@coromandel.murugappa.com)

- During the year, the Company had received 18 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](mailto:Investorsgrievance@coromandel.murugappa.com)". Investors and shareholders may lodge their query/complaints addressed to this email ID which would be attended immediately.

### 6. Risk Management Committee

#### 6.1. 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;

- (i) any significant risks or exposures.

- (ii) 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.

#### 6.2. Composition, Attendance & Meetings

- The Risk Management Committee consists of 3 Directors. During the year, the Committee had two meetings on November 3, 2020 and March 26, 2021.

- Details of composition and attendance of Members in the meetings 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. Arun Alagappan <sup>\$</sup>	Member	Executive	1
Mr. V. Ravichandran <sup>*</sup>	Member	Non-Executive	1

<sup>\$</sup> Inducted as a member on December 1, 2020.

<sup>\*</sup> Ceased to be a member with effect from November 11, 2020.

### 7. Corporate Social Responsibility Committee

#### 7.1. 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:

- a) 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.

- b) specify the modalities of execution of CSR activities and monitoring process of the same.

- To recommend the amount of expenditure to be incurred on the each of the CSR activities referred to in clause (1);

- 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.

#### 7.2. Composition, Attendance & Meetings

- During the year, the Committee had two meetings on May 22, 2020 and October 22, 2020.

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

Name	Designation	Category of Directorship	Attendance
Mr. Sumit Bose	Chairman	Non-Executive & Independent	2
Mr. Arun Alagappan <sup>\$</sup>	Member	Executive	-
Mr. Sameer Goel	Member	Executive	2
Mr. V. Ravichandran <sup>*</sup>	Member	Executive	2

<sup>\$</sup> Inducted as a member on December 1, 2020.

<sup>\*</sup> Ceased to be a member with effect from November 30, 2020.

<sup>#</sup> Ceased to be a member with effect from November 11, 2020.

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

### 8. Banking and Borrowing Committee

The Committee consists of 3 members. Mr. Arun Alagappan is the Chairman and Mr. Ramesh K. B. Menon and Mr. Sameer Goel are the other two members of the Committee. During the year, the Committee did not have any meetings.

### 9. Remuneration to Directors

#### 9.1. 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 various parameters including industry benchmark. The performance incentive / commission is determined as per the pre-agreed performance parameters.
- The Managing / Executive Director is not paid sitting fees for any Board / Committee meetings attended by him.

#### 9.2. Non-Executive Directors

- The compensation of the Non-Executive Directors is in the form of commission paid out of profits. Though the shareholders have approved payment of

commission upto 1% of net profits of the Company for each year calculated as per the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the commission paid to the Directors is usually restricted to a fixed sum, which is within the limits.

- The sitting fees/commission is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the directors for attending to the affairs and business of the Company and extent of responsibilities cast on directors under general law and other relevant factors. Depending on the time and efforts put in by the directors towards the affairs of the Company and in proportion to their respective tenure during the year, the directors are also paid a differential commission. 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.

### 9.3. Shareholdings

- The details of Shareholdings of the Non-Executive Directors in the Company as at March 31, 2021 are as follows:

Name	No. of Shares
Mr. A Vellayan	1,18,510
Mr. M M Venkatachalam	Nil
Mr. Ramesh K.B. Menon	Nil
Mr. Prasad Chandran	Nil
Mr. Sumit Bose	Nil
Ms. Aruna B. Advani	Nil
Dr. R. Nagarajan	Nil
Mr. K V Parameshwar	Nil

### 9.4. 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, 2021 is as follows:

(Amount in ₹)

Name	Mr. Sameer Goel Managing Director
Salary	3,40,44,943
Contribution to Funds	77,79,327
Value of Perk & Allowances*	3,20,86,599
Incentives	1,37,51,343
<b>Total</b>	<b>8,76,62,212</b>

\* Includes perk value upon exercise of Employee Stock Options amounting to ₹3,18,62,700

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 and re-appointed from October 01, 2020 to January 31, 2023. Notice period for termination of contract of service is 3 months. No severance pay is payable.

A sum of ₹1,22,28,591 was paid during the year towards incentives for the year 2019-20, as against ₹1,22,28,591 provided in the accounts for that year.

- The details of remuneration paid/payable to the Executive Vice Chairman for the financial year ended March 31, 2021 is as follows:

(Amount in ₹)

Name	Mr. Arun Alagappan Executive Vice Chairman
Salary	72,89,003
Contribution to Funds	7,39,403
Value of Perk & Allowances	49,141
Incentives	18,49,315
<b>Total</b>	<b>99,26,862</b>

Mr. Arun Alagappan was appointed as Executive Vice Chairman of the Company for a period of five years from February 15, 2021 to February 14, 2026. Notice period for termination of contract of service is 3 months. No severance pay is payable. The appointment and remuneration are subject to approval of shareholders at the ensuing AGM.

- 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
Options Vested - Balance as on March 31, 2021	Nil

- During the year 2016-17, Mr. Sameer Goel, 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	6,56,900
Options cancelled	Nil
Options Lapsed	Nil
Options Exercised	90,000
Options Vested - Balance as on March 31, 2021	5,66,900

- The details of sitting fees paid and commission payable to Non-Executive Directors for the financial year ended March 31, 2021, are as under:

(Amount in ₹)

Non-Executive Directors	Sitting Fees <sup>@</sup>	Commission <sup>@</sup>
Mr. A Vellayan	1,80,000	76,71,233
Mr. Arun Alagappan	1,50,000	2,60,274
Mr. M M Venkatachalam	7,40,000	10,00,000
Mr. Ramesh K.B. Menon	1,50,000	3,83,562
Mr. Prasad Chandran	6,90,000	10,00,000
Mr. Sumit Bose	8,70,000	10,00,000
Ms. Aruna B. Advani	7,30,000	10,00,000
Dr. R. Nagarajan	3,50,000	10,00,000
Mr. K V Parameshwar	6,00,000	10,00,000
Mr. M M Murugappan	2,50,000	1,23,28,767
Mr. V Ravichandran	3,70,000	6,16,438
Dr. B V R Mohan Reddy	3,20,000	5,34,247

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

### 10. 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).

### 11. General Body Meetings

#### 11.1. Annual General Meetings

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

Financial Year	Location	Date	Time
2017-18	Hotel Minerva Grand, CMR Complex, Besides Manju Theatre, Sarojini Devi Road, Secunderabad	July 27, 2018	10.30 AM
2018-19		July 22, 2019	10.30 AM
2019-20	Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	July 24, 2020	10:30 AM

#### 11.2. Postal Ballot

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



11.3. Special Resolutions passed during the previous three Annual General Meetings

AGM held on July 24, 2020:

- Approval for payment of remuneration to Mr. M M Murugappan, Non-Executive Chairman, for the financial year 2019-20.
- Re-appointment of Mr. Sumit Bose as an Independent Director of the Company for a second term.

AGM held on July 22, 2019:

- Re-appointment of Mr. Prasad Chandran as an Independent Director of the Company.
- Approval for payment of remuneration to Non-Executive Directors.
- Approval for payment of remuneration to Mr. M M Murugappan, Chairman and Non-Executive Director.

AGM held on July 27, 2018:

No Special resolution was passed.

11.4. Details of Ordinary Resolutions passed during the year through postal ballot

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

12. Details of Directors seeking appointment / re-appointment:

As per the provisions of Section 152 of the Companies Act, 2013 Mr. M M Venkatachalam, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. A Vellayan and Mr. Ramesh K.B. Menon who were appointed as Additional Directors hold office till the date of the ensuing Annual General Meeting. A member has proposed their appointment at the ensuing Annual General Meeting. The appointments have also been recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, subject to approval of the Shareholders at the ensuing Annual General Meeting.

Mr. Arun Alagappan was appointed as Additional Director of the Company with effect from November 11, 2020, and subsequently appointed as Whole-Time Director designated as Executive Vice Chairman of the Company for a period of 5 (Five) years with effect from February 15, 2021. A member has proposed his appointment at the ensuing Annual General Meeting. The terms and conditions of his appointment including remuneration has also been recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, subject to the approval of the Shareholders at the ensuing Annual General Meeting.

12.1. Brief resume and profile of the directors seeking appointment / re-appointment 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 62 years, is a Director of the Company. He is a graduate from the University of Agricultural Sciences in Bangalore and holds a Master's Degree in Business Administration from George Washington University, USA.

Mr. Venkatchalam has held senior positions in the Murugappa Group of Companies spanning a period of two and a half decades. He is presently the Chairman of Parry Agro Industries Limited. He also serves on the Boards of Ramco Cements Limited, Ramco Systems Limited, Coromandel Engineering Company Limited and E.I.D Parry (India) Limited.

Mr. A Vellayan

Mr. A Vellayan, aged 68 years, is the Chairman of the Company. He holds a Bachelor's Degree in Commerce from Shri Ram College of Commerce, New Delhi, Diploma in Industrial Administration from Aston University, UK and Masters in Business Studies from University of Warwick Business School, UK. He has been conferred Doctor of Science (Honoris Causa) by Aston University, UK.

Mr. Vellayan is the Chairman of Indian Institute of Management, Kozhikode and Roca Bathroom Products Private Limited. He also holds directorship in Ambadi Investments Limited, AMM Foundation and Kanoria Chemicals & Industries Limited. He held various positions in the Murugappa Group in the past.

Mr. Vellayan has vast experience in Fertilisers Business, General Management and Financial Planning.

Mr. Ramesh K.B. Menon

Mr. Ramesh K. B. Menon, aged 60 years, is a Director of the Company. He is an alumnus of XLRI, Jamshedpur

Prior to joining the Board of Coromandel, Mr. Menon led the Group's HR function and was actively involved in the development of business strategy, supervision for business results and governance as Executive Director-HR in the Murugappa Corporate Advisory Board (MCAB). He also served as Lead Director of the Diversified Businesses of the Murugappa Group and had been the Member of MCAB for seven years. Mr. Menon earlier worked as the Director-HR of Coats, South Asia, with a career spanning 26 years in key HR leadership assignments across regions before joining the Murugappa Group. He is currently on the Boards of E.I.D Parry (India) Limited, Parry Agro Industries Limited, Parry Murray & Company Limited, UK and Ambadi Enterprises Limited.

Mr. Arun Alagappan

Mr. Arun Alagappan, aged 45 years, is the Executive Vice Chairman of the Company. He has done his Graduation in Commerce from the University of Madras and completed the 'Owner President/Management Program' from Harvard Business School at Boston, USA.

Mr. Alagappan started his career with GE Capital Services India in 1997. After a two-year stint with GE, he joined the Murugappa Group in 1999 in Parryware, part of E.I.D Parry (India) Limited. Between 2005 to 2017, he served in Tube Investments of India Limited heading various divisions and functions before eventually becoming the President & Business Head of TI Cycles. In August 2017 Mr. Alagappan was appointed as Executive Director of

Cholamandalam Investment and Finance Company Limited and subsequently as the Managing Director in November 2019. He held this position until February 14, 2021, prior to joining Coromandel International Limited. He holds directorship in various other companies such as Lakshmi Machine Works Limited and Roca Bathroom Products Limited.

Mr. Alagappan is acknowledged as a thought leader in the Bicycle Industry and the NBFC Industry.

12.2. Other Directorships

The Details of other Directorships and Committee Memberships of Mr. M M Venkatachalam, Mr. A Vellayan, Mr. Ramesh K.B. Menon and Mr. Arun Alagappan, Directors are as follows:

Mr. M M Venkatachalam

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
The Ramco Cements Limited	Director	Audit Committee	Member
		Stakeholders Relationship Committee	Chairman
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairman
		Risk Management Committee	Member
Ramco Systems Limited	Director	Audit Committee	Member
		Nomination and Remuneration Committee	Chairman
		Allotment Committee	Chairman
		Fund Raising Committee	Member
		Corporate Social Responsibility Committee	Member
Coromandel Engineering Company Limited	Chairman	Nomination and Remuneration Committee	Member
		Risk Management Committee	Member
E.I.D Parry (India) Limited	Director	Audit Committee	Member
		Loans and Investments Committee	Member
Parry Agro Industries Limited	Chairman	Stakeholders Relationship Committee	Chairman
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Chairman
USV Private Limited	Director	Audit Committee	Member
		Corporate Social Responsibility Committee	Member
New Ambadi Estates Private Limited	Director	-	-

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
Ambadi Investments Limited	Director	-	-
M M Muthiah Sons Private Limited	Director	-	-
M M Muthiah Research Foundation	Director	-	-
Ootacamund Club	Director	-	-
Alampara Hotels and Resorts Private Limited	Director	-	-

**Mr. A Vellayan**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
Kanoria Chemicals & Industries Limited	Director	-	-
Ambadi Investments Limited	Director	-	-
Roca Bathroom Products Private Limited	Chairman	-	-
The Fertiliser Association of India	Director	-	-

**Mr. Ramesh K.B. Menon**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
E.I.D Parry (India) Limited	Director	Stakeholders Relationship Committee	Member
		Nomination & Remuneration Committee	Member
Parry Agro Industries Limited	Director	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
Ambadi Enterprises Limited	Director	Corporate Social Responsibility Committee	Member
Triumph Electoral Trust	Director	-	-
Parry Murray and Company Limited	Director	-	-

**Mr. Arun Alagappan**

Name of the Company	Chairmanship/ Directorship	Committee	Chairman / Member
Lakshmi Machine Works Limited	Director	CSR Committee	Member
Ambadi Enterprises Limited	Director	-	-
M.A. Alagappan Holdings Private Limited	Director	-	-
Genfour Properties Private Limited	Director	-	-
Southern India Chamber of Commerce & Industry	Director	-	-
Roca Bathroom Products Private Limited	Director	CSR Committee	Member
Madras Race Club	Director	Steward & Committee	Member
Yanmar Coromandel Agrisolutions Private Limited	Director	-	-
Parry Murray & Company Limited	Director	-	-

**10c. Shareholding of the Directors seeking re-appointment / appointment as on March 31, 2021:**

Name of the Company	Category	No. of Shares
Mr. M M Venkatachalam	Non-Executive, Non-Independent Director	Nil
Mr. A. Vellayan	Non-Executive, Non-Independent Director	1,18,510
Mr. Ramesh K.B. Menon	Non-Executive, Non-Independent Director	Nil
Mr. Arun Alagappan	Executive, Non-Independent Director	1,03,340

**13. Disclosures****13.1. 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.

**13.2. 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 are reviewed by an independent audit firm to confirm that they are in the ordinary course of business and at arm's length basis. A statement of related party transactions is placed before the Audit Committee and the Board on quarterly basis.

Transactions with the Related Parties as required under Indian Accounting Standard (Ind AS) – 24, Related Party Transactions, are disclosed in Note No. 40 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)

**13.3. 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.

**13.4. 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.

**13.5. Risk Management**

The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up. The Risk Management Committee, constituted by the Board 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.

**13.6. 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.

**13.7. 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.

**13.8. 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.



**139. Management Discussion and Analysis**

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

**14. 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 website of the Company at <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.

**15. General Shareholder Information**

Date, Time & Venue of AGM	July 26, 2021 at 3:30 p.m. IST Pursuant to the Circular No. 20/2020 dt. May 05, 2020 and Circular No. 02/2021 dt. January 13, 2021 of Ministry of Corporate Affairs, the AGM will be convened through Video Conferencing (VC).
Financial Calendar	i. Financial Year – April to March ii. First Quarter Results – within 45 days of the end of the quarter. iii. Half-yearly Results – within 45 days of the end of the quarter. iv. Third Quarter Results – within 45 days of the end of the quarter. v. Results for the year ending March 31, 2021 – within 60 days of the end of the quarter.
Date of Book Closure	July 17, 2021 to July 26, 2021 (both days inclusive)
Dividend 2020-21	<b>Proposed Final Dividend:</b> ₹6 per share, subject to approval by members at the AGM. <b>Interim Dividend:</b> The Company has paid an interim dividend of ₹6 per share for the financial year 2020-21 on February 24, 2021.
Dividend Payment date (s)	<b>Final Dividend:</b> On or after August 11, 2021
Listing of Shares	<b>Company's shares are listed at:</b> <b>1. BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 <b>2. National Stock Exchange of India Ltd.</b> Exchange Plaza, 5th Floor, Plot No.C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051  Listing fees for the financial year 2021-22 have been paid to both the above Stock Exchanges.
Stock Code	506395
o BSE Limited	COROMANDEL
o National Stock Exchange of India Limited	
ISIN for (shares) of NSDL & CDSL	INE169A01031
Market Price Data: High, Low during each month in last Financial year/Performance in comparison to BSE Sensex and S&P CNX Nifty	Refer annexure 'I (i)' of this section
Registrar and Transfer Agents	M/s KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited.) Selenium Building, Tower- B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Rangareddy, Hyderabad, Telangana – 500 032 Tel.No.(040) 67161616 - 1527 Fax No. (040) 23420814 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 transfer upto 5,000 shares. Share transfers in excess of 5,000 shares are approved by Stakeholders Relationship Committee.
Employee Stock Option Scheme	<b>ESOP Scheme, 2007</b>  The Company has earmarked 1,27,85,976 equity shares of ₹1 each under the Employee Stock Option Scheme 2007. Each Option is convertible into an equity share of ₹1 each. The 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. There were no vested Options outstanding as at the financial end of the year under the ESOP Scheme 2007 and there will be no grants under the ESOP Scheme 2007. <b>ESOP Scheme, 2016</b>  The Company has earmarked 1,45,81,000 equity shares of ₹1 each under the Employee Stock Option Scheme 2016. Each Option is convertible into an equity share of ₹1 each. Options granted under this ESOP 2016 would vest on or after 1 (one) year from the date of grant but not later than 4 (four) years from the date of grant of such Options. The number of vested Options outstanding as on March 31, 2021 are 9,68,110. The vested Options are exercisable within a period of 5 years from the date of vesting. The Company has granted 2,13,400 options to the employees during the year under the ESOP 2016.
Distribution of Shareholding and Share holding pattern as on March 31, 2021	Refer annexure 'I (ii)' of this section
Dematerialisation of shares and Liquidity	97.78% of the shareholding has been dematerialized as on March 31, 2021
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.
Plant Locations	The Company's plants are located at a) Malkapuram, Visakhapatnam, A.P. b) Beach Road, Kakinada, A.P. c) Ennore, Chennai, Tamil Nadu d) Ranipet, North Arcot, Tamil Nadu e) Ankleshwar, Gujarat f) Baribrahmana, Jammu & Kashmir g) Hospet, Karnataka h) Udaipur, Rajasthan i) Baroda, Gujarat j) Kota, Rajasthan k) Raigad, Maharashtra l) Khargone, Madhya Pradesh m) Raebareli, Uttar Pradesh n) Sarigam, Gujarat o) Dahej, Gujarat p) Thyagavalli, Tamil Nadu





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.	₹209.55 Lakhs by the Company and ₹10.31 Lakhs (rupee equivalent) by its subsidiary – CFL Mauritius Ltd. Total ₹219.86 Lakhs.
h.	Status of complaints in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as on March 31, 2021	<ul style="list-style-type: none"> <li>- Number of complaints filed during the financial year Nil</li> <li>- Number of complaints disposed of during the financial year Nil</li> <li>- Number of complaints pending as on end of the financial year Nil</li> </ul>

## 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-20	613.60	496.60	33,887.25	27,500.79	615.00	495.10	9,889.05	8,055.80
May-20	699.90	564.45	32,845.48	29,968.45	698.90	563.15	9,598.85	8,806.75
Jun-20	769.00	617.65	35,706.55	32,348.10	768.80	616.10	10,553.15	9,544.35
Jul-20	829.85	738.00	38,617.03	34,927.20	830.00	736.85	11,341.40	10,299.60
Aug-20	830.75	717.75	40,010.17	36,911.23	830.00	724.00	11,794.25	10,882.25
Sep-20	838.00	695.75	39,359.51	36,495.98	838.95	696.00	11,618.10	10,790.20
Oct-20	802.75	681.65	41,048.05	38,410.20	801.90	682.00	12,025.45	11,347.05
Nov-20	837.00	700.35	44,825.37	39,334.92	837.55	700.00	13,145.85	11,557.40
Dec-20	880.00	746.55	47,896.97	44,118.10	880.90	746.45	14,024.85	12,962.80
Jan-21	859.50	803.00	50,184.01	46,160.46	861.00	803.25	14,753.55	13,596.75
Feb-21	857.45	742.25	52,516.76	46,433.65	852.00	742.05	15,431.75	13,661.75
Mar-21	796.10	725.55	51,821.84	48,236.35	797.05	725.10	15,336.30	14,264.40

## Annexure – I (ii)

## Distribution of Holdings as on March 31, 2021

No. of equity shares held	No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
1-5000	1,87,93,546	6.40	1,02,852	99.10
5001- 10000	27,35,735	0.92	382	0.37
10001- 20000	30,07,326	1.03	212	0.21
20001- 30000	17,21,230	0.59	69	0.07
30001- 40000	15,75,333	0.54	45	0.04
40001- 50000	10,82,038	0.37	24	0.02
50001- 100000	47,12,354	1.61	65	0.06
100001 & Above	25,97,51,117	88.54	134	0.13
<b>Total</b>	<b>29,33,78,679</b>	<b>100.00</b>	<b>1,03,783</b>	<b>100.00</b>
<b>Physical Mode</b>	<b>65,20,671</b>	<b>2.22</b>	<b>11,549</b>	<b>11.13</b>
<b>Demat Mode</b>	<b>28,68,58,008</b>	<b>97.78</b>	<b>92,234</b>	<b>88.87</b>

## Shareholding Pattern as on March 31, 2021

Category	No. of shares	Percentage
Promoter	16,88,57,004	57.56
Mutual Funds	4,39,54,959	14.98
Indian Public	2,63,45,613	8.98
Foreign Institutional Investor/Foreign Portfolio Investor	2,26,81,601	7.73
Qualified Institutional Buyer	1,05,49,944	3.60
Overseas Corporate Bodies	48,01,000	1.64
Insurance Company	44,56,405	1.52
Non-Resident Indians	37,22,036	1.27
Investor Education and Protection Fund	34,71,958	1.18
Private Bodies Corporates	20,35,705	0.69
Alternate Investment Fund	11,84,445	0.40
Hindu Undivided Family	6,39,070	0.22
Banks, Financial Institutions	2,57,742	0.09
Clearing Members	1,84,903	0.06
NBFCs Registered with RBI	1,08,110	0.04
Foreign Nationals	71,607	0.02
Trusts	30,737	0.01
Foreign Companies	19,500	0.01
Societies	4,500	0.00
Foreign Bank	1,840	0.00
<b>Total</b>	<b>29,33,78,679</b>	<b>100.00</b>

On behalf of the Board of Directors

Place: Chennai  
Date: April 29, 2021A Vellayan  
Chairman

## 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**  
CIN: L24120TG1961PLC000892  
1-2-10, Sardar Patel Road, Secunderabad,  
Hyderabad, Telangana - 500003

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](http://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 31st March 2021 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.	00148891	A Vellayan	Non-Executive – Chairman	11/11/2020
2.	00291361	Arun Alagappan	Executive - Vice Chairman	11/11/2020
3.	07298938	Sameer Goel	Managing Director	01/10/2015
4.	00152619	M M Venkatachalam	Non-Executive – Non-Independent Director	23/01/2007
5.	00058215	Ramesh K B Menon	Non-Executive - Non Independent Director -Additional Director	11/11/2020
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: F004775C000208286

Place : Chennai  
Date : April 29, 2021

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Coromandel International Limited**

- This certificate is issued in accordance with the terms of our engagement letter dated August 24, 2020.
- 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, 2021, 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

- 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

- 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.
- 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.
- 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.
- 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

- 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, 2021.
- 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: 21209354AAAAFR5209

Secunderabad  
April 29, 2021



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, 2021 as envisaged in Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On behalf of the Board of Directors

Place: Secunderabad  
Date: April 29, 2021

Sameer Goel  
Managing Director

Business Responsibility Report 2020-21

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 Guidelines on Responsible Business Conduct (NGRBC), as released by the Ministry of Corporate Affairs in March 2019. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) 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 800 rural retail outlets across Andhra Pradesh, Telangana, Karnataka and Maharashtra. Through these Retail outlets, the Company offers farming services including crop advisory, soil testing and farm 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: 2020-21

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	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Fertilisers & Chemicals Fertiliser – 20122   Pesticides – 20211
8	List three key products/services that the Company manufactures/provides	Fertilisers, Crop Protection Products and Speciality Nutrients
9	Total number of locations where business activity is undertaken by the Company	16 Manufacturing Locations in India AP - Vizag, Kakinada   TN: Ennore, Ranipet, 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, New Zealand and USA

Section B: Financial Details of the Company

1	Paid up capital	₹29.34 crores
2	Total turnover	₹14,205 crores
3	Total profit after tax	₹1,312 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 F on CSR activities.

## Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiaries of Coromandel are primarily either investment companies or companies holding product registration in foreign countries for export of the Company's products. Hence, this is not applicable. Number of subsidiary companies: 14
3	Do any other entity/entities (e.g., suppliers, distributors) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate % of such entity/entities?	No

## Section D: BR information

1	Details of Director(s) responsible for BR	Mr. Sameer Goel, Managing Director DIN: 07298938 BR Head: Mr. Sameer Goel, Managing Director DIN: 07298938   Phone: 040 - 27841368 Email: <a href="mailto:GoelS@coromandel.murugappa.com">GoelS@coromandel.murugappa.com</a>
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## 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?	Polices & Codes: <a href="http://coromandel.biz/inv_financial.html">http://coromandel.biz/inv_financial.html</a> CSR Policy: <a href="https://coromandel.biz/pdf/CSRPoly/CSRPoly_June2021.pdf">https://coromandel.biz/pdf/CSRPoly/CSRPoly_June2021.pdf</a> 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>								
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

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

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

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									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Not Applicable



### 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 fifth Business Responsibility Report of the Company for the Financial Year 2020-21 which forms part of the Company's Annual Report for FY 2020-21. 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, 2018-19 and 2019-20.

#### 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 2020-21, 2 complaints were received by the Ombudsman under Whistle Blower Policy which were enquired into and suitable actions were taken there on and nil complaints were pending as on March 31, 2021. 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 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. The lab is working on development of Next Generation Fertilisers which offer higher Nutrient Use Efficiency. These products will lead to enhanced uptake of nutrients by crops and consequently lower losses to the environment. 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 established the Centre of Excellence (CoE) for New Product Development. The Stage Gate process for NPD covers all aspects – Idea Generation, Concept Testing, Product Development, Commercialisation and Launch. The NPD process involves all major stakeholders – Marketing, Technology, Manufacturing and Finance. New ideas are short-listed by the cross-function team after evaluating all the suggestions from various angles – business need, alignment with company's mission and vision, benefit to farmers and Indian agriculture etc.

Coromandel produces a range of phosphatic fertilisers. The utilization efficiency of phosphorus nutrient supplied through fertiliser in the season of application is 15-20% and total efficiency over all seasons of the life of the nutrient is 55-60%. Hence, nearly 40% of the P nutrient is lost through leaching and ends up in water bodies. This nutrient loss causes environmental pollution and at the same time increases the demand for mined phosphate minerals. Coromandel is working towards increasing the availability of P nutrient through two approaches. It is developing new fertilisers with higher P utilization efficiency so that more P is taken up by the crops and leaching losses are minimized. Also, Coromandel is looking at ways of recycling P nutrient which is available in organic waste streams such as municipal waste, crop residues, liquid effluent etc. so that the need for mined phosphate is reduced. This is in line with the concept of circular economy.

Coromandel's fertiliser products strictly comply with the Fertiliser Control Order (FCO) specifications that are prescribed by the Ministry of Agriculture. These specifications describe the nutrient values and physical properties of each fertiliser product that has been approved for sale to farmers. In addition, Coromandel provides the farmers with the information of 4Rs – Right Source, Right Dose, Right Place and Right Time – with respect to fertiliser application. The 4Rs help the farmers to maximise their Return on Investment in fertiliser inputs. Coromandel is also developing liquid fertilisers which can be supplied to farms in bulk form with the help of applicators. This will reduce the need for plastic packaging which is needed for solid fertilisers.

Coromandel works closely with farmers who are a storehouse of traditional knowledge. The practices followed by farmers are documented and form the baseline for comparing the performance of any new fertiliser or package of practice developed by Coromandel. It is the company's endeavor that any solution that is offered to the farmers should be any improvement over their current practice. The farmer always remains the owner of the traditional knowledge and has the option to accept the new knowledge if he sees benefit in it.

Coromandel is promoting the concept of circular economy in nutrients through the recycling of nutrients of waste streams such as municipal waste, crop residues, effluent water. Coromandel has been a leader in promoting Organic fertilisers (City & Press mud Compost, Organic Potash - Potash derived from molasses, Organic Phosphorus-

Phosphorus Rich Organic Manure, De-oiled cakes mixtures) to farmers for sustaining the soil health and improving productivity, by sustaining nutrient availability to crops and enriching organic carbon content of soil. Coromandel has developed enriched municipal city compost. Coromandel also has developed a new potash fertiliser which is derived from the effluent from sugar distillery. Coromandel is working with Punjab Agriculture University to develop the technology for conversion of paddy straw into biochar which can be used for soil amendment. This will reduce environmental pollution and sequester carbon in soil while at the same time help in improving crop productivity. In the year 2020-21, the company has sold 27,613 MTs of City Compost which is made after composting city waste. The company has also sold 12,846 MTs of PM compost which is made from sugarcane filter cake which is generated as by-product in sugar mill.

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

- 16-20-0-13 with Magnesium - Fertiliser fortified with Magnesium sludge from MgSO<sub>4</sub> plants
- Phosphogypsum for Flyash Bricks using FALGY technology
- 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 fertilizer from sugarcane waste
- Sulphmax – Sulphur fertilizer with high S efficiency
- 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

To further support its customers and provide balanced nutrition for crops, Coromandel has launched new products in 2020-21.

#### The Organic Business has launched:

- Gromor Fitsol Sugarcane : Crop specific Fertigation product for Sugarcane crop launched
- Godavari Bhubhagya: Started marketing of new Press mud Compost variant enriched with NPK fixing/mobilizer microbes
- Gromor Power 16-8-24: Introduced extensive research based inhouse Fertigation product for Flower grades.

The Crop Protection division has launched:

- Lottery: Broad spectrum post emergence herbicide recommended for use along with surfactant for control of broadleaf and grassy weeds in corn

To ensure sustainable sourcing for manufacturing process, SSP business has entered into an annual supply agreement for Sulphuric Acid with Hindustan Zinc and inter transfer from existing fertilizer unit Kakinada. For other raw material i.e., Rock Phosphate the company has a sustainable source from local mines i.e., Rajasthan States Mines & Minerals Ltd., Udaipur. Imported Rock is being sourced from Egypt which is also a sustainable source. Almost 100% of sulphuric acid is sourced on basis of 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.

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 2020-21, the Company has:

- Reduced the specific power consumption by 3.9 kWh/ MT at Ennore Unit
- Reduced the specific power consumption by 1.31 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
- Achieved about 370097 KWH of energy saving achieved by installation of energy efficient motors, cooling tower pumps, E-Glass Proxy FRP Fans, BLDC ceiling fan, steam operated pressure powered pump unit (PPPU) in Malathion & MEE at Ankleshwar Plant



Coromandel consistently has been receiving the awards for its various environment friendly and sustainable manufacturing practices. In 2020-21, Coromandel Vizag Unit was awarded CII National Excellence Energy Efficient Unit award, 4th time. Since 2013-14 the company has been consecutively winning the Energy efficient unit award from CII.

Coromandel has consistently ensured that the manufacturing processes and technologies employed are resource efficient and sustainable. In 2020-21, production from its new phosphoric acid plant was stabilized, making the Vizag operations self sufficient for its acid needs. Also, additional 10 Acres of HDPE lining for Gypsum handling has been provided at the Vizag Unit. Special grade gypsum manufacturing has been streamlined and business achieved highest ever production/dispatch of special grade gypsum.

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.

Coromandel strives towards sustainable way of utilizing and recycling of resources. Coromandel fully reprocesses off spec material generated during granulation of fertilizers, which constituted 7-9 % of production volume during 2020-21.

Waste Utilization during the year:

- Wastewater – Vizag Plant is a zero-discharge facility, all wastewater generated in the process is recovered, treated and reused in process.
- P2O5 sludge - contained in Phosphoric acid is totally reprocessed in production process.
- Sulfur sludge – contained in raw Sulphur is totally reprocessed in production process
- Spent Catalyst, waste oil – recycled through authorized re-processors
- 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%.
- Crape material like torn HDPE bags and MS scrap are recycled by licensed vendor as applicable. Scarp material is < 5%
- Sarigam unit achieved a quantitative savings of 252929 Kwh of power, 82722 Standard Cubic Meter (SCM) of gas and 3267 KL of water compared to 2019-20, which in turn gave savings of ₹40.8 Lakhs. Sarigam unit also worked on Hazardous waste reduction and reduced waste reduction by 920 tons which is equivalent to ₹38.5 Lakhs.

- Dahej unit recycle more than 50 % of condensate in process and saving energy as well as fresh water

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, 2021 there were 5,031 Permanent employees (3,754 Management staff, 1,218 Non-Management staff (NMS) and 59 Trainees) with 184 female employees and 5 differently abled employees. Also, there are around 8,619 off-roll/contract employees.

During the year 2020-21, industrial relations across all plants of Coromandel continued to remain cordial. There are 1,236 workmen on roll across all the manufacturing units of Coromandel. There are 8 workmen unions recognized across Coromandel. 912 workmen (74%) are the members of the unions and 324 workmen are non-unionized. There are significant number of inter-state migrant workmen in SSP & CPC businesses as 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 meetups, annual communications meetings and other structured social gatherings as part of Employee Engagement and Work life balance across Coromandel have received good support and applause from all employees. As part of 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 form 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. In 2020-21, POSH committee is reorganized. 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. For 2020-21, POSH awareness training was completed for 80% of the employees across Coromandel.

- 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.

S.No	Category	No. of complaints filed during 2020-21	No. of complaints as on end of 2020-21
1	Child labor/forced /involuntary labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

Coromandel believes, a holistic Well-being Framework places equal importance equal importance on the connectedness of Physical, Emotional and Financial Wellness on individuals' understanding on their sense of purpose. Coromandel aims to promote a positive physical and emotional health environment in the workplace, to enable and empower employees to be the best version of themselves. Employee wellbeing is intended to help them 'thrive', rather than just 'survive' – and it becomes more important all the time, as the pace of change and transformation means employees need energy and resilience to maintain high performance. Considering COVID-19 pandemic situation, people's health and well-being given more thrust and focus. Every business took this concern at top priority. Some of the initiatives initiated by Coromandel are as follows.

Physical Wellness:

- 10K Challenge:** A Fitness, Health & Happiness (FHH) initiative inspiring all employees targeting physical fitness through various activities.

Challenges / activities

- Walking 10000 steps a Day and tracking it using a Pedometer
  - Healthy eating habits challenge
  - Marathon Challenge
  - Zumba Challenge
- Ekin Care -** Coromandel has partnered with ekincare **wellness portal**, for 24/7 Teleconsultation with Doctors and diagnosis support.
  - Health Nuggets -** Weekly health nuggets communicated online with all employees on safety precautions required to combat COVID-19.
  - Employee **health and wellbeing awareness sessions** were conducted virtually by external medical experts. Dr. Sashikala and Padmashree Dr. V Mohan were amongst the few speakers for these sessions.



**Emotional Wellness** For an employee to be healthy & productive s/he needs to be emotionally strong & stable. The imbalance may be due to work life / personal life stress. Coromandel supports them through **Employee Assistance Program**.

1. Coromandel has developed, leave guidelines specific to Pandemic/Covid-19. Employees and their family member if tested positive will be granted a Special Leave (Pandemic Leave).
2. being conducted for workmen on COVID & safety precautions to be followed at workplace.
3. **24x7 helpline** was setup for employees to easily reach HR and seek help & timely support boosting confidence always. **HR in regular touch** with the parents of the **young workforce**.
4. Front Line **Corona Warriors (employees who contributed in field and manufacturing units)** rewarded for their contribution

#### Financial Wellness

1. The Base **Mediclaime Policy** was enhanced, which also covered COVID Hospitalization COVID Home Care.
2. Coromandel tied up with Chola insurance and provided **COVID KAVACH** Health insurance to address the needs of employees for the treatment related to Coronavirus (Covid-19).
3. To help employees to plan their life after the career (retired life) and new careers we conduct Financial Wellness sessions.

#### These sessions cover the below aspects:

- 5 Secrets of Financially Happy Life
- Various avenues to generate wealth
- How to be FIRE (Financially Independent & Retire Early) – to follow passion.

Coromandel leveraged technology to enhance the wellbeing of its employees. Some of the key areas are as follows:

1. Geo tagging for mapping employees' zone as well as C – Safe for online self-declaration which is linked to Aarogya Setu App which enables to trace risk level of contracting COVID infection.
2. Coromandel undertook Automation & Digitization projects to improve ergonomics and safety of employees. Some of the projects done for fy2020-21 are Online density meter and moisture analyzer, Automation for thread cutting & Auto start mechanism for stitching machines, at Vizag and Ennore, Automatic bin change over and Bag counting automation at Kakinada and Semi Auto bagging machine for granular packing at Udaipur.

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 2020-21.

**Succession Planning and Leadership Development:** A High Potentials (HiPos) development program has been launched to strengthen the Leadership pipeline in CPC business. The program is designed at 2 levels – Emerging Leaders (MG3-MG4A) and Seasoned Leaders (MG5 to MG7). The program includes assessment centers, Individual development plans, Competency based training interventions, Feedback and Coaching. The program is designed with involvement of Management Development Center, L&D team, Academia and External consultants.

**Coromandel Finance Academy (CFA)** – The program aims at nurturing and developing capabilities of Hi-po executives across middle and senior management in the Finance function. The Executive Development program offers blended training modules across critical areas in Finance designed in partnership with KPMG.

**Finance Teach Back Sessions (FTBS)** – This initiative aims to leverage internal subject knowledge expertise, foster employee engagement and improve knowledge in the functional domain. FTBS offers blended modules designed and delivered by leaders in Finance function on a monthly basis.

Retail Business Unit designed and delivered various interventions to build people capabilities in line with the 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 is designed and delivered with external facilitator; 3 Modules delivered for 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 was initiated in association with Agri institutions at zone level with geography specific and crop specific inputs. The program is associated with Agri institutions like Research Stations and KVKs. Total 56 Programs were organized across the zones in FY 20-21.
- **Technical Training** - Crops and Products: To strengthen Agri and technical skills of the field team, various technical, crop and Products training programs were delivered – 1125 sessions delivered with 8671 Man-days.

**Manpower Excellence:** The manpower excellence for the retail stores aims to look at the different categories of stores based on the market potential and the actual sales

performance of the store to ensure optimal manpower in terms of quantity (no of people) and quality (in terms of competence)

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 principle adopted out by the founder of Murugappa Group over a century ago and the tradition has endured. Today, this belief continues to guide company's decisions and define its 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 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 its quest for education in rural areas. 1102 girls have been provided assistance through the scheme in the 2020-21.

The scheme has been providing financial assistance to the meritorious girl students of rural areas studying in classes IX & X. The Coromandel Girl Child Education Scheme also reached out to girl students in class-XI and class-XII to ensure continuity of support and continuation of further education. The scholarship beneficiaries underwent career counselling programs, to provide guidance to 285 girls.

Improving health conditions for communities through the provision of basic medical services in Ennore, Vizag, Kakinada and Sarigam

The Coromandel Medical Centres in the vicinity of manufacturing locations, 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. Diagnostic services were also added to the CMCs to address the issue of expensive diagnostic services. The CMCs provided 12,423 tele-counselling services on Covid 19 aiming to provide psychological support to CMC patients especially people with comorbidities, elderly people and others from local communities. The patients were classified into Covid positive, High risk and Low risk patients. Counselling support and essential items were provided to the patients and their family members. Further, detailed case study report for each patient and counselling was provided on diet and guidance was extended on the importance of Covid safety measures including the usage of face masks, social distancing, hand washing etc. Also, a regular follow-up was undertaken by the CMC doctors. A total of 4194 patients were benefitted through the program at 4 CMCs and 1874 patients availed the services through Mobile Medical Van.

Building skills of people in rural India thereby creating employment opportunities

The project seeks to provide vocational skill training to underprivileged from economically disadvantaged backgrounds in rural areas for employment or self-employment, thereby helping them to build confidence and contribute to improving their socio-economic conditions. The training is provided on retail Banking, Finance and Insurance, agri based skills which helps them to be economically engaged in their respective areas and not migrate to urban areas in the search of employment opportunities. 175 youth have been trained in twelve batches of the program.

#### Employability Skills development with TATA strive

Coromandel is undertaking employability skills training with TATA strives on Banking Insurance Finance Services to impart the necessary skills required for Banking sector to youth from surrounding communities of Vizag and Ennore plant. The following set of skills is imparted to the trainees through this skill development initiative through well experienced and qualified trainers. (i) Technical skills, (ii) Self transforming skills, (iii) Operational and Marketing skills and (iv) soft skills. 40 candidates have enrolled in two batches of training.

**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 follows a procedure of getting an undertaking from all its suppliers/contractors that they will abide by all

the local laws as applicable to the workmen engaged by them for the Company. A special focus was given on prohibition of engagement of child labour.



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

Coromandel measures the progress on Human rights protection through metrics like

- Training Man-days and employee coverage for awareness on Policies and CGBC
- 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 2020-21.

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

Coromandel gives highest priority to employee's health, Safety and Environment and has adopted the Zero harm policy. The 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 introduced the 12 Life Saving Rules and promoted "Stop Work Authority" to further strengthen its safety practices. Also, the Company has carried out Safety Culture Survey for the third consecutive year and overall improvement in performance

has been observed. Subsequently, it has adopted Behavior Based Safety program "Safe start" to enhance the level of Safety culture.

The environmental impact is accessed from time to time and continuous improvement is observed 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 stakeholders. All Fert & SSP business and three of CPC manufacturing facilities (Sarigam, Dahej, and Ankleshwar) successfully migrated to the new standard "ISO 45001 - OH&S Management Systems" and got certified in 2020-21.

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 through the "LTS". 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 wastewater, rainwater 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.

Fertilizer 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 organization. At Coromandel, all Major manufacturing process 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. Additional investment of ₹535 Lakhs is being done to for the upgradation of the Online Stack Monitoring systems. The regular maintenance of the OCEMS systems is ensured through the AMC through the OEMS.

As a part of ISO 14001:2015, the Company has deployed various Environmental management Programs (EMPs) like 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, etc. to prevent and reduce environmental impacts due to the manufacturing

process and related activities. At Ankleshwar plant external green belt development is under progress for 15597 Sqm.

All the Fertilizer 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. All the Raw Materials are stored in the closed Go-downs to minimize the fugitive emissions.

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 Fertilizer 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 Coromandel Include:

- o Plantation through TERI using mychorihiza bio-remediation technology has been done on the unused gypsum in an area of 11.0 acres and 9020 trees are planted.
- o Gypsum is stored only in lined area at Vizag unit
- o Continued use of Molten Sulphur at Visakhapatnam which has reduced the overall fugitive emission and reduction in greenhouse gases and regular use of the Road Sweeping machine for the reduction of the fugitive emissions.
- o At Ennore, Impervious Layer of 2 Acre developed in the Year 2020-21, to prevent the ground water and soil contamination. Separate Leachate collection pond constructed and collected water being reused in the Phosphoric Acid Plant.
- o Production of Demineralized Water at Ennore through Multi Effect Desalination system, which is operated through Sea Water System has started after Sea Water Intake Line provision made in the Sea.
- o Installation of MED plants at Ennore unit got commissioned using sea water and thus saving of natural water and the process also saves energy.
- o Ennore Unit has started transport of Gypsum via rail for the 1<sup>st</sup> time ever, moving from the earlier road movement. In 2020-21, Ennore unit has handled around 5 rakes of

gypsum which was successfully transported. Ranipet unit has also initiated PSSP dispatch through Rake in 2020-21.

- o Plant Trip interlock system incorporated at Kakinada for Ammonia release through stacks by 3 level Engineering controls to ensure no abnormal release of Ammonia into the atmosphere.
- o Kakinada unit Replaced B Train Tail Gas scrubber stack top portion, Bagging plant screen house system stack and connected scrubbers & ducts for better emission monitoring and condition monitoring of the process stacks.
- o Hospet unit has provided PVC curtains and separated the Rock godown.
- o Successfully continued the IMS certification surveillance audit of the SSP units including Corporate Office for 2nd consecutive year from the certification body M/s bsi.
- o Online Continuous Emission Monitoring System (OCEMS) upgradation at Ranipet & Kota unit including new SO2 analyzer at SAP stack.
- o STP commissioned at Udaipur for usage of recycled water in gardening purposes.
- o Dahej unit has reduced the land filling waste through various environmental initiatives and achieved cost saving of more than twenty-five lakh rupees
- o Dahej unit has initiated several new SHE projects, which are in pipeline: a) Upgradation of fire hydrant network b) Deep Sea discharge line 3. Upgradation of ETP plant with latest technology
- o Ankleshwar unit Installed Bio-compost for composting canteen food waste and using for gardening.

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

- Around 53000 samplings completed during the year 2020-21 and till date total of 145000 saplings planted in Visakhapatnam city under Green Visakha with the help of District Forest Officer & VUDA
- Ankleshwar Unit has developed 40% Green Belt Area in GIDC Ankleshwar to comply with CCA Condition.
- Over-all in SSP, 2029 nos. saplings have been added with 8983Sq m area additional green belt in the year 2020-21
- Around 300 acres of Kakinada Plant is covered till date by Green Belt. Coromandel has mutually associated with EGREE Foundation for identification, development, and protection of Birds habitat in green belt area and development of bund method in waterlogged areas for protection of wet land eco



system. As on date 4000 birds were recorded within Coromandel Kakinada.

Coromandel has also received recognition for its various environmental initiatives during 2020-21:



- Hospet unit achieved CII EHS Excellence award from Southern Region and has been rated 3 stars.
- Ankleshwar unit received two-gold medals and two Distinguish awards from QCFI Gujarat Chapter for "Safe Bromine handling" & "Hazardous waste management & Handling" projects.
- Dahej Unit Participated in QUALITY CIRCLE FORUM OF INDIA (QCFI), Ankleshwar Chapter, to present the best safety practices/initiatives. Dahej Unit Secured 5 gold and 2 Silver category awards. Out of 7 nominated projects all projects/initiatives won the awards.

Various environmental studies were conducted based on requirement for continuous improvement. Some of the key initiatives in 2020-21 include:

1. Scrubber adequacy studies at Nandesari unit from Gujarat Cleaner Production Centre (GCPC)
2. EMS audit and assessment of adequacy of Pollution Control System at Hospet unit by NEERI, Nagpur
3. Occupational Health & Hygienic Studies for Hospet unit from Regional Occupational Health Centre Southern Region Bengaluru
4. Scrubber efficiency studies from MoEFCC accredited agency M/s Knowledge Lens at Vizag unit
5. Annual Safety Culture Survey 2019-20 (Visakhapatnam, Kakinada and Ennore) from UK-HSL.

To enhance knowledge on environmental advancements and new technologies, Coromandel has provided internal and external trainings on environmental aspects. Some of the Key trainings in 2020-21 that plants EHS teams attended are "Developments in Environment Management in Fertilizer

Plants", "Awareness on Proposed OCEMS, Port Holes rectification, Spare Parts pooling, network issues & AMC / CMC of Pollution Monitoring equipment" and "Master Class Training Environment by M/s Chola".

During 2020-21, there is one Environmental court case which is sub-judicious presently and there are no open show causes from CPCB / SPCB.

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

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

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

Coromandel Leadership team plays an active role in industry federations. For example, Mr. Sameer Goel, Managing Director, is a Board member of IFA & FAI and Chairman of CII Telangana state, Mr. Rajavelu, EVP & Business Head (Crop Protection) is Additional Director of CCFI, Dr. Kuppusamy, Sr.GM & Head-Regulatory Affairs (Crop Protection), is a Technical and Regulatory committee member of CCFI and Dr. Rajul Edoliva, VP & Head-Business Development & Regulatory Affairs (Crop Protection), is Technical Committee member of 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, Mr. Sankara Subramanian, President (Fertilisers) is a member of FAI, Dr. Amit Rastogi, EVP-Technology is a member of Agriculture committee in IFA, member of Agricultural Sciences Advisory Committee in FAI, member of Micronutrient Fortification advisory committee at IZA and member of study advisory committee on Controlled Release Fertilisers at TIFAC, Mr. Amir Alvi, EVP & Head – Manufacturing (Fertilisers) 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 Co- Chairperson of NHRD and ER & IR panel member of 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
9. Use of Sulphur enhanced Fertiliser
10. Promoting organic manure
11. Usage of Gypsum; and
12. Indigenous sourcing of Potash
13. Covid 19 related Agri recommendations
14. Strategic Sourcing for Fertilisers
15. Crop Protection Policy Measures
16. Technology interventions in Agriculture

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 the company undertakes program based on the identified needs of the community, education, healthcare and community development initiatives shall remain the priority and major domain areas to make a meaningful impact on their lives in respective geographical locations.

The two most important stakeholders of Coromandel are farmers and surrounding communities.

- 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 this, 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 promotes 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 and national level and engages with respective departments for smooth implementation of the programs.

Coromandel undertakes CSR initiatives/projects directly or through AMM Foundation of Murugappa group or through 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 2020-21

##### CSR Interventions:

#### Coromandel CSR approach towards Health Initiatives during Pandemic

Coromandel has risen to the needs of the stakeholders during the pandemic, including communities around the Plants, and the people working to combat the disease including health personnel, police department, frontline workers including ASHA, anganwadi workers, etc. Many initiatives and supportive measures have been implemented for the benefit of communities, some of which include -

- Spreading awareness on the necessity of social distancing, hand-sanitization, conducting thermal screening and distributing masks and hygiene kits to villagers. Coromandel used pre-recorded messages, displays of posters, banners and distribution of pamphlets and portray of Yama dharmaraj skits in



the villages and communities of Vizag, Kakinada and Ankleshwar for the awareness campaigns.

- Distribution of 2,00,045 masks, 21,934 hand sanitizers to the people in the communities, frontline workers including health workers, sanitary workers, ASHA workers, Anganwadi workers across the locations. Distribution of 5,500 Hygiene kits to the villagers at Thyagavalli.
- Distribution of 12,600 rice bags and 17,120 essential kits to the below poverty line families in Villages and communities Kakinada, Ennore, Sarigam, Ankleshwar, Dahej, Udaipur, Nimrani and Thyagavalli
- Supported the Public health center with the medical equipment of Infrared Thermometer (LASER JET GUN) at Thiruchopuram, Thyagavalli. Supported the District Health officer with the medical equipment set including 500nos VTM Kit, 25nos Thermal Gun, 25nos Oximeter at Ankleshwar and Dahej. Supported 500 Covid-19 PPE sets including disposable face mask, face shield, disposable nitrile gloves and rubber boot to Government RSRM Hospital and Government Stanley Hospital, Ennore.
- Supported Medical Infra to GVMC Hospital like PPE, 3 seater chairs, 5 Litters sanitizer and hypochlorite solution, 1000 surgical masks, Infrared thermometers, pulse oximeters, face shields and established bore for RO plant at Vizag. Supported Medical Infra like oxygen concentrators to Government Head Quarters Hospital, walahah to enhance the support towards the COVID treatment facilities for the patients in speedy recovery. Supported Medical Infra like 30 GI beds, 1 Digital radiography machines, 8 HFNC machines, 5 Multipara monitors and 2 Air conditioners to the Covid ward at GGH Kakinada. 358 critical patients admitted of which 173 cured and discharged. Supported 140 Covid-19 PPE kits to Government General Hospital, Kakinada
- Supported 296 Covid positive families in the villages of Vizag, Kakinada and Ennore with the essential food and hygiene kit and have provided the counselling services

Apart from the above mentioned pandemic activities, Coromandel took pro-active and continued CSR initiatives in the field of education, health care and community development

#### Contribution to Udbhav School

Coromandel has partnered with the IIM Ahmedabad Alumni Association-Hyderabad Chapter to provide quality education in Rasoolpura slum. Udbhav School has classes from standard I to X, with a total student strength of 584 and staff strength of 26. Due to the pandemic, the state government has declared the closure of schools. Coromandel have supported for the provision of 3 laptops to the teachers and 60 tablets to the students. Initiated e-learning classes from 1st July for classes 2 to 10.

#### Improving government health facilities in Kakinada

Coromandel has refurbished the Pediatric Ward in the Government General Hospital in Kakinada in 2014. To further

improve the quality of the treatment lifesaving medical equipment was provided, at power with any pediatric ward in a private hospital. Due to the number of cases increasing rapidly in Kakinada, Coromandel has provided a Covid ward in GGH and supported with the medical equipment like 300 Covid PPE kits, 30 GI Beds, A Digital Radiography Machine, 8HFNC machine, 5 Multipara monitors and 2 Air conditioners in maintaining the Covid ward to ensure that the quality of service is maintained. 2,313 children treated through Government general hospital and the mortality rate has come down to 6.6% at GGH PICU.

#### Supporting the cause of congenital heart diseases among the marginalised

Hrudaya Foundation has been providing yeomen services to humanity by carrying out surgeries on children affected with Congenital Heart Diseases. In the current scenario, the surgeries and the detection camps were postponed, due to the pandemic impact. However, there are requests for undertaking surgeries. Coromandel has supported surgeries for 191 children over period of 7 years with 30 children benefited in 2020-21.

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:

	₹ in Lakhs					
Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Amount	1,075	1,097	1,271	1,328	2,111	2,301

#### Awards:

In 2020-21, Coromandel won 4 prestigious National level awards, the details as follows:

1. Coromandel won the CSR Times award for Best Corporate in Women Empowerment on December 10, 2020 at National CSR Summit at New Delhi. The award was received for the Coromandel Girl Child Scholarship project.



2. Coromandel won the Mahatma Award for Social Good on January 30, 2021.
3. Coromandel won CSR Leadership Awards for Best Covid 19 Solutions for Community care held on February 18, 2021 at Taj Lands, Mumbai.



4. 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 February 21, 2021.

#### Appreciations

- Coromandel has received an appreciation letter from Additional Commissioner, Greater Vishaka Municipal Corporation for timely support and the contribution of 40,000 face masks to protect the sanitary and health workers involved in combating Covid19.
- Coromandel has received an appreciation letter from District Health Officer, Valsad for the contribution of 25,000 surgical face masks, 500 Sanitizer bottles and 200 pair gloves.
- Coromandel received an appreciation letter from V. Vinay Chand, IAS., District Collector, Visakhapatnam for the support towards prevention and control of Covid 19 in providing medical infra.

#### Impacted lives of 3,56,357 lakh community members through CSR initiatives.

#### Impact: 3,56,357 Beneficiaries (2020 -21)





**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 2020-21, around 4,32,000 farmers were covered through various outreach programs organized by Coromandel Retail division and Fertiliser division.

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 which act as one stop solution for every agri-input related need (soil tests, crop advisory, etc.) of the farmers.
2. Scientist - Farmer teleconference: As an alternate activity to scientist at store program due to Covid19, teleconferencing with crop specialists were being organized with customized content connecting the MGCs.
3. Technical advisory based on satellite aerial maps: 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.
4. Technical advisory was sent to farmers through WhatsApp groups at stores. Corporate WhatsApp messaging has been activated and opt-ins received from target farmers.
5. FPO Collaboration: Coromandel has initiated collaboration with various FPOs to support the farmer community in supplying quality inputs, agronomic support, technical training etc.
6. Soil testing services: To support farmers in application of right nutrients to soil to ensure higher crop yields and also to reduce the cost of nutrient application.
7. Agronomists: Coromandel's team of Agronomists works closely with the farmers to educate them about the usage of various farm inputs and overall solutions to the customer needs.

In view of the Pandemic, business divisions have undertaken various initiatives for the welfare of farmers, retailers, dealers and other stakeholders. Fertiliser division has distributed more than 2.5 Lakhs of face masks & 7000 liters of sanitizers amongst the farming community. Similar initiatives have been taken up by other divisions as well. Crop Protection business has organized COVID-19 related safety sessions through prestigious doctors for dealers and their family members. Masks, sanitisers, PPE kits & sanitizing machines were provided to channel partners as a safety measure.

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. 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, soil tests were conducted by Mana Gromor Center through Mobile soil test kits. The Retail team visits the villages with the Mobile soil testing kits and do the soil tests in front of the farmers and gives the prescriptions to the farmers and educate the farmers on soil health. In the year 2020-21, around 40,000 soil Tests were conducted by Retail & Fertiliser divisions throughout the country and farmers were given nutrient recommendation.
- Crop Seminars : A total of 276 Crop seminars were conducted by Retail during the year 2020-21. 208 Crop seminars organized by Fertilisers division in collaboration with influencers like KVK scientists etc.

- OC tests were conducted across all divisions to promote balanced use of fertilisers and to promote the importance of Organic Carbon in agriculture. A total of 33915 OC tests were conducted in the year 2020-21.

- A total of 35758 field visits and 1023 field days have been organized by Fertiliser division in 2020-21

The key customer-friendly initiatives in 2020-21 include:

- **HNI Loyalty program:** Separate loyalty programs were run for HNI customers for the period June'20 to March'21 by Retail.
- **New customer acquisition scheme:** The scheme was launched to acquire new customers for the period June'20 to March'21 by Retail. A toll-free number was published to give missed call on. Customers giving missed call on the published number were given discount coupons redeemable on MGC products. New customers were given higher value discount coupon.
- **Churn retention scheme:** The scheme was launched to regain new customers for the period September'20 to March'21.
- **Focus product scheme:** The scheme was introduced to motivate the customers who bought select focus products last year to use in the current year also. The scheme was launched for the period September'20 to December'20 by Retail.
- **Category schemes:** To encourage joint usage of products, different category bundle schemes were launched by Retail like Bio Trishakthi Joint usage with fertilizer scheme. Coupon scheme was launched for Paddy and Maize seed customers to encourage them to buy non-Fert and to increase repeat purchase of seed customers
- **Gromor Paramfos Sambhrama Scheme:** In order to increase the reach under Gromor brand and increase the awareness of unique grade product Paramfos, the “Gromor Paramfos Sambhrama” scheme was launched from Jan' 2021 to March'20 by Fertiliser. Under the scheme, farmers received useful gift items through lucky draw conducted online.
- **Superia scheme:** Organic business has initiated Farmer level scheme extended to Superia product along with dealer push notifications through QR code app.
- **Gromor Festival:** First ever Facebook Dealers Scheme was launched with brand name – Gromor Festival.

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 2020-21 on farm advisory to farmers is as below:

- o In-bound calls – **4,593**
- o Outbound calls – **30,957**

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 Agronomy team or escalated further for resolution of complaint. 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 22 complaints were received and addressed through CRM calls of ‘Hello Gromor’ for the year 2020-21.

There were no customer/consumer legal cases/appeals filed in 2020-21 and 17 consumer cases were pending against the Company as on 31 March 2021, involving an amount of ₹109.84 Lakhs. These complaints are contested claims and pending before consumer forum. Also, there are no cases filed and pending against the Company with respect to unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

Coromandel conducted various market research studies through external agencies and internal teams during the year 2020-21, to understand the customer's perception and satisfaction level across SBUs. Some of the important surveys done include:

- **Cotton seed preference study:** Retail division has conducted the study with an external agency. The objective of the study is to determine the most preferred cotton seed brands by the farmers and the most stocked brands by retailers and also to establish the acreage under cotton crop cultivation during the last season and estimation for the upcoming season.

- **Diagnostic study for Groplus:** Undertaken by Fertiliser division to evaluate Post launch satisfaction & Concept evaluation of Crop specific Groplus concepts in terms of likeability, believability, uniqueness, relevance, etc.,
- **SND purchase behavior study:** Study of consumer behaviors done in buying Specialty Nutrients products in selected states to help identify key factors for business planning.
- **CPC BU Survey:** Market Research Survey undertaken by CPC on Dealer Satisfaction by IPSOS for Channel partners in AP, TG, KR, MH, MP, HR, RJ and WB with the

objective to measure Dealer Satisfaction and benchmark with Industry best practices. The Business intends to leverage the survey outcomes to streamline its branding activities for better reach of the channel partners and strengthen network.

**On behalf of the Board of Directors**

Place: Chennai  
Date: April 29, 2021

**A Vellayan**  
Chairman

# 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, 2021, 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, 2021, 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.

Sl.No.	Key Audit Matter	Auditor’s Response
1	<p><b>Revenue Recognition – Sale of goods</b></p> <p>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.</p> <p>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.</p>	<p>We have performed the following principal audit procedures in relation to revenue recognised.</p> <ul style="list-style-type: none"><li>Understood the revenue recognition process, evaluated the design and implementation, and operating effectiveness of internal controls relating to revenue recognised.</li><li>Selected samples and tested the operating effectiveness of internal controls, relating to transfer of control. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.</li><li>Tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.</li><li>In respect of the selected sample of transactions:<ul style="list-style-type: none"><li>Tested whether the revenue is recognised upon transfer of control to customer.</li><li>We have evaluated the delivery and shipping terms of the contracts for revenue recognised during the period.</li></ul></li></ul>

Sl.No.	Key Audit Matter	Auditor’s Response
		<ul style="list-style-type: none"><li>We have also tested the location stock reports from Company warehouses, where applicable, for confirmation on sales quantity made during the year.</li><li>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>Accuracy, recognition, measurement, valuation, presentation and disclosures of Subsidy income/Government subsidies and related receivables</b></p> <p>Refer to note 2.3 ‘Revenue recognition’ and note 2.25.2 ‘Key sources of estimation uncertainty’ to the standalone financial statements.</p> <p>Subsidy income pertaining to the Nutrient and other allied business is recognised on the basis of the rates notified from time to time by the Department of Fertilisers, Government of India (‘GOI’) in accordance with the Nutrient Based Subsidy (‘NBS’) policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including Direct Benefit Transfer (‘DBT’) System which was introduced by Government of India.</p> <p>For the year ended March 31, 2021, subsidy income of ₹ 332,468 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 enquired 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 during the year and also the subsequent receipts.</li><li>We have tested whether the deductions made by the GOI have been adjusted in the books of accounts.</li></ul>

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such

controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to the Managing director during the year is in accordance with the provisions of Section 197 of the Act and the remuneration paid/payable in respect of the whole-time director is subject to the approval of shareholders in the ensuing general meeting of the Company.
- 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  
(Firm's Registration No. 008072S)

**Sumit Trivedi**  
(Partner)

Place: Secunderabad  
Date: 29 April 2021

(Membership No. 209354)  
UDIN: 21209354AAAAFO9734



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, 2021 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, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm’s Registration No. 008072S)

**Sumit Trivedi**  
(Partner)  
Place: Secunderabad (Membership No. 209354)  
Date: 29 April 2021 UDIN: 21209354AAAAF09734

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 (₹ 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 (₹ in Lakhs)	Remarks
Leasehold Land	17	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	22,615	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, Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2021 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 31 March 2021 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	Income tax appellate tribunal	2016-17	46	46
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 Joint Commissioner	2012-13	2	2
		Assistant Commissioner	2002-03	*	*
Andhra Pradesh General Sales Tax Act, 1957	Sales tax	Additional Commissioner Legal	1995-1996 to 1997-1998	27	27
		Sales Tax Appellate Tribunal	2013-14	14	14
Uttar Pradesh Value Added Tax Act, 2008	Sales tax	Deputy Commissioner	2008-2009	125	111
		Deputy Commissioner Appeal	2012-2013	1	1
		Appellate Deputy Commissioner	2012-2013	40	40
		Assistant Commissioner (Appeals)	2013-2014	2	1
Gujarat Value Added Tax Act, 2003	Sales tax	Appellate Deputy Commissioner (Appeals)	2012-2013	3	3
		Joint Commissioner (Appeals)	2010-2011	5	5
		Sales Tax Appellate Tribunal	2008-2009 to 2010-2011	91	91
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
		Assistant Commissioner	2009-2010	15	14
		Commissioner (Appeals)	2008-2009 to 2016-2017	146	145
		Commissioner	2004-2005 & 2009-2010	3	3

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, 2018-2019	55	50
		Commissioner of Customs (Appeals)	2005-2006 to 2010-2011	344	321
		High Court for the State of Telangana	2018-2019	461	461
Central Goods and Service Tax Act, 2017	GST	Additional Commissioner (Appeals)	2017-2018	32	32
The Finance Act, 1994	Service tax	Commissioner (Appeals)	2014-2015 to 2017-2018	21	21
		CESTAT	2009-2010 to 2016-2017	269	248

\* less than a lakh

- (viii) In our opinion and according to the information and explanations given to us, 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 remuneration payable/paid by the Company to the Managing director during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 and the remuneration paid/payable to the whole-time director is subject to the approval of shareholders in the ensuing general meeting of the Company.
- (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  
(Firm's Registration No. 008072S)

**Sumit Trivedi**  
(Partner)

(Membership No. 209354)  
UDIN: 21209354AAAAFO9734

Place: Secunderabad  
Date: 29 April 2021



# Balance Sheet

as at 31 March 2021

(₹ in Lakhs, unless otherwise stated)			
	Note	As at 31 March 2021	As at 31 March 2020
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	1,61,111	1,61,324
(b) Right-of-use assets	4	38,300	40,472
(c) Capital work-in-progress	3	7,570	4,919
(d) Other intangible assets	5	790	495
(e) Intangible assets under development	5	1,347	1,556
(f) Financial assets			
i) Investments	6	35,247	33,464
ii) Other financial assets	7	-	5
(g) Other non-current assets	8	5,430	4,546
		2,49,795	2,46,781
2 Current assets			
(a) Inventories	9	2,58,722	2,69,193
(b) Financial assets			
i) Investments	10	*	*
ii) Trade receivables	11	56,231	1,72,435
iii) Government subsidies receivable		58,966	2,31,622
iv) Cash and cash equivalents	12	63,982	3,236
v) Bank balances other than cash and cash equivalents	13	2,999	2,776
vi) Loans	14	1,50,012	42,011
vii) Other financial assets	7	3,632	10,051
(c) Other current assets	15	49,862	43,671
		6,44,406	7,74,995
Total assets		8,94,201	10,21,776
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	16	2,934	2,930
(b) Other equity	17	5,17,097	4,35,974
Total equity		5,20,031	4,38,904
2 Non-current liabilities			
(a) Financial liabilities			
i) Lease liabilities	4	36,191	37,542
ii) Other financial liabilities	19	176	146
(b) Provisions	20	1,372	2,108
(c) Deferred tax liabilities (net)	21.1	5,616	5,629
(d) Other non-current liabilities	22	827	876
		44,182	46,301
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	18	293	162,760
ii) Lease liabilities	4	2,143	1,855
iii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		936	943
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,91,721	3,33,774
iv) Other financial liabilities	19	22,094	23,779
(b) Provisions	20	2,155	1,460
(c) Current tax liabilities (net)	21.4	3,602	4,286
(d) Other current liabilities	22	7,044	7,714
		3,29,988	5,36,571
Total liabilities		3,74,170	5,82,872
Total equity and liabilities		8,94,201	10,21,776
*less than a lakh			
See accompanying notes forming part of the financial statements			

In terms of our report attached

**Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Registration Number : 008072S

**Sumit Trivedi**  
Partner  
Membership Number : 209354  
Place: Secunderabad/Chennai  
Date: 29 April 2021

For and on behalf of the Board of Directors

**Sameer Goel**  
Managing Director

**Jayashree Satagopan**  
Chief Financial Officer

**A Vellayan**  
Chairman

**Rajesh Mukhija**  
Company Secretary

# Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in Lakhs, unless otherwise stated)			
	Note	For the Year ended 31 March 2021	For the Year ended 31 March 2020
I Income			
Revenue from operations	24	14,16,295	13,11,719
Other income	25	4,242	3,769
Total income		14,20,537	13,15,488
II Expenses			
Cost of materials consumed		6,99,475	7,50,174
Purchases of stock-in-trade		2,12,526	1,34,306
Changes in inventories of finished goods, work-in-process and stock-in-trade	26	53,851	20,174
Employee benefits expense	27	53,428	45,722
Finance costs	28	10,570	23,529
Depreciation and amortisation expense	29	17,209	15,727
Other expenses	30	1,96,923	1,88,720
Total expenses		12,43,982	11,78,352
III Profit before tax (I - II)		1,76,555	1,37,136
IV Tax expense:			
(1) Current tax		45,621	36,756
(2) Deferred tax		(284)	(5,537)
		45,337	31,219
V Profit for the year (III-IV)		1,31,218	1,05,917
VI Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit plan	34(a)	(996)	86
(b) Net fair value (loss)/gain on investments in equity shares at FVTOCI		478	1,271
(ii) Income tax relating to items that will not be reclassified to profit or loss	21.3	140	(406)
B (i) Items that will be reclassified to profit or loss			
(a) Effective portion of gain/(loss) on designated portionof hedging instruments in a cash flow hedge		1,633	(1,197)
(ii) Income tax relating to items that will be reclassified to profit or loss	21.3	(411)	299
Total other comprehensive income (A+B)		844	53
VII Total comprehensive income for the year (V + VI)		1,32,062	1,05,970
VIII Earnings per equity share (Face value of ₹1 each):	35		
Basic ₹		44.76	36.20
Diluted ₹		44.64	36.11
See accompanying notes forming part of the financial statements			

In terms of our report attached

**Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Registration Number : 008072S

**Sumit Trivedi**  
Partner  
Membership Number : 209354  
Place: Secunderabad/Chennai  
Date: 29 April 2021

For and on behalf of the Board of Directors

**Sameer Goel**  
Managing Director

**Jayashree Satagopan**  
Chief Financial Officer

**A Vellayan**  
Chairman

**Rajesh Mukhija**  
Company Secretary

# Cash flow statement

for the year ended 31 March 2021

	(₹ in Lakhs, unless otherwise stated)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flow from operating activities</b>	<b>1,76,555</b>	<b>1,37,136</b>
<b>Profit before tax</b>		
Adjustments for:		
Depreciation and amortisation expense	17,209	15,727
Loss on sale/ scrap of property, plant and equipment (net)	468	477
(Profit)/loss on sale of investment	17	(34)
Exchange differences (net)	(8,189)	15,597
Loss/ (gain) on measuring investments at FVTPL (net)	(162)	104
Provision for doubtful trade receivables and other liabilities no longer required, written back	(3,153)	(45)
Provision for doubtful trade and other receivables, loans and advances (net)	2,169	845
Trade and other receivables written off	35	-
Provision for employee benefits	(1,037)	664
Share-based payments	399	518
Finance costs	10,570	23,529
Interest income	(4,075)	(3,703)
Dividend income	(5)	(32)
Others	(27)	(27)
<b>Operating profit before working capital changes</b>	<b>1,90,774</b>	<b>1,90,756</b>
<i>Changes in working capital:</i>		
Trade payables	(26,973)	(63,135)
Other liabilities	(3,113)	7,314
Trade receivables	1,14,046	9,669
Government subsidies receivable	1,72,656	7,726
Inventories	10,471	54,230
Other assets	911	16,410
<b>Cash generated from operations</b>	<b>4,58,772</b>	<b>2,22,970</b>
Direct taxes paid (net of refunds)	(46,305)	(36,302)
<b>Net cash flow from operating activities (A)</b>	<b>4,12,467</b>	<b>1,86,668</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, including capital work-in-progress and capital advances	(18,799)	(25,316)
Purchase of leasehold land	(682)	-
Proceeds from sale of property, plant and equipment	252	21
Investment in subsidiary / Joint venture	(1,200)	(307)
Purchase of non-current investments	-	(16)
Proceeds from sale of non-current investments	40	118
Inter-corporate deposits/ loans given	(1,80,001)	(42,000)
Inter-corporate deposits matured/ loans received	72,000	42,000

# Cash flow statement

for the year ended 31 March 2021

	(₹ in Lakhs, unless otherwise stated)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of current investments	-	(27,000)
Proceeds from sale of current investments	-	27,000
Interest received	3,100	3,544
Dividend received from current and non-current investments	5	32
Balances in margin money/ deposit accounts	(1)	-
<b>Net cash (used in) investing activities (B)</b>	<b>(1,25,286)</b>	<b>(21,924)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares on exercise of employee stock options	1,438	1,366
Decrease in short-term borrowings	(1,62,467)	(1,35,739)
Dividend paid	(52,772)	(12,343)
Interest and other borrowing costs paid	(10,742)	(24,277)
Repayment of Lease liability	(1,892)	(1,608)
<b>Net cash (used in) financing activities (C)</b>	<b>(2,26,435)</b>	<b>(1,72,601)</b>
<b>Net (decrease)/Increase in cash and cash equivalents (A + B + C)</b>	<b>60,746</b>	<b>(7,857)</b>
Cash and cash equivalents at the beginning of the year	3,236	11,093
Cash and cash equivalents at the end of the year (as per Note 12)	<b>63,982</b>	<b>3,236</b>
<b>Notes:</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.		
<b>2. Reconciliation of Short-term borrowings:</b>		
Opening balance	162,760	295,694
Proceeds/(repayments) of short-term borrowings (net)	(1,62,467)	(1,35,739)
Foreign exchange adjustment	-	2,805
<b>Closing balance</b>	<b>293</b>	<b>162,760</b>
<b>3. Reconciliation of lease liabilities (Current and Non-current):</b>		
Opening balance	39,397	-
Impact of Ind AS 116*	-	41,005
Lease liabilities addition during the year	829	-
Repayment	(1,892)	(1,608)
<b>Closing balance</b>	<b>38,334</b>	<b>39,397</b>
*Includes lease liabilities recognised during the year ended 31 March 2020 amounting to ₹2,734 lakhs.		

## In terms of our report attached

**Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Registration Number : 008072S

**Sumit Trivedi**  
Partner  
Membership Number : 209354  
Place: Secunderabad/Chennai  
Date: 29 April 2021

## For and on behalf of the Board of Directors

**Sameer Goel**  
Managing Director

**A Vellayan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**Rajesh Mukhija**  
Company Secretary



# Statement of Changes in Equity

for the year ended 31 March 2021

(₹ in lakhs, unless otherwise stated)

## a). Equity share capital

	Number of shares	Amount
<b>Balance as at 1 April 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>	<b>29,29,53,749</b>	<b>2,930</b>
Add: Equity shares allotted pursuant to exercise of stock options	4,24,930	4
<b>Balance as at 31 March 2021</b>	<b>29,33,78,679</b>	<b>2,934</b>

## b). Other equity

	Reserves and Surplus (Refer note 17)							Items of other comprehensive income (Refer note 17)		
	Capital reserve	Capital redemption reserve	Securities premium	Central subsidy	General reserve	Share options outstanding account	Retained earnings	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Total
<b>Balance at 1 April 2019</b>	<b>20</b>	<b>986</b>	<b>13,201</b>	<b>11</b>	<b>2,33,328</b>	<b>1,466</b>	<b>98,899</b>	<b>(7,425)</b>	<b>(18)</b>	<b>3,40,468</b>
Profit for the year	-	-	-	-	-	-	105,917	-	-	1,05,917
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(24)	975	(898)	53
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,05,893</b>	<b>975</b>	<b>(898)</b>	<b>1,05,970</b>
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)	-	-	-
<b>Balance at 31 March 2020</b>	<b>20</b>	<b>986</b>	<b>15,041</b>	<b>11</b>	<b>2,63,592</b>	<b>1,241</b>	<b>1,62,449</b>	<b>(6,450)</b>	<b>(916)</b>	<b>4,35,974</b>
<b>Balance at 1 April 2020</b>	<b>20</b>	<b>986</b>	<b>15,041</b>	<b>11</b>	<b>2,63,592</b>	<b>1,241</b>	<b>1,62,449</b>	<b>(6,450)</b>	<b>(916)</b>	<b>4,35,974</b>
Profit for the year	-	-	-	-	-	-	1,31,218	-	-	1,31,218
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(745)	367	1,222	844
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,30,473</b>	<b>367</b>	<b>1,222</b>	<b>1,32,062</b>
Recognition of share-based payments	-	-	-	-	-	399	-	-	-	399
Dividend on equity shares including dividend distribution tax	-	-	-	-	-	-	(52,772)	-	-	(52,772)
Amount received on exercise of employee stock options	-	-	1,434	-	-	-	-	-	-	1,434
Amounts transferred within the reserves	-	-	538	-	-	(538)	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>20</b>	<b>986</b>	<b>17,013</b>	<b>11</b>	<b>2,63,592</b>	<b>1,102</b>	<b>2,40,150</b>	<b>(6,083)</b>	<b>306</b>	<b>5,17,097</b>

See accompanying notes forming part of the financial statements

### In terms of our report attached

**Deloitte Haskins & Sells**  
Chartered Accountants  
Firm Registration Number : 008072S

**Sumit Trivedi**  
Partner  
Membership Number : 209354  
Place: Secunderabad/Chennai  
Date: 29 April 2021

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

**Sameer Goel**  
Managing Director

**A Vellayan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**Rajesh Mukhija**  
Company Secretary

# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 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)
- Rajavelu NK- Executive Vice President and Business Head (CPC)
- Arun Vellayan- Head of Strategy
- Narayanan Vellayan – Head of Commercial (Fertilisers and SSP)
- Rajesh Mukhija– Senior Vice President – Legal and Company Secretary
- 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. The Company has consistently applied accounting policies to all periods.

### 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.

# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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.

- 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.
- 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.
- 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.

- Export benefits and other excise benefits are accounted for on accrual basis.

## 2.4 Other Income

- Dividend income from investments is recognised in the year in which the right to receive the payment is established.
- 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.

# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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 and rounded to the nearest Lakhs.

## 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 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.

## 210. 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



# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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.

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

# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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 (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.

## 2.15 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.

# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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

## 2.19 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 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

# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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.

### 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.



Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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 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.

Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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 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

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

### Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts)

through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109;
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that 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

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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.

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.





## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 4. Right-of-use assets

	As at 31 March 2021	As at 31 March 2020
<b>Carrying amounts of:</b>		
Land	26,335	26,673
Buildings	10,953	12,534
Plant and equipment	1,012	1,265
	<b>38,300</b>	<b>40,472</b>

#### Details of Right-of-use assets:

	Land (Refer notes below)	Buildings	Plant and equipment	Total
<b>Gross carrying value</b>				
As at 1 April 2019	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>
Additions	682	829	-	1,511
Disposals/adjustments	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>28,380</b>	<b>15,687</b>	<b>1,518</b>	<b>45,585</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>
Amortisation	1,020	2,410	253	3,683
Disposals/adjustments	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>2,045</b>	<b>4,734</b>	<b>506</b>	<b>7,285</b>

#### Notes:

- Includes net carrying value of the Land reclassified on adoption of Ind AS 116 "Leases".
- Land admeasuring 324.74 acres (₹22,632 lakhs) is pending execution of lease in the name of the Company.

#### Lease liabilities:

	As at 31 March 2021	As at 31 March 2020
Current	2,143	1,855
Non-current	36,191	37,542
	<b>38,334</b>	<b>39,397</b>

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 5. Other intangible assets and intangible assets under development

	As at 31 March 2021	As at 31 March 2020
<b>Carrying amounts of:</b>		
Product registrations	744	449
Technical know-how	46	46
	<b>790</b>	<b>495</b>
Intangible assets under development	1,347	1,556

#### Details of Intangible assets

	Product Registrations	Technical know-how	Total
<b>Cost or deemed cost</b>			
<b>Balance as at 1 April 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>
Additions	428	-	428
Disposals/ adjustments	-	-	-
<b>Balance as at 31 March 2021</b>	<b>1,885</b>	<b>997</b>	<b>2,882</b>
<b>Accumulated amortisation and impairment</b>			
<b>Balance as at 1 April 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>
Amortisation expense	133	-	133
Disposals/ adjustments	-	-	-
<b>Balance as at 31 March 2021</b>	<b>1,141</b>	<b>951</b>	<b>2,092</b>

### 6. Non-current investments

	As at 31 March 2021	As at 31 March 2020
<b>Quoted equity instruments</b>		
(a) Investments in quoted equity instruments at FVTPL		
Rama Phosphate Limited	18	3
13,719 (2020: 13,719) Equity shares of ₹10 each, fully paid-up		
<b>Total aggregate quoted investments (A)</b>	<b>18</b>	<b>3</b>
<b>Unquoted equity instruments</b>		
(b) Investment in subsidiaries at cost		
Liberty Pesticides and Fertilisers Limited	113	113
7,50,000 (2020: 7,50,000) Equity shares of ₹10 each, fully paid-up		
Parry America, Inc	24	24



## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
776 (2020: 776) shares of USD 100 each, fully paid-up		
<b>Parry Chemicals Limited</b>	1,000	1,000
1,00,00,000 (2020: 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 (2020: 2,20,25,000) Ordinary shares of USD 1 each, fully paid-up		
<b>Sabero Australia Pty Ltd.</b>	41	41
5,578 (2020: 5,578) Equity shares of Australian Dollar 14 each fully paid-up		
<b>Sabero Europe B.V.</b>	8	8
61 (2020: 61) Equity shares of Dutch Guilder 453.78 each fully paid-up		
<b>Sabero Argentina S.A.</b>	17	17
1,61,500 (2020: 1,61,500) Equity Shares of Argentina Peso 1 each fully paid-up		
<b>Sabero Organics America S.A.</b>	927	793
39,90,310 (2020: 33,88,057) Equity Shares of Brazilian Real 1 each fully paid-up		
<b>Coromandel Agronegocios de Mexico, S.A de C.V</b>	29	29
4,99,477 (2020: 4,99,477) Equity shares of Mexican Peso 1 each fully paid-up		
<b>Coromandel International (Nigeria) Limited</b>	21	21
99,99,000 (2020: 99,99,000) Ordinary shares of Nigerian Naira 1 each fully paid-up		
<b>Dare Investments Limited</b>	500	500
50,00,000 (2020: 50,00,000) Equity shares of ₹10 each, fully paid-up		
<b>Coromandel Brasil Limitada, Limited Liability Partnership**</b>	466	466
18,315 (2020: 18,315) Quotas of Brazilian Real 100 each, fully paid-up		
<b>Coromandel Mali SASU</b>	7	7
500 (2020: 500) Equity shares of CF Francs 10,000 each, fully paid-up		
<b>Coromandel SQM (India) Private Limited****</b>	1,700	-
1,00,00,000 Ordinary shares of ₹10 each, fully paid-up		
<b>Total aggregate investments in subsidiaries (B)</b>	<b>15,134</b>	<b>13,300</b>
<b>(c) Investment in joint ventures at cost</b>		
<b>Yanmar Coromandel Agrisolutions Private Limited</b>	1,600	1,600
1,60,00,000 (2020: 1,60,00,000) Equity shares of ₹10 each, fully paid-up		
Less: Impairment allowance	(832)	(832)
	768	768
<b>Coromandel SQM (India) Private Limited ****</b>	-	500
(2020: 50,00,000) Ordinary shares of ₹10 each, fully paid-up		
<b>Total aggregate investments in joint ventures (C)</b>	<b>768</b>	<b>1,268</b>
<b>(d) Investment in associate at cost</b>		
<b>Sabero Organics Philippines Asia Inc. - Associate</b>	*	*
320 (2020: 320) Equity shares of PHP\$100 each fully paid-up		
<b>Total aggregate investments in associate (D)</b>	<b>*</b>	<b>*</b>

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>(e) Other equity instruments at FVTOCI</b>		
<b>Tunisian Indian Fertilisers S.A.#</b>	-	-
41,79,848 (2020: 41,79,848) Ordinary shares of Tunisian Dinars (TND) 10 each, fully paid-up		
<b>Nandesari Environment Control Limited</b>	21	18
3,600 (2020: 2,000) Equity shares of ₹10 each, fully paid-up		
<b>Ranar Agrochem Limited</b> (formerly Prathyusha Chemicals and Fertilisers Limited)	2	2
10,01,000 (2020: 10,01,000) Equity shares of ₹10 each, fully paid-up		
<b>Indian Potash Limited</b>	2,576	2,392
180,000 (2020: 1,80,000) Equity shares of ₹10 each, fully paid-up		
<b>Foskor (Pty) Limited</b>		
i) 1,99,590 (2020: 1,99,590) Ordinary shares of South African Rand 1 each, fully paid-up	-	-
ii) 46 (2020: 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 (2020: 16,139) Equity shares of ₹100 each, fully paid-up		
<b>Bharuch Enviro Infrastructure Limited</b>	444	247
16,100 (2020: 16,100) Equity shares of ₹10 each, fully paid-up		
<b>Narmada Clean Tech</b>	39	20
2,75,000 (2020: 2,75,000) Equity shares of ₹10 each, fully paid-up		
<b>A.P. Gas Power Corporation Limited</b>	12,391	12,316
53,92,160 (2020: 53,92,160) Equity shares of ₹10 each, fully paid-up		
<b>Total aggregate Equity investments at FVTOCI (E)</b>	<b>17,447</b>	<b>16,969</b>
<b>(f) Other investments at FVTPL</b>		
<b>Faering Capital India Evolving Fund</b>	266	174
19,442 (2020: 25,044) units of ₹1,000 each, fully paid-up		
<b>Total aggregate other investments (F)</b>	<b>266</b>	<b>174</b>
<b>(g) Others</b>		
Share application money pending allotment - at cost (Refer Note 40(E))	5	141
Loans at FVTOCI***	1,609	1,609
<b>Total aggregate others (G)</b>	<b>1,614</b>	<b>1,750</b>
<b>Total investments (A) + (B) + (C) + (D) + (E) + (F)+ (G)</b>	<b>35,247</b>	<b>33,464</b>
*less than a lakh		
Aggregate amount of quoted investments and market value thereof	18	3
Aggregate amount of unquoted investments	35,229	33,461
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 (2020: ₹1,609 Lakhs) to TIFERT which was compulsorily convertible to equity shares at the end of three years from June 2017. During the current year, the period has been extended for further 2 years.

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

\*\*\*\* Pursuant to Share Purchase Agreement dated 10 July 2020, the Company has acquired 50,00,000 equity shares held by M/s Soquimich European Holdings B.V. for a consideration of ₹1,200 lakhs. Consequent to this acquisition Coromandel SQM (India) Private Limited (CSQM) has become a wholly-owned subsidiary of the Company with effect from 24 August 2020.

### 7. Other financial assets

	As at 31 March 2021	As at 31 March 2020
<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	965	7,015
Derivatives that are designated in hedge accounting relationships	412	5
	<b>1,377</b>	<b>7,020</b>
<b>Financial assets carried at amortised cost</b>		
Advances with related parties (Refer Note 40(E))	422	14
Interest accrued but not due on deposits, loans, others*	1,260	283
Insurance claims receivable	573	2,739
	<b>2,255</b>	<b>3,036</b>
Current	<b>3,632</b>	<b>10,051</b>
Non-current	-	5
	<b>3,632</b>	<b>10,056</b>

\* Includes ₹3 lakhs (2020: ₹3 lakhs) interest receivable from related party. Refer Note 40(E)

### 8. Other non-current assets

	As at 31 March 2021	As at 31 March 2020
Capital advances	2,243	1,610
Deposits	3,038	2,765
Others	149	171
	<b>5,430</b>	<b>4,546</b>

### 9. Inventories

	As at 31 March 2021	As at 31 March 2020
Raw materials	68,977	56,120
Raw materials in-transit	53,471	22,988
Work-in-process	3,898	3,847
Finished goods	1,05,597	1,41,110
Stock-in-trade	18,547	36,936
Stores and spares	5,609	6,047
Packing materials	2,623	2,145
	<b>2,58,722</b>	<b>2,69,193</b>

Note: Refer Note 2.18 for basis of valuation and for details of inventories pledged refer Note 18.1

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 10. Current investments

	As at 31 March 2021	As at 31 March 2020
<b>Quoted instruments at FVTPL</b>		
<b>Unquoted other investments at FVTPL</b>		
<b>UTI Master Shares</b>	*	*
1,000 (2020: 1,000) shares of ₹10 each, fully paid-up		
<b>Total unquoted investments</b>	<b>*</b>	<b>*</b>
<b>Total current investments</b>	<b>*</b>	<b>*</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	*	*
Aggregate amount of impairment in value of investments	-	-

\* less than a lakh

### 11. Trade receivables

	As at 31 March 2021	As at 31 March 2020
(a) Secured, considered good	5,673	10,450
(b) Unsecured, considered good*	50,558	1,61,985
(c) Credit impaired	15,638	13,540
	71,869	1,85,975
Allowance for doubtful receivables	15,638	13,540
	<b>56,231</b>	<b>1,72,435</b>

\* Includes ₹3,324 lakhs (2020: ₹1,167 lakhs) receivable from related party. Also Refer Note 40(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.

#### Movement in the allowance for doubtful receivables

	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at beginning of the year	13,540	12,775
Impairment losses recognised on receivables	2,123	765
Amounts written off during the year as uncollectible	(25)	-
<b>Balance at end of the year</b>	<b>15,638</b>	<b>13,540</b>



## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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

	As at 31 March 2021	As at 31 March 2020
Cash on hand	29	12
Balances with Banks:		
in Current accounts	6,122	3,224
in Deposit accounts	57,831	-
	<b>63,982</b>	<b>3,236</b>

### 13. Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Restricted		
Dividend accounts	2,211	1,923
Bonus debenture redemption and interest	778	844
Margin money/ deposit	10	9
	<b>2,999</b>	<b>2,776</b>

#### Unclaimed dividend accounts

If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

#### Bonus debenture redemption and interest

If the proceeds on maturity of debentures and interest thereon has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid debenture account". The unclaimed amounts lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

#### Margin money / deposit

Amounts in margin money/deposit accounts represents amounts deposited with certain government agencies.

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 14. Loans

	As at 31 March 2021	As at 31 March 2020
<b>At amortised cost</b>		
Unsecured, considered good		
- Loans and advances to related parties (Refer Note 40 (E))	12	11
- Inter-corporate deposits	1,50,000	42,000
	<b>1,50,012</b>	<b>42,011</b>
Current	1,50,012	42,011
Non-current	-	-
	<b>1,50,012</b>	<b>42,011</b>

### 15. Other current assets

	As at 31 March 2021	As at 31 March 2020
Advances recoverable in kind or for value to be received		
Considered good #	31,276	24,666
Considered doubtful	442	483
	31,718	25,149
Less: Impairment allowance	442	483
	31,276	24,666
Others (including Goods and Services Tax balances)	18,586	19,005
6.20% Fertilizer companies' Government of India special bonds 2022	*	*
10,000 (2020: 10,000) bonds of ₹100/- each		
6.65% Fertilizer companies' Government of India special bonds 2023	*	*
5,000 (2020: 5,000) bonds of ₹100/- each		
	<b>49,862</b>	<b>43,671</b>

# Includes receivables from Related parties ₹3 lakhs (2020: ₹23 lakhs). Refer Note 40(E).

\* less than a lakh

Refer Note 18.1 for details of pledge on current assets.

### 16. Equity

#### 16.1 Equity share capital

	As at 31 March 2021	As at 31 March 2020
Authorised Share capital :		
35,00,00,000 (2020: 35,00,00,000) equity shares of ₹1 each	3,500	3,500
Issued, subscribed and fully paid-up:		
29,33,78,679 (2020: 29,29,53,749) fully paid equity shares of ₹1 each	2,934	2,930
	<b>2,934</b>	<b>2,930</b>

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 16.2 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:

	Numbers of Shares	Amount
<b>Balance as at 1 April 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>
Add: Equity shares allotted pursuant to exercise of stock options	4,24,930	4
<b>Balance as at 31 March 2021</b>	<b>29,33,78,679</b>	<b>2,934</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 2021, E.I.D.-Parry (India) Limited (Parent Company) held 16,54,55,580 (2020: 17,71,55,580) equity shares of ₹1 each fully paid-up representing 56.40% (2020: 60.47%) 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 2021-, shares reserved for issue under the 'ESOP 2007' scheme is 81,32,966 (2020: 81,35,116) equity shares of ₹1 each and under the 'ESOP 2016' scheme is 1,35,32,630 (2020: 1,39,55,410) equity shares of ₹1 each.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 33.

**16.6** There are no bonus shares issued and no shares were issued for consideration other than cash during the period of five years immediately preceeding the reporting date.

### 16.7 Cumulative redeemable preference shares

	As at 31 March 2021	As at 31 March 2020
<b>Authorised capital</b>		
50,00,000 (2020: 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 2021 (2020: Nil).

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 17. Other equity

	As at 31 March 2021	As at 31 March 2020
General reserve	2,63,592	2,63,592
Retained earnings	2,40,150	1,62,449
Capital reserve	20	20
Capital redemption reserve	986	986
Securities Premium	17,013	15,041
Central subsidy	11	11
ESOP reserve	1,102	1,241
Equity Instruments through OCI	(6,083)	(6,450)
Cash flow hedge reserve	306	(916)
	<b>5,17,097</b>	<b>4,35,974</b>

	As at 31 March 2021	As at 31 March 2020
<b>(i) General reserve</b>		
Balance at beginning of year	2,63,592	2,33,328
Amount transferred on cancellation of stock options	-	264
Amount transferred from retained earnings	-	30,000
	<b>2,63,592</b>	<b>2,63,592</b>
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
<b>(ii) Retained earnings</b>		
Balance at beginning of year	1,62,449	98,899
Profit for the year	1,31,218	1,05,917
Remeasurment of net defined benefit plans	(745)	(24)
Dividend on equity shares	(52,772)	(12,343)
Amount transferred to general reserve	-	(30,000)
	<b>2,40,150</b>	<b>1,62,449</b>

Retained earnings represents the Company's undistributed earnings after taxes.

In respect of the year ended 31 March 2021, the Board of Directors at their meeting held on 29 April 2021 have recommended a final dividend of ₹6 per share (600% on face value of ₹1 per share). The Board at its meeting held on 01 February 2021 had approved payment of interim dividend ₹6 per equity share (600% on face value of ₹1 per share). The total dividend is ₹12 per share (1200% on face value of ₹1 per share) for the year ended 31 March 2021. The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total amount paid with respect to interim dividend is ₹17,595 Lakhs. The total estimated amount to be paid with respect to final dividend is ₹17,603 Lakhs.

In respect of the year ended 31 March 2020, the directors proposed that a final dividend of ₹12 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 dividend is ₹35,177 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.



## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
(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	15,041	13,201
	Amount transferred on exercise of employee stock option	538	479
	Amount received on exercise of employee stock option	1,434	1,361
		17,013	15,041
	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	1,241	1,466
	Amount transferred to on exercise/ cancellation of employee stock option	(538)	(743)
	Recognition of share based payment expense	399	518
		1,102	1,241
	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 securities premium 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	(6,450)	(7,425)
	Net fair value gain/ (loss) on investments in equity instruments at FVTOCI (net of tax)	367	975
		(6,083)	(6,450)
	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	(916)	(18)
	Effective portion of cash flow hedges (net of tax)	1,222	(898)
		306	(916)
	Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income		

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 18. Borrowings

	As at 31 March 2021	As at 31 March 2020
<b>Secured- at amortised cost</b>		
Loan repayable on demand from banks	45	5,674
Short term loans from banks	-	61,695
<b>Unsecured- at amortised cost</b>		
Short term loans from		
Banks	-	65,143
Others		30,000
Loans from related parties (Refer Note 40 (E))	248	248
	293	162,760
Long term borrowings	-	-
Short term borrowings	293	162,760
	293	162,760

#### 18.1 Summary of borrowing arrangements

- There are no outstanding long-term borrowings as of 31 March 2021 and as on 31 March 2020.
- Secured loans repayable on demand comprises cash credit balances secured by a pari-passu charge on current assets of the Company. Further, some of these are also secured by second charge on moveable fixed assets of the Company.
- Secured short-term loans from banks comprises of working capital demand loans secured by a pari-passu charge on current assets of Company. Further, certain borrowings are secured by specific subsidy receivables and letter of comfort from Government of India under Special Banking Arrangement.
- Unsecured short term loans comprises of commercial paper and short term loans from banks.
- Unsecured loans from related parties comprise of loan from a subsidiary, Liberty Pesticides and Fertilizers Limited.

#### 18.2 Breach of loan agreement

There is no breach of loan agreement.

### 19. Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
<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	249	921
Derivatives designated in hedge accounting relationships (includes non-current portion of ₹Nil (2020: ₹2 lakhs))	4	1,229
	253	2,150
<b>Financial liabilities carried at amortised cost</b>		
Security and trade deposits received (includes non-current portion of ₹176 lakhs (2020: ₹144 lakhs))	16,124	15,036
Interest accrued but not due on borrowings	1	284

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due on others	1,253	1,142
Unclaimed dividends	2,211	1,923
Unclaimed debentures	778	844
Payables on purchase of fixed assets	1,150	2,546
Others	500	-
	<b>22,017</b>	<b>21,775</b>
	<b>22,270</b>	<b>23,925</b>
Current	22,094	23,779
Non-current	176	146
	<b>22,270</b>	<b>23,925</b>

### 20. Provisions

	As at 31 March 2021	As at 31 March 2020
Employee benefits*	3,527	3,568
	<b>3,527</b>	<b>3,568</b>
Current	2,155	1,460
Non-current	1,372	2,108
	<b>3,527</b>	<b>3,568</b>

\*The provision for employee benefits represents leave entitlements and gratuity. Refer Note 34(a) for details of gratuity obligation.

### 21. Income tax

#### 21.1 Deferred tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities	13,776	14,114
Deferred tax assets	(8,160)	(8,485)
	<b>5,616</b>	<b>5,629</b>

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

2020-2021	Opening balance 1 April 2020	Recognised in Profit or loss	Recognised in other comprehensive income	Closing balance 31 March 2021
<b>Deferred tax liabilities/(assets) in relation to:</b>				
Property, plant and equipment	14,114	(338)	-	13,776
Investments at FVTOCI	(1,907)	-	111	(1,796)
Provision for doubtful debts and advances	(3,529)	(518)	-	(4,047)
Statutory dues allowable on payment basis	(315)	(19)	-	(334)
Employees separation and retirement costs	(826)	161	(251)	(916)
Others	(1,908)	430	411	(1,067)
<b>Total</b>	<b>5,629</b>	<b>(284)</b>	<b>271</b>	<b>5,616</b>

2019-2020	Opening balance 1 April 2019	Recognised in Profit or loss	Recognised in other comprehensive income	Closing balance 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>

#### 21.2 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

	As at 31 March 2021	As at 31 March 2020
- long-term capital loss	44	44
	<b>44</b>	<b>44</b>

Long-term capital loss of ₹35 lakhs is available for set-off till 31 March 2025 and ₹9 lakhs till 31 March 2027 and ₹0.3 lakhs till 31 March 2029 (2020: ₹35 lakhs till 31 March 2025 and ₹9 lakhs till 31 March 2027).



## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 21.3 Income tax credit/(expense) recognised directly in equity

	For the year ended 31 March 2021	For the year ended 31 March 2020
Tax effect on changes in fair value of other investments	(111)	(296)
Tax effect on actuarial gains/(losses) on defined benefit obligations	251	(110)
Tax effect on Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(411)	299
	<b>(271)</b>	<b>(107)</b>

### 21.4 Current tax liabilities (net)

	As at 31 March 2021	As at 31 March 2020
Income tax payable (net of advance tax)	3,602	4,286
	<b>3,602</b>	<b>4,286</b>

### 21.5 Reconciliation of tax expense to the accounting profit is as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Accounting profit before tax</b>	<b>1,76,555</b>	<b>1,37,136</b>
Tax expense at statutory tax rate of 25.17% (2020: 25.17%)	44,439	34,517
<i>Adjustments:</i>		
Effect of income that is exempt from tax	-	(17)
Effect of expenses that are not deductible in determining taxable profit	885	371
Effect of concessions (research and development and other allowances)	(21)	(17)
Effect of change in tax rate	-	(3,818)
Others	34	183
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>45,337</b>	<b>31,219</b>

### 22. Other liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers	5,904	6,588
Income received in advance	827	876
Other liabilities (including statutory remittances)	1,140	1,126
	<b>7,871</b>	<b>8,590</b>
Current	7,044	7,714
Non-current	827	876
	<b>7,871</b>	<b>8,590</b>

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 23. Trade payables

	As at 31 March 2021	As at 31 March 2020
Acceptances	1,13,353	63,073
Other than Acceptances	1,79,304	2,71,644
	<b>2,92,657</b>	<b>3,34,717</b>
of the above:		
i) Total outstanding dues of micro enterprises and small enterprises*	936	943
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises**	2,91,721	3,33,774
	<b>2,92,657</b>	<b>3,34,717</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 45.

\*\* Includes amount payable to related party ₹1,208 Lakhs (2020: ₹1,230 lakhs). Also refer note 40(E).

### 24. Revenue from operations

	For the year ended 31 March 2021	For the year ended 31 March 2020
The following is an analysis of the Company's revenue:		
Sales	10,76,909	9,82,084
Government subsidies	3,32,468	3,25,119
Other operating revenue	6,918	4,516
<b>Total Revenue from operations</b>	<b>14,16,295</b>	<b>13,11,719</b>
<b>Other operating revenues comprise:</b>		
Service income	421	409
DEPB income/ excise benefits	1,696	2,263
Provision for liabilities no longer required, written back	3,153	45
Insurance claim	274	22
Others	1,374	1,777
	<b>6,918</b>	<b>4,516</b>

### 25. Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income	4,075	3,703
Dividend income from investments carried at FVTPL	-	13
Dividend income from investments carried at FVTOCI	5	19
Profit on sale of investment	-	34
Gain on measuring investments at FVTPL (net)	162	-
	<b>4,242</b>	<b>3,769</b>

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 26. Changes in inventories of finished goods, work-in-process and stock-in-trade

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>As at 1 April</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>
<b>Less: As at 31 March</b>		
Work-in-process	3,898	3,847
Finished goods	1,05,597	1,41,110
Stock-in-trade	18,547	36,936
	1,28,042	1,81,893
	<b>53,851</b>	<b>20,174</b>

### 27. Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	45,177	37,903
Share based payments (Refer note 33.3)	399	518
Contribution to provident and other funds	3,974	3,330
Staff welfare expenses	3,878	3,971
	<b>53,428</b>	<b>45,722</b>

### 28. Finance cost

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense (Refer notes below)	6,264	19,283
Other borrowing costs and charges	727	675
Lease interest cost	3,579	3,571
	<b>10,570</b>	<b>23,529</b>

Notes:

- 1) Net of ₹ Nil capitalised (2020: ₹ 433 lakhs capitalised at the average interest rate of 5.01%)
- 2) Includes ₹ 10 lakhs (2020: ₹15 lakhs) towards loan taken from a related party (Refer note 40(B))

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 29. Depreciation and amortisation expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (Refer note 3)	13,393	11,957
Amortisation of intangible assets (Refer note 5)	133	168
Amortisation on Right-of-use assets (Refer note 4 )	3,683	3,602
	<b>17,209</b>	<b>15,727</b>

### 30. Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Stores and spares consumed	11,343	8,594
Power, fuel and water	31,471	28,044
Rent	1,093	882
Repairs to:		
Buildings	569	623
Machinery	4,328	3,606
Others	2,900	2,160
Insurance charges	2,754	2,091
Rates and taxes	1,402	1,082
Freight and distribution	89,236	88,440
Exchange differences (net)	4,845	12,218
Loss on sale/scrap of property, plant and equipments (net)	468	477
Impairment allowance recognised for doubtful trade and other receivables, loans and advances (net)	2,169	845
Trade and other receivables written off	35	-
Loss on measuring investments at FVTPL (net)	-	104
Loss on sale of investments	17	-
Miscellaneous expenses	44,293	39,554
	<b>1,96,923</b>	<b>1,88,720</b>



# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 31. Segment information

### 31.1 Products and services from which reportable segments derive their revenues

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Company's reportable segments under Ind AS 108 are as follows:

1. Nutrient and other allied business
2. Crop protection

The following is an analysis of the Company's revenue and results from operations by reportable segment:

	Segment revenue		Segment Profit	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Nutrient and other allied business	12,20,694	11,55,003	1,68,485	1,50,725
Crop protection	2,05,824	1,66,590	33,328	21,601
	<b>14,26,518</b>	<b>13,21,593</b>	<b>2,01,813</b>	<b>1,72,326</b>
Less: Inter - segment	(10,223)	(9,874)	328	(648)
<b>Total</b>	<b>14,16,295</b>	<b>13,11,719</b>	<b>2,02,141</b>	<b>1,71,678</b>
Other income			4,242	3,769
Unallocable expense			(19,258)	(14,782)
Finance costs			(10,570)	(23,529)
<b>Profit before tax</b>			<b>1,76,555</b>	<b>1,37,136</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

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Segment assets</b>		
Nutrient and other allied business	4,95,091	7,83,798
Crop protection	1,43,833	1,49,208
Unallocable assets	2,55,277	88,770
<b>Total assets</b>	<b>8,94,201</b>	<b>10,21,776</b>
<b>Segment liabilities</b>		
Nutrient and other allied business	2,91,473	3,55,229
Crop protection	65,163	45,057
Unallocable liabilities	17,534	1,82,586
<b>Total liabilities</b>	<b>3,74,170</b>	<b>5,82,872</b>

# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 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.

### 31.3 Other segment information

	Depreciation and amortisation		Additions to non- current assets	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020*
Nutrient and other allied business	12,990	12,090	12,246	62,405
Crop protection	4,219	3,637	6,919	6,241

\* Includes Right-of-use recognised on transition date, 1 April 2019

### 31.4 Revenue from major products

The following is an analysis of the Company's revenue from operations from its major products:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Phosphatic Fertilisers	6,66,878	6,37,951
Urea	33,321	25,957
Muriate of Potash	32,065	28,172
Single Super Phosphate	43,873	37,278
Others	1,12,089	1,00,526
	<b>8,88,226</b>	<b>8,29,884</b>
Government subsidies	3,32,468	3,25,119
<b>Nutrient and other allied business</b>	<b>12,20,694</b>	<b>11,55,003</b>
Crop protection	2,05,824	1,66,590
<b>Total</b>	<b>14,26,518</b>	<b>13,21,593</b>
Less: Inter - segment	(10,223)	(9,874)
<b>Revenue from operations</b>	<b>14,16,295</b>	<b>13,11,719</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.

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

The following table summarises the capital of the Company:

	As at 31 March 2021	As at 31 March 2020
Equity	5,20,031	4,38,904
Short-term borrowings	293	1,62,760
Inter-corporate deposits with financial institution	(1,50,000)	(42,000)
Cash and cash equivalents	(63,982)	(3,236)
<b>Net debt</b>	<b>(2,13,689)</b>	<b>1,17,524</b>
<b>Total capital (equity + net debt)</b>	<b>3,06,342</b>	<b>5,56,428</b>
Net debt to capital ratio	*	0.21
Interest coverage ratio	19.33	7.50

\* As at 31 March 2021, Short term borrowings are lower than the balances of Inter corporate deposits with financial institutions and Cash and cash equivalents.

### 32.2 Categories of financial instruments

	As at 31 March 2021	As at 31 March 2020
<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	965	7,015
(ii) Derivative instruments designated in hedge accounting relationship	412	5
(iii) Equity investments	18	3
(iv) Other investments	266	174
<b>Measured at amortised cost</b>		
(a) Cash and cash equivalents	63,982	3,236
(b) Bank balances other than cash and cash equivalents	2,999	2,776
(c) Other financial assets at amortised cost	2,67,464	4,49,104
<b>Measured at FVTOCI*</b>		
(a) Investments in equity instruments designated upon initial recognition	17,447	16,969
(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	15,907	14,709
<b>Financial liabilities</b>		
<b>Measured at fair value through profit or loss (FVTPL)*</b>		
(a) Derivative instruments not designated in hedge accounting relationship	249	921
(b) Derivative instruments designated in hedge accounting relationship	4	1,229
Measured at amortised cost	3,53,301	5,58,649

\* Refer Note 32.9 for fair valuation methods and assumptions

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 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

### 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,



## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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 2021 and 31 March 2020.

- a. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Currency	Liabilities		Assets	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
USD (millions)	256.81	335.46	37.30	40.25
INR (₹ in lakhs)	1,87,764	2,53,826	27,266	30,455
EURO (millions)	0.04	0.05	1.52	2.18
INR (₹ in lakhs)	36	45	1,305	1,805

- b. Foreign currency forward and option contracts outstanding as at the Balance Sheet date:

Currency	As at 31 March 2021		As at 31 March 2020	
	Buy	Sell	Buy	Sell
<b>Forward contracts</b>				
USD (millions)*	191.29	65.92	293.96	73.33
INR (₹ in lakhs)	1,39,865	48,190	2,22,425	55,479
Number of contracts	63	59	96	47

The forward contracts have been entered into to hedge the purchase of raw materials and stock-in-trade and the related buyer's credit and in certain cases the foreign currency trade receivables.

\* Includes 65.92 USD (millions) (31 March 2020 : 70.11 USD (millions)) Sell contracts outstanding under past performance facility/anticipated exposure as per Reserve Bank of India (RBI) Master Direction on Risk Management and Inter-Bank Dealings.

- c. Net open exposures outstanding as at the Balance Sheet date:

Currency	Liabilities		Assets	
	As at March 2021	As at March 2020	As at March 2021	As at March 2020
USD (millions)	65.51	41.50	-	-
INR (₹ in lakhs)	47,899	31,401	-	-
EURO (millions)	0.04	0.05	1.52	2.18
INR (₹ in lakhs)	36	45	1,305	1,805

- d. Summary of hedging instruments outstanding at the end of the year designated as cash flow hedges:

As at	No. of contracts	USD (millions)	Amount in ₹ lakhs	Average exchange rate
Sell Currency - 31 March 2021	43	46.83	34,757	74.22
USD with tenor 31 March 2020 less than a year	25	50.82	38,450	75.66

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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:	2020-21	2019-20
Impact of ₹1 strengthening against US Dollar on profit or loss for the year	490	311
Impact of ₹1 weakening against US Dollar on profit or loss for the year	(490)	(311)
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	490	311
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	(490)	(311)

### 32.4.2 Interest rate risk management

The Company issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

#### Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended 31 March 2021 would decrease/ increase by ₹1.09 lakhs (31 March 2020: ₹ 609 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.

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

If equity prices had been 5% higher/lower other comprehensive income/ equity for the year ended 31 March 2021 would increase/ decrease by ₹ 653 Lakhs (31 March 2020: ₹651 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 2021:

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	2,92,657	2,92,776	-	-	2,92,776
Borrowings and interest thereon#	294	294	-	-	294
Other financial liabilities**	22,016	21,821	-	1,500	23,321
Lease Liability	38,334	2,143	3,817	32,374	38,334
Foreign currency forward contracts	253	253		-	253
<b>Total</b>	<b>3,53,554</b>	<b>3,17,287</b>	<b>3,817</b>	<b>33,874</b>	<b>3,54,978</b>

The table below provides details of financial assets as at 31 March 2021:

	Carrying amount
Investments	*
Trade receivables	56,231
Government subsidies receivable	58,966
Cash and cash equivalents including other bank balances	66,981
Loans	1,50,012
Other financial assets	2,255
Foreign currency forward contracts	1,377
<b>Total</b>	<b>3,35,822</b>

\* Less than a lakh

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020:

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted 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>

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	3,036
Foreign currency forward contracts	7,015
<b>Total</b>	<b>4,62,131</b>

\* Less than a lakh

# 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 ₹15,948 Lakhs (31 March 2020: ₹14,892 Lakhs). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment, these deposits have been classified as current balances. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

### 32.7 Financial guarantee contract

The Company has provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of 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.

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



# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

such an event of payment under guarantee amount will arise. TIFERT has paid the subsequent half-yearly instalments that were due as per the payment schedule. The sponsor guarantee was valid upto 31 March 2018. The Company's obligation under this corporate guarantee if that amount is claimed by the counterparty to the guarantee is subject to a maximum of ₹10,299 Lakhs (31 March 2020: ₹13,707 Lakhs).

### 32.8 Financing facilities

The Company has access to financing facilities of which ₹3,49,821 Lakhs (as at 31 March 2020: ₹3,10,699 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 2021	As at 31 March 2020		
1) Foreign currency forward contracts	1,124	4,870	Level 2	Refer Note 3(a) below
2) Investments in quoted equity instruments at FVTPL	18	3	Level 1	Refer Note 2 below
3) Investments in unquoted venture capital fund at FVTPL	266	174	Level 3	Refer Note 4(a) below
4) Investments in unquoted equity instruments at FVTOCI	14,292	14,217	Level 3	Refer Note 4(b) below
	3,155	2,752	Level 3	Refer Note 4(c) below

\* positive value denotes financial asset (net) and negative value denotes financial liability (net)

Notes:

1. There were no transfers between Level 1 and 2 in the period.
2. The Level 1 financial instruments are measured using quotes in active market.
3. 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

forming part of the financial statements (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 ₹15 lakhs (2020: ₹13 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 3% (2020: 0 to 2%)	If the long-term growth rates used were 100 basis points higher/lower while all the other variables were held constant, the carrying amount would increase/decrease by ₹1,203 lakhs (2020: ₹1,766 lakhs)
		Weighted average cost of capital (WACC) as determined ranging from 13% to 17% (2020: 12% to 16%)	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 ₹1,335 lakhs (2020: ₹1,427 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% (2020: 30% to 50%)	A 10% increase/ decrease in the discount for lack of marketability used in isolation would decrease/ increase the carrying amount by ₹291 lakhs (2020: ₹206 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 2021		As at 31 March 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Financial assets at amortised cost:					
- Trade receivables	Level 2	56,231	56,231	1,72,435	1,72,435
- Government subsidies receivable	Level 2	58,966	58,966	2,31,622	2,31,622
- Cash and cash equivalents	Level 2	63,982	63,982	3,236	3,236
- Bank balances other than cash and cash equivalents	Level 2	2,999	2,999	2,776	2,776
- Loans	Level 2	1,50,012	1,50,012	42,011	42,011
- Other financial assets	Level 2	2,255	2,255	3,036	3,036

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	Fair value hierarchy	As at 31 March 2021		As at 31 March 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
- Borrowings	Level 2	293	293	1,62,760	1,62,760
- Trade payables	Level 2	2,92,657	2,92,657	3,34,717	3,34,717
- Other financial liabilities	Level 2	22,017	22,049	21,775	21,921
- Lease liabilities	Level 2	38,334	38,334	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 2021:

	Investments in unquoted venture capital fund at FVTPL	Investments in unquoted equity instruments at FVTOCI	Total
Opening balance	174	16,969	17,143
Total gains or losses:			
- in profit or loss	148	-	148
- in other comprehensive income (net)	-	478	478
Purchases	-	-	-
Sold	(56)	-	(56)
<b>Closing balance</b>	<b>266</b>	<b>17,447</b>	<b>17,713</b>

### 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>

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 33 Share based payments

Particulars	Employee Stock Option Scheme 2007 ('ESOP 2007 Scheme')	Employee Stock Option Scheme 2016 ('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 31 March 2021		For the year ended 31 March 2020	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	2,150	287.50	28,400	287.50
Granted	-	-	-	-
Exercised	2,150	287.50	26,250	287.50
Cancelled	-	-	-	-
Lapsed	-	-	-	-
At the end of the year	-	-	2,150	287.50

- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of nil years (2020: 0.01 years). The exercise price of the outstanding options is Nil (2020 : ₹287.50). The weighted average share price during the year is ₹740 (2020 : ₹468).
- c) Number of options exercisable at the end of the year Nil (2020 : 2,150).
- 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

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

Following assumptions were used for calculation of fair value of grants:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend yield (%)	-	700
Expected volatility (%)	-	0.39-0.47
Risk free interest rate (%)	-	8
Expected term (in years)	-	4-6

### 33.2 Employee Stock Option Scheme 2016 ('ESOP 2016 Scheme'):

- a) Pursuant to the ESOP 2016 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	17,55,990	357.49	21,54,120	347.68
Granted*	2,13,400	734.21	1,26,840	375.90
Exercised	4,22,780	338.84	4,00,170	322.30
Cancelled	1,47,870	354.92	1,24,800	319.65
Lapsed	-	-	-	-
At the end of the year	13,98,740	420.87	17,55,990	357.49

- \* the weighted average fair value of options granted during the year is ₹265.68 (2020: ₹127.91)
- b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 1.93 years (2020: 2.39 years). The exercise price of the outstanding options range from ₹319.65 to ₹799.35 (2020: ₹319.65 to ₹529.40). The weighted average share price during the year is ₹740 (2020: ₹468).
- c) Number of options exercisable at the end of the year are 9,68,110 (2020: 8,21,850).
- d) The fair values of the option were determined using a Black Scholes' model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 5-6 years.

Following assumptions were used for calculation of fair value of grants:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend yield (%)	650	650
Expected volatility (%)	0.32-0.33	0.32-0.33
Risk free interest rate (%)	4.77-5.86	6.14-6.43
Expected term (in years)	3.50-6.51	3.51-6.51

### 33.3 Share based payments

The Company recorded employee share based payments of ₹399 Lakhs (2020: ₹518 Lakhs) under 'Employee benefits expense'.

# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 34 Employee benefits plan

#### a) Defined benefit plans

	Gratuity plan	
	2020-2021	2019-2020
<b>Change in Defined Benefit Obligation (DBO) during the year</b>		
Present value of DBO at the beginning of the year	5,854	5,405
Current service cost	637	578
Interest cost	371	379
Actuarial loss/(gain) arising from changes in financial assumptions	(9)	244
Actuarial loss/(gain) arising from changes in experience adjustments	504	(9)
Benefits paid	(846)	(743)
<b>Present value of DBO at the end of the year</b>	<b>6,511</b>	<b>5,854</b>
<b>Change in fair value of plan assets during the year</b>		
Fair value of plan assets at the beginning of the year	5,624	5,622
Interest income	400	424
Employer contributions	1,400	-
Benefits paid	(846)	(743)
Remeasurements – return on plan assets (excluding interest income)	(501)	321
<b>Fair value of assets at the end of the year</b>	<b>6,077</b>	<b>5,624</b>
<b>Amounts recognised in the Balance Sheet</b>		
Present value of DBO at the end of the year	6,511	5,854
Fair value of plan assets at the end of the year	(6,077)	(5,624)
<b>Funded status of the plans – (asset)/ liability</b>	<b>434</b>	<b>230</b>
<b>(Asset)/ liability recognised in the Balance Sheet</b>	<b>434</b>	<b>230</b>
<b>Components of employer expense</b>		
Current service cost	637	578
Interest income on net defined benefit obligation	(29)	(44)
<b>Expense recognised in Statement of Profit and Loss</b>	<b>608</b>	<b>534</b>
<b>Remeasurement on the net defined benefit obligation</b>		
Return on plan assets (excluding interest income)	501	(321)
Actuarial loss/(gain) arising from changes in financial assumptions	(9)	244
Actuarial loss/(gain) arising from changes in experience adjustments	504	(9)
<b>Remeasurements recognised in other comprehensive income</b>	<b>996</b>	<b>(86)</b>
<b>Total defined benefit cost recognized</b>	<b>1,604</b>	<b>448</b>

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

Nature and extent of investment details of the plan assets#	2020-21	2019-20
State and Central Securities	-	-
Bonds	-	-
Special Deposits	-	-
Insurer managed finds	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.

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.

Assumption	31 March 2021	31 March 2020
Discount rate	6.86%	6.84%
Estimated rate of return on plan assets	7.12%	7.54%
Expected rate of salary increase	5-7%	5-7%
Attrition rate	5%	5%

### Sensitivity analysis - DBO at the end of the year

	31 March 2021	31 March 2020
Discount rate + 100 basis points	6,081	5,498
Discount rate - 100 basis points	7,003	6,259
Salary increase rate +1%	6,942	6,209
Salary increase rate -1%	6,125	5,534
Attrition rate +1%	6,484	5,844
Attrition rate -1%	6,542	5,865

	31 March 2021	31 March 2020
<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	636	709
2. Expected benefit payments		
Year 1	889	807
Year 2	805	717
Year 3	621	655
Year 4	482	498
Year 5	485	392
Beyond 5 years	1,920	1,608

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### b) Defined contribution plans

In respect of the defined contribution plans, an amount of ₹3,363 Lakhs (2020: ₹2,793 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 31 March 2021	For the year ended 31 March 2020
i) Profit after tax (₹in Lakhs) [a]	1,31,218	1,05,917
<b>Basic</b>		
ii) Weighted average number of equity shares of ₹1/- each outstanding during the year [b]	29,31,65,645	29,26,25,865
<b>Dilution</b>		
iii) Effect of potential equity shares on employees stock options outstanding	7,94,319	7,14,322
iv) Weighted average number of equity shares of ₹1/- each outstanding during the year [c]	29,39,59,964	29,33,40,187
<b>Earnings Per Share (face value of ₹1/- each)</b>		
v) Basic – [a]/[b] – (₹)	44.76	36.20
vi) Diluted – [a]/[c] – (₹)	44.64	36.11

### 36 Contingent liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debt:

	As at 31 March 2021	As at 31 March 2020
In respect of matters under dispute:		
Excise duty	344	390
Customs duty	820	848
Sales tax	1,267	1,549
Income tax	406	2,096
Service tax	264	248
Goods and Services Tax	37	5
Others	5,630	5,630

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

	As at 31 March 2021	As at 31 March 2020
Nature and extent of investment details of the plan assets#		
Capital expenditure commitments	5,961	5,983
Commitment towards investments	-	1,200



# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 38 Corporate social responsibility

As per Section 135 of the Companies Act, 2013 (‘Act’), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The focus areas of Company’s CSR activities are Education and Health care & while also pursuing CSR activities for the benefit of community around its local areas of operations. The CSR activities of the Company are in line with the Schedule VII of the Act. A CSR committee has been formed by the Company as per the Act. The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company as specified in Schedule VII of the Act, as amended from time to time.

a) Gross amount required to be spent by the company during the year is ₹2,322 lakhs.

b) Amount spent during the year on:

Particulars	(₹ in Lakhs)
(i) Construction / acquisition of any asset	-
(ii) On purposes other than (i) above	2,178

c) Details of amount unspent

Opening balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year (Refer Note below)	Closing balance
152	-	2,322	2,178	296

**Note:**

Includes amount of ₹102 Lakhs pertaining to amounts unspent on CSR projects due to COVID-19 pandemic and ₹194 Lakhs contributed to and remaining unspent by implementation partner AMM foundation for ongoing CSR activities.

The Company has transferred these unspent amounts to a separate bank account on April 30, 2021 in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.

## 39 Research and development expenses incurred on the following heads have been accounted under the natural heads:

(₹ in Lakhs)

Nature and extent of investment details of the plan assets#	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	945	880
Contribution to provident and other funds	91	77
Consumption of stores and spare parts	134	228
Power and fuel	58	61
Repairs to machinery	47	120
Miscellaneous expenses	178	497
	1,453	1,863

# Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 40 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 2021	31 March 2020
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	100
Coromandel SQM (India) Pvt Limited (CSQM) (Joint Venture till 23 August 2020)	Subsidiary	India	100	50
Sabero Organics Philippines Asia Inc.	Associate	Philippines	40	40
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 (PF Trust)	Employee benefit plan
Coromandel Provident Fund No. 1 (PF Trust)	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. A. Vellayan	Key management personnel (appointed as Additional Director w.e.f. 11 November 2020 and as Chairman w.e.f. 12 November 2020)
Mr. Arun Alagappan	Key management personnel (appointed as Additional Director w.e.f. 11 November 2020 and as Executive Vice Chairman w.e.f. 15 February 2021)
Mr. Arun Vellayan	Relative of Key management personnel –son of Chairman.
Mr. Narayanan Vellayan	Relative of Key management personnel -son of Chairman.
Mr. Sameer Goel	Key management personnel (Managing director)
Mr. S Suresh	Key management personnel of Parent company

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### (B) Transactions during the year:

	For the year ended 31 March 2021	For the year ended 31 March 2020
i) Sale of finished goods/raw materials/services		
a) Subsidiary-CSQM	747	298
b) Subsidiary- PAI	7,178	4,060
ii) Rent received		
a) Fellow subsidiary – PICPL	95	95
b) Subsidiary – CSQM	17	4
c) Associate – PEIL	-	8
iii) Expenses reimbursed by		
a) Subsidiary – CSQM	54	54
b) Associate – PEIL	-	3
c) Subsidiary - PAI	6	7
d) Subsidiary – PCL	26	24
iv) Purchase of finished goods and services		
a) Parent company	842	320
b) Joint venture – CSQM	5,136	4,195
c) Associate – PEIL	157	1,230
v) Commission on sales		
a) Subsidiary – PCL	31	28
b) Subsidiary – CBL	263	309
c) Subsidiary – Coromandel Mexico	161	228
d) Subsidiary – SOAL	91	224
e) Subsidiary – Sabero Australia	20	64
f) Subsidiary – CINL	43	22
g) Associate – Sabero Philippines	46	22
vi) Expenses reimbursed to		
a) Parent company	195	693
b) Subsidiary – LPFL	1	5
c) Subsidiary – PAI	-	29
vii) Interest received on Inter corporate deposit/Loan		
a) Subsidiary - DIL	1	1
viii) Investment made in Equity shares of		
a) Joint Venture – Yanmar	-	300
b) Subsidiary- CMS	-	7
ix) Purchase of assets and spares		
a) Joint venture – YCAS	34	36
x) Dividend paid (including interim dividend payable)		
a) Parent company	30,484	6,200
xi) Rent paid		
a) Parent company	65	49
b) Subsidiary – PCL	3	3
c) Joint venture – YCAS	-	1
xii) Interest paid on loans		

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Subsidiary – LPFL	10	15
xiii) Loan given		
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 2021 ₹32 Lakhs (2020: ₹6 Lakhs).

b) Compensation of key management personnel of the Company:

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term employee benefits	1,062	496
Others*	332	319
<b>Total compensation</b>	<b>1,394</b>	<b>815</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) During the year, the company has sold car and laptop to its key managerial personnel for ₹7 lakhs.

(D) Refer Note 34 for transactions with Employee benefit funds.

### (E) Outstanding balances as at the year end

	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Trade receivables/Loans and advances		
- Parent company	725	254
- Subsidiary – PCL	-	3
- Subsidiary – DIL	15	14
- Subsidiary – PAI	2,215	745
- Subsidiary – CINL	-	2
- Subsidiary – CSQM	373	140
- Associate – PEIL	5	37
- Associate – Sabero Philippines	6	6
- Subsidiary – SOAL	-	135
- Fellow subsidiary – PICPL	3	22
- PF Trust	422	-
b) Trade payables/ Other liabilities		
- Parent company	295	645
- Subsidiary – CSQM	894	514
- Fellow subsidiary – PICPL	1,019	1,049
- Subsidiary – LPFL	248	248



## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
- Joint venture – YCAS	11	19
- Associate – PEIL	8	28
- Subsidiary – Coromandel Mexico	-	24

### 41 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 31 March 2021	Maximum balance outstanding during the year
Dare Investments Limited (DIL) (Refer note b)	Subsidiary	12	12
		(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.

### 42 Payments to Auditors

₹ in Lakhs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit fees	75	75
Tax audit fees	15	15
Limited reviews	36	36
Certifications	70	70
Other services	-	10
Reimbursement of expenses	2	2
<b>Total</b>	<b>198</b>	<b>208</b>

Note: Amounts given above excludes Goods and Services Tax/ service tax

- During the year, the Company has made political donation of ₹ Nil (2020: ₹ 413 Lakhs) to Triumph Electoral Trust.
- During the previous year 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. There are no Commercial papers outstanding as on 31 March 2021
- 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:

## Standalone Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

₹ in Lakhs

Sl. No.	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	936	943
(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.

- The Board of Directors have approved the proposed Scheme of Amalgamation of Liberty Pesticides and Fertilizers Limited (LPFL) and Coromandel SQM (India) Private Limited (CSQM) with the Company subject to approval of the Hon'ble National Company Law Tribunal, Hyderabad (NCLT) under Section 230 and 232 of the Companies Act 2013. Upon approval of the Scheme by NCLT, the undertakings of LPFL and CSQM shall get transferred to and vested in the Company with the Appointed Date of 01 April 2021 or such other date as the NCLT may approve.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 48 Approval of financial statements

The financial statements were approved by the Board of Directors on 29 April 2021.

For and on behalf of the Board of Directors

**Sameer Goel**  
Managing Director

**A Vellayan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**Rajesh Mukhija**  
Company Secretary

Place : Secunderabad/ Chennai  
Date : 29 April 2021

# 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, 2021, 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, 2021, 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, its associate and joint ventures 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-paragraphs (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.

Sl.No.	Key Audit Matter	Auditor's Response
1	<b>Revenue Recognition – Sale of goods</b>  Refer to note 2.6 'Revenue recognition', note 2.31.1 'Critical judgements in applying accounting policies' and note 2.31.2 'Key sources of estimation uncertainty' to the consolidated financial statements.  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.	<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></ul></li></ul>

Sl.No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"><li>We have evaluated the delivery and shipping terms of the contracts for revenue recognised during the period.</li><li>We have also tested the location stock reports from Company warehouses, where applicable, for confirmation on sales quantity made during the year.</li><li>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>Accuracy, recognition, measurement, valuation, presentation and disclosures of Subsidy income/Government subsidies and related receivables</b>  Refer to note 2.6 'Revenue recognition' and note 2.31.2 'Key sources of estimation uncertainty' to the consolidated financial statements.  Subsidy income pertaining to the Nutrient and other allied business is recognised on the basis of the rates notified from time to time by the Department of Fertilisers, Government of India ('GOI') in accordance with the Nutrient Based Subsidy ('NBS') policy on the quantity of fertilisers sold by the Company for the period for which notification has been issued and for the remaining period, based on estimates, when there is a reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including Direct Benefit Transfer ('DBT') System which was introduced by Government of India.  For the year ended March 31, 2021, subsidy income of ₹ 332,468 lakhs is recognised. Recognition and realisability of subsidy income is dependent on GOI Policy and its various initiatives/schemes.	<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 enquired 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 during the year and also the subsequent receipts.</li><li>We have tested whether the deductions made by the GOI have been adjusted in the books of accounts.</li></ul>



### 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 Director's 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 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 an 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 an associate, is traced from their financial statements audited by the 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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to 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 branches or 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 the 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

- We did not audit the financial statements / financial information of nine subsidiaries, whose financial statements / financial information reflect total assets of ₹ 13,522 lakhs as at March 31, 2021, total revenues of ₹ 13,048 lakhs and net cash inflows amounting to ₹ 2,216 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 ₹ 10 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of one associate and an joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and an associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and an associate is based solely on the reports of the other auditors.

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 five subsidiaries, whose financial statements / financial information reflect total assets of ₹ 328 lakhs as at March 31, 2021, total revenues of ₹ 263 lakhs and net cash outflows amounting to ₹ 45 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 ₹ 531 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of a joint venture, 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 and a joint venture 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, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on March 31, 2021 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/payable by the Parent Company to its Managing director during the year is in accordance with the provisions of Section 197 of the Act and the remuneration paid/payable in respect of its whole-time director is subject to the approval of shareholders in the ensuing general meeting of the Parent Company.

- 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  
(Firm's Registration No. 008072S)

**Sumit Trivedi**  
(Partner)

Place: Secunderabad  
Date: 29 April 2021

(Membership No. 209354)  
UDIN: 21209354AAAAFN1426



## 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, 2021, 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 and its subsidiary companies 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, 2021, 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 four subsidiary companies, 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 a joint venture which is a company 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 joint venture is not material to the Group.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm’s Registration No. 008072S)

**Sumit Trivedi**  
(Partner)

Place: Secunderabad  
Date: 29 April 2021

(Membership No. 209354)  
UDIN: 21209354AAAAFN1426

Consolidated Balance Sheet

as at 31 March 2021

(₹ in Lakhs, unless otherwise stated)			
	Note	As at 31 March 2021	As at 31 March 2020
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	1,61,633	1,61,377
(b) Right-of-use assets	4	39,013	41,201
(c) Capital work-in-progress	3	7,570	4,921
(d) Goodwill		32	32
(e) Other intangible assets	5	866	618
(f) Intangible assets under development	5	1,408	1,622
(g) Financial assets			
i) Investments			
a) Investments in joint ventures and associate	6	1,359	2,079
b) Other investments	6	20,020	19,054
ii) Other financial assets	7	-	5
(h) Income tax assets (net)		100	43
(i) Other non-current assets	8	5,434	4,546
		2,37,435	2,35,498
2 Current assets			
(a) Inventories	9	2,60,088	2,69,713
(b) Financial assets			
i) Investments	10	*	*
ii) Trade receivables	11	55,442	1,73,411
iii) Government subsidies receivable		58,966	2,31,622
iv) Cash and cash equivalents	12	69,210	5,054
v) Bank balances other than cash and cash equivalents	13	2,999	2,776
vi) Loans	14	1,51,368	42,857
vii) Other financial assets	7	3,658	10,089
(c) Other current assets	15	50,400	43,857
		6,52,131	7,79,379
Total assets		8,89,566	1,014,877
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	16	2,934	2,930
(b) Other equity	17	5,12,125	4,28,840
Equity attributable to owners of the Company		5,15,059	4,31,770
2 Non-current liabilities			
(a) Financial liabilities			
i) Lease liabilities	4	36,191	37,542
ii) Other financial liabilities	19	176	146
(b) Provisions	20	1,372	2,108
(c) Deferred tax liabilities (net)	21.1	5,756	5,783
(d) Other non-current liabilities	22	827	877
		44,322	46,456
3 Current liabilities			
(a) Financial liabilities			
i) Borrowings	18	161	1,62,512
ii) Lease liabilities	4	2,143	1,855
iii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		936	943
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,91,280	3,33,868
iv) Other financial liabilities	19	22,594	23,783
(b) Provisions	20	2,172	1,460
(c) Current tax liabilities (net)	21.4	3,626	4,305
(d) Other current liabilities	22	7,273	7,925
		3,30,185	5,36,651
Total liabilities		3,74,507	5,83,107
Total equity and liabilities		8,89,566	10,14,877
*less than a lakh			
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

Deloitte Haskins & Sells

Chartered Accountants  
Firm Registration Number : 008072S

Sameer Goel

Managing Director

A Vellayan

Chairman

Sumit Trivedi

Partner  
Membership Number : 209354

Jayashree Satagopan

Chief Financial Officer

Rajesh Mukhija

Company Secretary

Place: Secunderabad/ Chennai  
Date: 29 April 2021

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in Lakhs, unless otherwise stated)		
	Note	
I Income		
Revenue from operations	24	14,21,348
Other income	25	4,353
Total income		14,25,701
II Expenses		
Cost of materials consumed		6,97,920
Purchases of stock-in-trade		2,16,926
Changes in inventories of finished goods, work-in-process and stock-in-trade	26	53,946
Employee benefits expense	27	53,857
Finance costs	28	10,567
Depreciation and amortisation expense	29	17,308
Other expenses	30	1,97,122
Total expenses		12,47,646
III Profit before tax (I-II)		1,78,055
IV Share of profit of joint ventures and associate	42	540
V Profit for the year (III+IV)		1,78,595
VI Tax expense:		
(1) Current tax		45,989
(2) Deferred tax		(309)
		45,680
VII Profit for the year (V-VI)		1,32,915
VIII Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss		
(a) Remeasurement of defined benefit plan	34(a)	(995)
(b) Share of other comprehensive income as reported by Joint ventures and associate		-
(c) Net fair value (loss)/gain on investments in equity shares at FVTOCI		858
(ii) Income tax relating to items that will not be reclassified to profit or loss	21.3	121
(iii) Gain on Bargain Purchase	41	266
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		1,633
(b) Exchange differences on translating foreign operations		(163)
(ii) Income tax relating to items that will be reclassified to profit or loss	21.3	(411)
Total other comprehensive income (A+B)		1,309
IX Total Comprehensive Income for the year (VII+VIII)		1,34,224
X Earnings per equity share of (Face value of ₹1 each):	35	
Basic ₹		45.34
Diluted ₹		45.22
See accompanying notes forming part of the consolidated financial statements		

In terms of our report attached

For and on behalf of the Board of Directors

Deloitte Haskins & Sells

Chartered Accountants  
Firm Registration Number : 008072S

Sameer Goel

Managing Director

A Vellayan

Chairman

Sumit Trivedi

Partner  
Membership Number : 209354

Jayashree Satagopan

Chief Financial Officer

Rajesh Mukhija

Company Secretary

Place: Secunderabad/ Chennai  
Date: 29 April 2021



# Consolidated Cash flow statement

for the year ended 31 March 2021

(₹ in Lakhs, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>1,78,595</b>	<b>1,37,851</b>
Adjustments for:		
Depreciation and amortisation expense	17,308	15,801
Loss on sale/ scrap of property, plant and equipment (net)	468	471
(Profit)/loss on sale of investment	17	(34)
Exchange differences (net)	(8,189)	15,597
Share of profit of joint ventures accounted using equity method	(540)	(78)
Loss/ (gain) on measuring investments at FVTPL (net)	(162)	104
Provision for doubtful trade receivables and other liabilities no longer required, written back	(3,153)	(45)
Provision for doubtful trade and other receivables, loans and advances (net)	2,169	845
Trade and other receivables written off	35	-
Provision for employee benefits	(1,044)	664
Share-based payments	399	518
Finance costs	10,567	23,528
Interest income	(4,164)	(3,771)
Dividend income	(5)	(32)
Others	(27)	(31)
<b>Operating profit before working capital changes</b>	<b>1,92,274</b>	<b>1,91,388</b>
<i>Changes in working capital:</i>		
Trade payables	(28,956)	(62,923)
Other liabilities	(2,720)	7,219
Trade receivables	1,16,975	8,265
Government subsidies receivable	1,72,656	7,726
Inventories	10,825	54,426
Other assets	702	16,478
<b>Cash generated from operations</b>	<b>4,61,756</b>	<b>2,22,579</b>
Direct taxes paid (net of refunds)	(46,741)	(36,382)
<b>Net cash flow from operating activities (A)</b>	<b>4,15,015</b>	<b>1,86,197</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, including capital work-in-progress and capital advances	(18,822)	(25,609)
Purchase of leasehold land	(682)	-
Proceeds from sale of property, plant and equipment	248	24
Investment in Subsidiary /Joint venture	(1,200)	(300)
Purchase of non-current investments	-	(16)
Proceeds from sale of non-current investments	40	118
Inter-corporate deposits/ loans given	(1,81,368)	(42,857)
Inter-corporate deposits matured/ loans received	72,857	42,805
Purchase of current investments	-	(27,000)
Proceeds from sale of current investments	-	27,000
Interest received	3,200	3,610
Dividend received from current and non-current investments	5	32
Balances in margin money/ deposit accounts	(1)	-
<b>Net cash (used in) investing activities (B)</b>	<b>(1,25,723)</b>	<b>(22,193)</b>

# Consolidated Cash flow statement

for the year ended 31 March 2021

(₹ in Lakhs, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flow from financing activities</b>		
Proceeds from issue of equity shares on exercise of employee stock options	1,438	1,366
Decrease in short-term borrowings	(1,62,351)	(1,35,740)
Dividend paid	(52,772)	(12,343)
Interest and other borrowing costs paid	(10,739)	(23,985)
Repayment of Lease liability	(1,892)	(1,608)
<b>Net cash (used in) financing activities (C)</b>	<b>(2,26,316)</b>	<b>(1,72,310)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>62,976</b>	<b>(8,306)</b>
Cash and cash equivalents at the beginning of the year	5,054	13,213
Cash and cash equivalents acquired on acquisition	1,239	-
Exchange (loss)/ gain on cash and cash equivalents	(59)	147
Cash and cash equivalents at the end of the year (as per Note 12)	<b>69,210</b>	<b>5,054</b>
*Includes lease liabilities recognised during the year ended 31 March 2020 amounting to ₹ 2,734 lakhs.		
<b>Notes:</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.		
<b>2. Reconciliation of Short-term borrowings:</b>		
Opening balance	1,62,512	2,95,447
Proceeds/(repayments) of short-term borrowings (net)	(1,62,351)	(1,35,740)
Foreign exchange adjustment	-	2,805
<b>Closing balance</b>	<b>161</b>	<b>1,62,512</b>
<b>3. Reconciliation of lease liabilities (Current and Non-current):</b>		
Opening balance	39,397	-
Impact of Ind AS 116*	-	41,005
Lease liabilities addition during the year	829	-
Repayment	(1,892)	(1,608)
<b>Closing balance</b>	<b>38,334</b>	<b>39,397</b>
*Includes lease liabilities recognised during the year ended 31 March 2020 amounting to ₹ 2,734 lakhs.		
<b>See accompanying notes forming part of the consolidated financial statements</b>		

In terms of our report attached

For and on behalf of the Board of Directors

**Deloitte Haskins & Sells**

Chartered Accountants  
Firm Registration Number : 008072S

**Sameer Goel**

Managing Director

**A Vellayan**

Chairman

**Sumit Trivedi**

Partner  
Membership Number : 209354

**Jayashree Satagopan**

Chief Financial Officer

**Rajesh Mukhija**

Company Secretary

Place: Secunderabad/ Chennai

Date: 29 April 2021

# Consolidated Statement of Changes in Equity

as at 31 March 2021

(₹ in Lakhs, unless otherwise stated)

a). Equity share capital

	Number of shares	Amount
Balance as at 1 April 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
Add: Equity shares allotted pursuant to exercise of stock options	4,24,930	4
Balance as at 31 March 2021	29,33,78,679	2,934

b). Other equity

	Reserves and Surplus (Refer note 17)							Items of other comprehensive income (Refer note 17)			Total
	Capital reserve	Capital redemption reserve	Securities premium	Central subsidy	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	
Balance at 1 April 2019	352	986	13,201	11	2,33,328	1,466	1,00,912	5,517	(22,841)	(18)	3,32,914
Profit for the year	-	-	-	-	-	-	1,06,504	-	-	-	1,06,504
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(25)	210	599	(898)	(114)
Total comprehensive income for the year	-	-	-	-	-	-	1,06,479	210	599	(898)	1,06,390
Recognition of share-based payments	-	-	-	-	-	518	-	-	-	-	518
Amount received on exercise of employee stock options	-	-	1,361	-	-	-	-	-	-	-	1,361
Dividend on equity shares including dividend distribution tax	-	-	-	-	-	-	(12,343)	-	-	-	(12,343)
Amounts transferred within the reserves	-	-	479	-	30,264	(743)	(30,000)	-	-	-	-
Balance at 31 March 2020	352	986	15,041	11	2,63,592	1,241	1,65,048	5,727	(22,242)	(916)	4,28,840
Balance at 1 April 2020	352	986	15,041	11	2,63,592	1,241	1,65,048	5,727	(22,242)	(916)	4,28,840
Profit for the year	-	-	-	-	-	-	1,32,915	-	-	-	1,32,915
Other comprehensive income for the year, net of income tax	266	-	-	-	-	-	(744)	(163)	728	1,222	1,309
Total comprehensive income for the year	266	-	-	-	-	-	1,32,171	(163)	728	1,222	1,34,224
Recognition of share-based payments	-	-	-	-	-	399	-	-	-	-	399
Dividend on equity shares including dividend distribution tax	-	-	-	-	-	-	(52,772)	-	-	-	(52,772)
Amount received on exercise of employee stock options	-	-	1,434	-	-	-	-	-	-	-	1,434
Amounts transferred within the reserves	-	-	538	-	-	(538)	-	-	-	-	-
Balance at 31 March 2021	618	986	17,013	11	2,63,592	1,102	2,44,447	5,564	(21,514)	306	5,12,125
See accompanying notes forming part of the consolidated financial statements											

In terms of our report attached

For and on behalf of the Board of Directors

Deloitte Haskins & Sells

Chartered Accountants  
Firm Registration Number : 008072S

Sameer Goel

Managing Director

A Vellayan

Chairman

Sumit Trivedi

Partner  
Membership Number : 209354

Jayashree Satagopan

Chief Financial Officer

Rajesh Mukhija

Company Secretary

Place: Secunderabad/ Chennai  
Date: 29 April 2021

# Consolidated 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)
- Rajavelu NK- Executive Vice President and Business Head (CPC)
- Arun Vellayan- Head of Strategy
- Narayanan Vellayan – Head of Commercial (Fertilisers and SSP)
- Rajesh Mukhija– Senior Vice President – Legal and Company Secretary
- 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. The Group has consistently applied accounting policies to all periods.

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, Coromandel SQM (India) Private Limited ( Subsidiary with effect from 24 August 2020) ; all together referred to as 'the Group', its joint venture companies Yanmar Coromandel Agrisolutions Private Limited and Coromandel SQM (India) Private Limited ( Joint venture till 23 August 2020), 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



# Consolidated Notes

forming part of the financial statements (Contd.)

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;
- 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 shareholder's 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

# Consolidated Notes

forming part of the financial statements (Contd.)

Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## 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

# Consolidated Notes

forming part of the financial statements (Contd.)

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.

- 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 depreciated 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 and rounded to the nearest lakhs.

## 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.



Consolidated Notes

forming part of the financial statements (Contd.)

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

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.

Consolidated Notes

forming part of the financial statements (Contd.)

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.

2.17 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
Buildings	15-60
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

# Consolidated Notes

forming part of the financial statements (Contd.)

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 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):

# Consolidated Notes

forming part of the financial statements (Contd.)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

### 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 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.



# Consolidated Notes

forming part of the financial statements (Contd.)

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 life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the

previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

## 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

# Consolidated Notes

forming part of the financial statements (Contd.)

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.

## Financial liabilities and equity instruments

### 2.26 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.

### 2.27 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.

### 2.28 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

## Consolidated Notes

forming part of the financial statements (Contd.)

- 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 discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 2.29 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

## Consolidated Notes

forming part of the financial statements (Contd.)

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.

### 2.30 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.

### 2.31 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.

#### 2.31.1 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.

#### 2.31.2 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.



Consolidated Notes
forming part of the financial statements (Contd.)

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	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.  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.
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
forming part of the financial statements (Contd.)

3. Property, plant and equipment and capital work-in-progress

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Carrying amounts of:		
Land	27,277	27,277
Buildings	3,674	22,608
Road	35	1,045
Railway sidings	188	1,571
Plant and equipment	1,03,104	1,04,619
Biological assets	51	42
Office equipment	2,349	1,947
Furniture and fixtures	920	808
Vehicles	1,390	1,460
	1,61,633	1,61,377
Capital work-in-progress	7,570	4,921

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 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	-	-	-	70	2,957	-	193	6	166	3,427
Effect of translations	-	-	-	-	-	-	-	-	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
On account of acquisition (Refer note 41)	-	274	-	-	158	-	32	6	-	470
Additions	23	2,265	90	79	9,724	12	1,188	209	358	13,948
Disposals/ adjustments	31	-	-	-	2,775	-	216	96	536	3,654
Effect of translations	-	-	-	-	-	-	-	(2)	(7)	(9)
Balance at 31 March 2021	27,269	34,589	2,995	3,196	2,19,947	57	7,892	3,789	3,183	3,02,917

Notes:

- 1. Refer Note 18.1 for details of assets pledged.
- 2. Interest capitalized during the year - Nil (2020: ₹433 lakhs).
- 3. 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
Accumulated depreciation and impairment										
Balance as at 1 April 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 translations	-	-	-	-	-	-	-	-	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
Disposals/ adjustments	-	19	-	-	2,165	-	188	96	470	2,938
Depreciation expense	-	1,035	182	184	10,787	3	790	101	357	13,439
Effect of translations	-	-	-	-	-	-	-	-	(2)	(2)
Balance at 31 March 2021	-	10,458	2,042	1,730	1,16,843	6	5,543	2,869	1,793	1,41,284

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 4. Right-of-use assets

	As at 31 March 2021	As at 31 March 2020
<b>Carrying amounts of:</b>		
Land	27,047	27,401
Buildings	10,954	12,535
Plant and equipment	1,012	1,265
	<b>39,013</b>	<b>41,201</b>

### Details of Right-of-use assets:

	Land (Refer notes below)	Buildings	Plant and equipment	Total
<b>Gross carrying value</b>				
<b>As at 1 April 2019</b>	<b>28,442</b>	<b>12,125</b>	<b>1,518</b>	<b>42,085</b>
Additions	-	2,734	-	2,734
Disposals	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>28,442</b>	<b>14,859</b>	<b>1,518</b>	<b>44,819</b>
Additions	682	829	-	1511
Disposals	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>29,124</b>	<b>15,688</b>	<b>1,518</b>	<b>46,330</b>
<b>Accumulated amortisation</b>				
Amortisation	1,041	2,324	253	3,618
Disposal	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>1,041</b>	<b>2,324</b>	<b>253</b>	<b>3,618</b>
Amortisation	1,036	2,410	253	3,699
Disposal	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>2,077</b>	<b>4,734</b>	<b>506</b>	<b>7,317</b>

### Notes:

- Includes net carrying value of the Land reclassified on adoption of Ind AS 116 "Leases".
- Land admeasuring 324.74 acres (₹22,632 lakhs) is pending execution of lease in the name of the Company.

	As at 31 March 2021	As at 31 March 2020
<b>Lease liabilities:</b>		
Current	2,143	1,855
Non-current	36,191	37,542
	<b>38,334</b>	<b>39,397</b>

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 5. Other intangible assets and intangible assets under development

	As at 31 March 2021	As at 31 March 2020
<b>Carrying amounts of:</b>		
Product registrations	820	572
Technical know-how	46	46
	<b>866</b>	<b>618</b>

Intangible assets under development	1,408	1,622
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### Details of Intangible assets

	Product registrations	Technical know-how	Total
<b>Cost or deemed cost</b>			
<b>Balance as at 1 April 2019</b>	<b>1,912</b>	<b>997</b>	<b>2,909</b>
Additions	63	-	63
Disposals/ adjustments	-	-	-
Effect of translation	(90)	-	(90)
<b>Balance as at 31 March 2020</b>	<b>1,885</b>	<b>997</b>	<b>2,882</b>
Additions	428	-	428
Disposals/ adjustments	-	-	-
Effect of translation	(42)	-	(42)
<b>Balance as at 31 March 2021</b>	<b>2,271</b>	<b>997</b>	<b>3,268</b>

### Accumulated amortisation and impairment

<b>Balance as at 1 April 2019</b>	<b>1,206</b>	<b>906</b>	<b>2,112</b>
Amortisation expense	169	45	214
Disposals/ adjustments	-	-	-
Effect of translation	(62)	-	(62)
<b>Balance as at 31 March 2020</b>	<b>1,313</b>	<b>951</b>	<b>2,264</b>
Amortisation expense	170	-	170
Disposals/ adjustments	-	-	-
Effect of translation	(32)	-	(32)
<b>Balance as at 31 March 2021</b>	<b>1,451</b>	<b>951</b>	<b>2,402</b>

## 6. Non-current investments

	As at 31 March 2021	As at 31 March 2020
<b>Quoted equity instruments</b>		
<b>(a) Investments in quoted equity instruments at FVTPL</b>		
<b>Rama Phosphate Limited</b>	18	3
13,719 (2020: 13,719) Equity shares of ₹10 each, fully paid-up		
<b>Total aggregate quoted equity investments at FVTPL (A)</b>	<b>18</b>	<b>3</b>
<b>(b) Investments in quoted equity instruments at FVTOCI</b>		
<b>Coromandel Engineering Company Limited</b>	675	295
25,00,100 (2020: 25,00,100) Equity shares of ₹10 each, fully paid-up		
<b>Total aggregate quoted equity investments at FVTOCI (B)</b>	<b>675</b>	<b>295</b>
<b>Unquoted equity instruments</b>		
<b>(c) Investments in unquoted equity investments at FVTOCI</b>		
<b>Tunisian Indian Fertilisers S.A.#</b>	-	-
41,79,848 (2020: 41,79,848) Ordinary shares of Tunisian Dinars (TND) 10 each, fully paid-up		
<b>Nandesari Environment Control Limited</b>	21	18
3,600 (2020: 3,600) Equity shares of ₹10 each, fully paid-up		



# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>Ranar Agrochem Limited</b> (formerly Prathyusha Chemicals and Fertilisers Limited)	2	2
10,01,000 (2020: 10,01,000) Equity shares of ₹10 each, fully paid-up		
<b>Indian Potash Limited</b>	2,576	2,392
180,000 (2020: 1,80,000) Equity shares of ₹10 each, fully paid-up		
<b>Foskor (Pty) Limited</b>		
i) 12,82,070 (2020: 12,82,070) Ordinary shares of South African Rand 1 each, fully paid-up	-	-
ii) 46 (2020: 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 (2020: 16,139) Equity shares of ₹100 each, fully paid-up		
<b>Bharuch Enviro Infrastructure Limited</b>	444	247
16,100 (2020: 16,100) Equity shares of ₹10 each, fully paid-up		
<b>Narmada Clean Tech</b>	39	20
2,75,000 (2020: 2,75,000) Equity shares of ₹10 each, fully paid-up		
<b>A.P. Gas Power Corporation Limited</b>	12,391	12,316
53,92,160 (2020: 53,92,160) Equity shares of ₹10 each, fully paid-up		
<b>Total aggregate Equity investments at FVTOCI (C)</b>	<b>17,447</b>	<b>16,969</b>
<b>(d) Investment in joint ventures</b>		
<b>Yanmar Coromandel Agrisolutions Private Limited</b>	1,353	824
1,60,00,000 (2020: 1,60,00,000) Equity shares of ₹10 each, fully paid-up		
<b>Coromandel SQM (India) Private Limited</b> (Refer note 41)	-	1,253
Nil (2020: 50,00,000) Ordinary shares of ₹10 each, fully paid-up		
<b>Total aggregate investments in joint ventures (D)</b>	<b>1,353</b>	<b>2,077</b>
<b>(e) Investment in associate</b>		
<b>Sabero Organics Philippines Asia Inc. - Associate</b>	6	2
320 (2020: 320) Equity shares of PHP\$100 each fully paid-up		
<b>Total aggregate investment in associate (E)</b>	<b>6</b>	<b>2</b>
<b>(f) Other investments at FVTPL</b>		
<b>Faering Capital India Evolving Fund</b>	266	174
19,442 (2020: 25,044) units of ₹1,000 each, fully paid-up		
<b>Total aggregate other investments (F)</b>	<b>266</b>	<b>174</b>
<b>(g) Others</b>		
Share application money pending allotment - at cost (Refer Note 40(E))	5	4
Loans at FVTOCI*	1,609	1,609
<b>Total aggregate others (G)</b>	<b>1,614</b>	<b>1,613</b>
<b>Total investments (A) + (B) + (C) + (D) + (E) + (F) + (G)</b>	<b>21,379</b>	<b>21,133</b>
of the above		
<b>Investments in Joint Ventures and Associate (D) + (E)</b>	<b>1,359</b>	<b>2,079</b>
<b>Other Investments (A) + (B) + (C) + (F) + (G)</b>	<b>20,020</b>	<b>19,054</b>
Aggregate amount of quoted investments and market value thereof	693	298
Aggregate amount of unquoted investments	20,686	20,835
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.

\*represents loan amounting ₹1,609 Lakhs (2020: ₹1,609 Lakhs) to TIFERT which is compulsorily convertible to equity shares at the end of three years from June 2017. During the current year, the period has been extended for further 2 years.

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

**7. Other financial assets**

	As at 31 March 2021	As at 31 March 2020
<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	965	7,015
Derivatives that are designated in hedge accounting relationships	412	5
	<b>1,377</b>	<b>7,020</b>
<b>Financial assets carried at amortised cost</b>		
Advances with related parties (Refer Note 40(E))	422	14
Interest accrued but not due on deposits, loans, others	1,286	321
Insurance claims receivable	573	2,739
	<b>2,281</b>	<b>3,074</b>
	<b>3,658</b>	<b>10,094</b>
Current	3,658	10,089
Non-current	-	5
	<b>3,658</b>	<b>10,094</b>

**8. Other non-current assets**

	As at 31 March 2021	As at 31 March 2020
Capital advances	2,243	1,610
Deposits	3,042	2,765
Others	149	171
	<b>5,434</b>	<b>4,546</b>

**9. Inventories**

	As at 31 March 2021	As at 31 March 2020
Raw materials	69,221	56,120
Raw materials in-transit	53,833	22,988
Work-in-process	3,898	3,847
Finished goods	1,06,394	1,41,630
Stock-in-trade	18,470	36,936
Stores and spares	5,609	6,047
Packing materials	2,663	2,145
	<b>2,60,088</b>	<b>2,69,713</b>

Note: Refer Note 2.21 for basis of valuation and for details of inventories pledged refer Note 18.1

**10. Current investments**

	As at 31 March 2021	As at 31 March 2020
<b>Unquoted other investments at FVTPL</b>		
<b>UTI Master Shares</b>	*	*
1,000 (2020: 1,000) shares of ₹10 each, fully paid-up		
<b>Total unquoted investments</b>	<b>*</b>	<b>*</b>
<b>Total current investments</b>	<b>*</b>	<b>*</b>
*less than a lakh		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	*	*
Aggregate amount of impairment in value of investments	-	-

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 11. Trade receivables

	As at 31 March 2021	As at 31 March 2020
(a) Secured, considered good	5,673	10,450
(b) Unsecured, considered good*	49,769	1,62,961
(c) Credit impaired	15,638	13,540
	71,080	1,86,951
Allowance for doubtful receivables	15,638	13,540
	<b>55,442</b>	<b>1,73,411</b>

\* Includes ₹734 lakhs (2020: ₹ 422 lakhs) receivable from related parties. Also Refer Note 40(E)

The credit period on sales of goods varies with seasons and business segments/ markets and generally ranges between 30 to 180 days. No interest is recovered on trade receivables for payments received after the due date.

Before accepting any new customer, the Group has a credit evaluation system to assess the potential customer's credit quality and to define credit limits for the customer. Credit limits attributed to customers are reviewed on an annual basis.

The Group maintains an allowance for impairment of doubtful accounts based on financial condition of the customer, ageing of the customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Group creates provision for past due receivables beyond 180 days ranging between 25%-100% after reckoning the underlying collaterals. Besides, based on the expected credit loss model the Group also provides up to 0.50% for receivables less than 180 days.

Movement in the allowance for doubtful receivables	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at beginning of the year	13,540	12,775
Impairment losses recognised on receivables	2,123	765
Amounts written off during the year as uncollectible	(25)	-
<b>Balance at end of the year</b>	<b>15,638</b>	<b>13,540</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

	As at 31 March 2021	As at 31 March 2020
Cash on hand	36	20
Balances with Banks:		
in Current accounts	9,978	5,018
in Deposit accounts	59,196	16
	<b>69,210</b>	<b>5,054</b>

## 13. Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Restricted		
Dividend accounts	2,211	1,923
Bonus debenture redemption and interest	778	844
Margin money/ deposit	10	9
	<b>2,999</b>	<b>2,776</b>

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 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 Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid debenture account". The unclaimed amounts lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

## Margin money / deposit

Amounts in margin money/deposit accounts represents amounts deposited with certain government agencies.

## 14. Loans

	As at 31 March 2021	As at 31 March 2020
<b>At amortised cost</b>		
Unsecured, considered good		
-Inter-corporate deposits	1,51,368	42,857
	<b>1,51,368</b>	<b>42,857</b>
Current	1,51,368	42,857
Non-current	-	-
	<b>1,51,368</b>	<b>42,857</b>

## 15. Other current assets

	As at 31 March 2021	As at 31 March 2020
Advances recoverable in kind or for value to be received		
Considered good #	31,418	24,671
Considered doubtful	442	483
	31,860	25,154
Less: Impairment allowance	442	483
	31,418	24,671
Gratuity fund (net) [Refer Note 34(a)]	18	-
Others (including Goods and Services Tax balances)	18,964	19,186
6.20% Fertilizer companies' Government of India special bonds 2022	*	*
10,000 (2020: 10,000) bonds of ₹100/- each		
6.65% Fertilizer companies' Government of India special bonds 2023	*	*
5,000 (2020: 5,000) bonds of ₹100/- each		
	<b>50,400</b>	<b>43,857</b>

#Includes receivables from Related parties ₹3 lakhs (2020: ₹19 lakhs ). Refer Note 40(E)

\*less than a lakh



# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 16. Equity

### 16.1 Equity share capital

	As at 31 March 2021	As at 31 March 2020
<b>Authorised Share capital :</b>		
35,00,00,000 (2020: 35,00,00,000) equity shares of ₹1 each	3,500	3,500
<b>Issued, subscribed and fully paid-up:</b>		
29,33,78,679 (2020: 29,29,53,749) fully paid equity shares of ₹1 each	2,934	2,930
	<b>2,934</b>	<b>2,930</b>

### 16.2 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:

	Numbers of Shares	Amount
<b>Balance as at 1 April 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>
Add: Equity shares allotted pursuant to exercise of stock options	4,24,930	4
<b>Balance as at 31 March 2021</b>	<b>29,33,78,679</b>	<b>2,934</b>

### 16.3 Rights, preferences and restriction relating to each class of share capital:

**Equity shares:** The Group 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 2021, E.I.D.-Parry (India) Limited (Parent Company) held 16,54,55,580 (2020: 17,71,55,580) equity shares of ₹1 each fully paid-up representing 56.40% (2020: 60.47%) 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 2021-, shares reserved for issue under the 'ESOP 2007' scheme is 81,32,966 (2020: 81,35,116) equity shares of ₹1 each and under the 'ESOP 2016' scheme is 1,35,32,630 (2020: 1,39,55,410) equity shares of ₹1 each.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 33.

- 16.6** There are no bonus shares issued and no shares were issued for consideration other than cash during the period of five years immediately preceeding the reporting date.

### 16.7 Cumulative redeemable preference shares

	As at 31 March 2021	As at 31 March 2020
<b>Authorised capital</b>		
50,00,000 (2020: 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. The cumulative redeemable preference shares were issued by erstwhile Liberty Phosphate Limited, amalgamated into the Company pursuant to the approved Scheme of Amalgamation.

No such cumulative redeemable preference shares are issued and outstanding as of 31 March 2021 (2020: Nil).

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 17. Other equity

	As at 31 March 2021	As at 31 March 2020
General reserve	2,63,592	2,63,592
Retained earnings	2,44,447	1,65,048
Capital reserve	618	352
Capital redemption reserve	986	986
Securities Premium	17,013	15,041
Central subsidy	11	11
ESOP reserve	1,102	1,241
Foreign currency translation reserve	5,564	5,727
Equity Instruments through OCI	(21,514)	(22,242)
Cash flow hedge reserve	306	(916)
	<b>5,12,125</b>	<b>4,28,840</b>

	As at 31 March 2021	As at 31 March 2020
<b>(i) General reserve</b>		
Balance at beginning of year	2,63,592	2,33,328
Amount transferred on cancellation of stock options	-	264
Amount transferred from retained earnings	-	30,000
	<b>2,63,592</b>	<b>2,63,592</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

<b>(ii) Retained earnings</b>		
Balance at beginning of year	1,,65,048	1,00,912
Profit for the year	1,32,915	1,06,504
Remeasurment of net defined benefit plans	(744)	(25)
Dividend on equity shares	2,44,447	(12,343)
Amount transferred to general reserve	-	(30,000)
	<b>2,40,150</b>	<b>1,62,449</b>

Retained earnings represents the Group's undistributed earnings after taxes.

In respect of the year ended 31 March 2021, the Board of Directors at their meeting held on 29 April 2021 have recommended a final dividend of ₹ 6 per share (600% on face value of ₹1 per share). The Board at its meeting held on 01 February 2021 had approved payment of interim dividend ₹6 per equity share (600% on face value of ₹1 per share). The total dividend is ₹ 12 per share (1200% on face value of ₹1 per share) for the year ended 31 March 2021. The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total amount paid with respect to interim dividend is ₹17,595 Lakhs. The total estimated amount to be paid with respect to final dividend is ₹17,603 Lakhs.

In respect of the year ended 31 March 2020, the directors proposed that a final dividend of ₹12 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 dividend is ₹35,177 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.

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>(iii) Capital Reserve</b>	<b>618</b>	<b>352</b>
<b>(iv) Capital Redemption reserve</b>	<b>986</b>	<b>986</b>
Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on buyback of Company's own shares and on redemption of the preference shares. The Company has bought back its own shares and also redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.		
<b>(v) Securities premium</b>		
Balance at beginning of year	15,041	13,201
Amount transferred on exercise of employee stock option	538	479
Amount received on exercise of employee stock option	1,434	1,361
	<b>17,013</b>	<b>15,041</b>
Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.		
<b>(vi) Central subsidy</b>	<b>11</b>	<b>11</b>
<b>(vii) Share options outstanding account</b>		
Balance at beginning of year	1,241	1,466
Amount transferred to on exercise/ cancellation of employee stock option	(538)	(743)
Recognition of share based payment expense	399	518
	<b>1,102</b>	<b>1,241</b>
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 securities premium after the exercise of the underlying options.		
<b>(viii) Foreign currency translation reserve</b>		
Balance at beginning of year	5,727	5,517
Movement during the year	(163)	210
	<b>5,564</b>	<b>5,727</b>
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency i.e. Indian Rupee (₹) are recognised directly and accumulated in the foreign currency translation reserve. These balances are reclassified to profit or loss on the disposal of the foreign operations.		
<b>(ix) Reserve for equity instruments through other comprehensive income</b>		
Balance at the beginning of the year	(22,242)	(22,841)
Net fair value gain/ (loss) on investments in equity instruments at FVTOCI (net of tax)	728	599
	<b>(21,514)</b>	<b>(22,242)</b>
This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.		
<b>(x) Cash flow hedge reserve</b>		
Balance at beginning of year	(916)	(18)
Effective portion of cash flow hedges (net of tax)	1,222	(898)
	<b>306</b>	<b>(916)</b>
Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income		

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 18. Borrowings

	As at 31 March 2021	As at 31 March 2020
<b>Secured- at amortised cost</b>		
Loan repayable on demand from banks	121	5,674
Short term loans from banks	-	61,695
<b>Unsecured- at amortised cost</b>		
Short term loans from		
Banks	-	65,143
Others	40	30,000
	<b>161</b>	<b>1,62,512</b>
Long term borrowings	-	-
Short term borrowings	161	1,62,512
	<b>161</b>	<b>1,62,512</b>

### 18.1 Summary of borrowing arrangements

- There are no outstanding long-term borrowings as of 31 March 2021 and as on 31 March 2020.
- Secured loans repayable on demand comprises cash credit balances secured by a pari-passu charge on current assets of the Company. Further, some of these are also secured by second charge on moveable fixed assets of the Company.
- Secured short-term loans from banks comprises of working capital demand loans secured by a pari-passu charge on current assets of Company. Further, certain borrowings are secured by specific subsidy receivables and letter of comfort from Government of India under Special Banking Arrangement.
- Unsecured short term loans comprises of commercial paper, short term loans from banks and loan taken by a subsidiary company.

### 18.2 Breach of loan agreement

There is no breach of loan agreement

## 19. Other financial liabilities

There is no breach of loan agreement

	As at 31 March 2021	As at 31 March 2020
<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	249	921
Derivatives designated in hedge accounting relationships (includes non-current portion of ₹ Nil (2020: ₹2 lakhs))	4	1,229
	<b>253</b>	<b>2,150</b>
<b>Financial liabilities carried at amortised cost</b>		
Security and trade deposits received (includes non-current portion of ₹176 lakhs (2020: ₹144 lakhs))	16,124	15,036
Interest accrued but not due on borrowings	1	284
Interest accrued but not due on others	1,253	1,142
Unclaimed dividends	2,211	1,923
Unclaimed debentures	778	844
Payables on purchase of fixed assets	1,150	2,546
Others	1,000	4
	<b>22,517</b>	<b>21,779</b>
	<b>22,770</b>	<b>23,929</b>
Current	22,594	23,783
Non-current	176	146
	<b>22,770</b>	<b>23,929</b>



# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 20. Provisions

	As at 31 March 2021	As at 31 March 2020
Employee benefits*	3,544	3,568
	<b>3,544</b>	<b>3,568</b>
Current	2,172	1,460
Non-current	1,372	2,108
	<b>3,544</b>	<b>3,568</b>

\*The provision for employee benefits represents leave entitlements and gratuity. Refer Note 34(a) for details of gratuity obligation.

## 21. Income tax

21.1 Deferred tax liabilities (net)	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities	13,902	14,269
Deferred tax assets	(8,147)	(8,486)
	<b>5,756</b>	<b>5,783</b>

2020-2021	Opening balance 1 April 2020	On account of acquisition (Refer note 41)	Recognised in Profit or loss	Recognised in other comprehensive income	Closing balance 31 March 2021
<b>Deferred tax liabilities/(assets) in relation to:</b>					
Property, plant and equipment	14,269	(4)	(363)	-	13,902
Investments at FVTOCI	(1,907)	-	-	130	(1,777)
Provision for doubtful debts and advances	(3,529)	-	(518)	-	(4,047)
Statutory dues allowable on payment basis	(315)	-	(19)	-	(334)
Employees separation and retirement costs	(826)	(2)	161	(251)	(918)
Others	(1,909)	(3)	430	411	(1,071)
<b>Total</b>	<b>5,783</b>	<b>(9)</b>	<b>(309)</b>	<b>290</b>	<b>5,756</b>

2019-2020	Opening balance 1 April 2019	Recognised in Profit or loss	Recognised in other comprehensive income	Closing balance 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>

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<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	44
-unused tax losses	265	268
	<b>309</b>	<b>312</b>

Long-term capital loss of ₹35 lakhs is available for set-off till 31 March 2025 and ₹9 lakhs till 31 March 2027 (2020: ₹35 lakhs till 31 March 2025 and ₹9 lakhs till 31 March 2027), unused tax losses amounting ₹262 lakhs (2020: ₹226 lakhs) do not have any expiry and balance unused tax losses have an expiry ranging from 2021 till 2029.

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>21.3 Income tax credit/(expense) recognised directly in equity</b>		
Tax effect on changes in fair value of other investments	(130)	(252)
Tax effect on actuarial gains/(losses) on defined benefit obligations	251	(110)
Tax effect on Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(411)	299
	<b>(290)</b>	<b>(63)</b>
<b>21.4 Current tax liabilities (net)</b>		
Income tax payable (net of advance tax)	3,626	4,305
	<b>3,626</b>	<b>4,305</b>
<b>21.5 Reconciliation of tax expense to the accounting profit is as follows:</b>		
<b>Accounting profit before tax</b>	<b>178,595</b>	<b>137,851</b>
Tax expense at statutory tax rate of 25.17% (2020: 25.17%)	44,952	34,697
<i>Adjustments:</i>		
Effect of income that is exempt from tax	14	(17)
Effect of expenses that are not deductible in determining taxable profit	889	371
Effect of concessions (research and development and other allowances)	(21)	(17)
Effect of change in tax rate	-	(3,818)
Others	(154)	131
<b>Tax expense reported in the Consolidated Statement of Profit and Loss</b>	<b>45,680</b>	<b>31,347</b>

## 22. Other liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers	5,904	6,588
Income received in advance	827	877
Other liabilities (including statutory remittances)	1,369	1,337
	<b>8,100</b>	<b>8,802</b>
Current	7,273	7,925
Non-current	827	877
	<b>8,100</b>	<b>8,802</b>

## Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 23. Trade payables

	As at 31 March 2021	As at 31 March 2020
Acceptances	1,13,353	63,073
Other than Acceptances	1,78,863	2,71,738
	<b>2,92,216</b>	<b>3,34,811</b>
of the above:		
i) Total outstanding dues of micro enterprises and small enterprises*	936	943
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises**	2,91,280	333,868
	<b>2,92,216</b>	<b>3,34,811</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 ₹314 Lakhs (2020: ₹1,206 lakhs). Also Refer Note 40(E)

### 24. Revenue from operations

	For the year ended 31 March 2021	For the year ended 31 March 2020
The following is an analysis of the Group's revenue:		
Sales	10,81,991	9,83,977
Government subsidies	3,32,468	3,25,119
Other operating revenue	6,889	4,573
<b>Total Revenue from operations</b>	<b>14,21,348</b>	<b>13,13,669</b>
<b>Other operating revenues comprise:</b>		
Service income	414	389
DEPB income/ excise benefits	1,696	2,263
Provision for liabilities no longer required, written back	3,153	45
Insurance claim	274	22
Others	1,352	1,854
	<b>6,889</b>	<b>4,573</b>

### 25. Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income	4,164	3,771
Dividend income from investments carried at FVTPL	-	13
Dividend income from investments carried at FVTOCI	5	19
Profit on sale of investment	-	34
Gain on measuring investments at FVTPL (net)	162	-
Others	22	167
	<b>4,353</b>	<b>4,004</b>

## Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 26. Changes in inventories of finished goods, work-in-process and stock-in-trade

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>As at 1 April</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>
Add: On account of acquisition	295	-
<b>Less: As at 31 March</b>		
Work-in-process	3,898	3,847
Finished goods	1,06,394	1,41,630
Stock-in-trade	18,470	36,936
	<b>1,28,762</b>	<b>1,82,413</b>
	<b>53,946</b>	<b>20,370</b>

### 27. Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	45,572	38,266
Share based payments (Refer note 33.3)	399	518
Contribution to provident and other funds	4,006	3,350
Staff welfare expenses	3,880	3,974
	<b>53,857</b>	<b>46,108</b>

### 28. Finance cost

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense*	6,256	19,279
Other borrowing costs and charges	732	678
Lease interest cost	3,579	3,571
	<b>10,567</b>	<b>23,528</b>

\* Net of- ₹ Nil capitalised (2020: ₹433 lakhs capitalised at the average interest rate of 5.01%)

### 29. Depreciation and amortisation expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (Refer note 3)	13,439	11,969
Amortisation of intangible assets (Refer note 5)	170	214
Amortisation on Right-of-use assets (Refer note 4 )	3,699	3,618
	<b>17,308</b>	<b>15,801</b>



# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 30. Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Stores and spares consumed	11,343	8,594
Power, fuel and water	31,483	28,046
Rent	1,122	921
Repairs to:		
Buildings	569	623
Machinery	4,359	3,606
Others	2,939	2,160
Insurance charges	2,789	2,128
Rates and taxes	1,556	1,203
Freight and distribution	89,236	88,440
Exchange differences (net)	4,895	12,218
Loss on sale/scrap of property, plant and equipments (net)	468	471
Impairment allowance recognised for doubtful trade and other receivables, loans and advances (net)	2,169	845
Trade and other receivables written off	35	-
Loss on sale of investments	17	-
Loss on measuring investments at FVTPL (net)	-	104
Miscellaneous expenses	44,142	39,543
	<b>1,97,122</b>	<b>1,88,902</b>

## 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 IndAS 108 are as follows:

1. Nutrient and other allied business
2. Crop protection

The following is an analysis of the Group's revenue and results from operations by reportable segment:

	Segment revenue		Segment profit	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Nutrient and other allied business	12,23,184	11,55,003	1,68,518	1,50,698
Crop protection	208,387	1,68,540	34,681	22,029
	<b>14,31,571</b>	<b>13,23,543</b>	<b>2,03,199</b>	<b>1,72,727</b>
Less: Inter - segment	(10,223)	(9,874)	328	(648)
<b>Total</b>	<b>14,21,348</b>	<b>13,13,669</b>	<b>2,03,527</b>	<b>172,079</b>
Other income			4,353	4,004
Unallocable expense			(19,258)	(14,782)
Finance costs			(10,567)	(23,528)
Share in profit/(loss) of joint venture and associate			540	78
<b>Profit before tax</b>			<b>1,78,595</b>	<b>1,37,851</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.

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 31.2 Segment assets and liabilities

	As at 31 March 2021	As at 31 March 2020
<b>Segment assets</b>		
Nutrient and other allied business	4,96,022	7,83,820
Crop protection	1,45,513	1,51,905
Unallocable assets	2,48,031	79,152
<b>Total assets</b>	<b>8,89,566</b>	<b>10,14,877</b>
<b>Segment liabilities</b>		
Nutrient and other allied business	2,91,033	3,15,828
Crop protection	65,891	45,371
Unallocable liabilities	17,583	2,21,908
<b>Total liabilities</b>	<b>3,74,507</b>	<b>5,83,107</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.

## 31.3 Other segment information

	Depreciation amortisation		Additions to non - current assets	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020*
Nutrient and other allied business	12,971	12,090	12,291	63,103
Crop protection	4,337	3,711	6,919	5,551

\*Includes Right-of-use recognised on transition date, 1 April 2019.

## 31.4 Revenue from major products

The following is an analysis of the Group's revenue from operations from its major products:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Phosphatic Fertilisers	6,66,878	6,37,951
Urea	33,321	25,957
Muriate of Potash	32,065	28,172
Single Super Phosphate	43,873	37,278
Others	1,14,579	1,00,526
	<b>8,90,716</b>	<b>8,29,884</b>
Government subsidies	3,32,468	3,25,119
<b>Nutrient and other allied business</b>	<b>12,23,184</b>	<b>11,55,003</b>
Crop protection	208,387	1,68,540
<b>Total</b>	<b>14,31,571</b>	<b>13,23,543</b>
Less: Inter - segment	(10,223)	(9,874)
<b>Revenue from operations</b>	<b>14,21,348</b>	<b>13,13,669</b>

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 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 31 March 2021	As at 31 March 2020
<b>Equity</b>	<b>5,15,059</b>	<b>4,31,770</b>
Short-term borrowings	161	1,62,512
Inter-corporate deposits with financial institutions	(1,51,368)	(42,857)
Cash and cash equivalents	(69,210)	(5,054)
<b>Net debt</b>	<b>(2,20,417)</b>	<b>1,14,601</b>
<b>Total capital (equity + net debt)</b>	<b>2,94,642</b>	<b>5,46,371</b>
Net debt to capital ratio	*	<b>0.21</b>
Interest coverage ratio	<b>19.54</b>	<b>7.53</b>

\* As at 31 March 2021, Short term borrowings are lower than the balances of Inter corporate deposits with financial institutions and Cash and cash equivalents.

### 32.2 Categories of financial instruments

	As at 31 March 2021	As at 31 March 2020
<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	965	7,015
(ii) Derivative instruments designated in hedge accounting relationship	412	5
(iii) Equity investments	18	3
(iv) Other investments	266	174
<b>Measured at amortised cost</b>		
(a) Cash and cash equivalents	69,210	5,054
(b) Bank balances other than cash and cash equivalents	2,999	2,776
(c) Other financial assets at amortised cost	2,68,057	4,50,964
<b>Measured at FVTOCI*</b>		
(a) Investments in equity instruments designated upon initial recognition	18,122	17,264
(b) Investments in other instruments designated upon initial recognition	1,609	1,609

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
<b>Measured at cost</b>		
(a) Investments in equity instruments in joint ventures and associate	1,364	2,083
<b>Financial liabilities</b>		
<b>Measured at fair value through profit or loss (FVTPL)*</b>		
(a) Derivative instruments not designated in hedge accounting relationship	249	921
(b) Derivative instruments designated in hedge accounting relationship	4	1,229
<b>Measured at amortised cost</b>	<b>3,53,228</b>	<b>5,58,499</b>

\* 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

### 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.



# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 32.4.1 Foreign currency risk management

The Group is exposed to foreign exchange risk on account of following:

1. Nutrient and other allied business has foreign exchange exposure for its imports of raw materials, intermediates and traded goods.
2. Crop Protection segment has foreign exchange exposure on both exports of finished goods and imports of raw materials, intermediates and traded goods.
3. Foreign currency borrowings in the form of buyers credit, packing credit etc. 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 2021 and 31 March 2020.

- a. **The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:**

Currency	Liabilities		Assets	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
USD (millions)	256.81	335.46	37.30	40.25
INR (₹ in lakhs)	1,87,764	2,53,826	27,266	30,455
EURO (millions)	0.04	0.05	1.52	2.18
INR (₹ in lakhs)	36	45	1,305	1,805

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:**

Currency	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
	Buy	Sell	Buy	Sell
<b>Forward contracts</b>				
USD (millions)*	191.29	65.92	293.96	73.33
INR (₹ in lakhs)	1,39,865	48,190	2,22,425	55,479
Number of contracts	63	59	96	47

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 65.92 USD (millions) (31 March 2020 : 70.11 USD (millions)) Sell contracts outstanding under past performance facility/anticipated exposure as per Reserve Bank of India (RBI) Master Direction on Risk Management and Inter-Bank Dealings.

- c. **Net open exposures outstanding as at the Balance Sheet date:**

Currency	Liabilities		Assets	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
USD (millions)	65.51	41.50	-	-
INR (₹ in lakhs)	47,899	31,401	-	-
EURO (millions)	0.04	0.05	1.52	2.18
INR (₹ in lakhs)	36	45	1,305	1,805

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

- d. **Summary of hedging instruments outstanding at the end of the year designated as cash flow hedges:**

Item	As at	No. of contracts	USD (millions)	Amount in ₹ lakhs	Average exchange rate
Sell Currency - USD with tenor less than a year	31 March 2021	43	46.83	34,757	74.22
	31 March 2020	25	50.82	38,450	75.66

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:	2020-21	2019-20
Impact of ₹1 strengthening against US Dollar on profit or loss for the year	490	311
Impact of ₹1 weakening against US Dollar on profit or loss for the year	(490)	(311)
Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period	490	311
Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period	(490)	(311)

## 32.4.2 Interest rate risk management

The Group issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Group manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

- a. **Interest rate sensitivity analysis**

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Group's profit for the year ended 31 March 2021 would decrease/ increase by ₹ 1.09 lakhs (31 March 2020: ₹ 609 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.

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

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 2021 would increase/ decrease by ₹ 695 Lakhs (2020: ₹ 662 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 2021:

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	2,92,216	2,92,335	-	-	2,92,335
Borrowings and interest thereon#	162	162	-	-	162
Other financial liabilities**	22,516	22,321	-	1,500	23,821
Lease liabiities	38,334	2,143	3,817	32,374	38,334
Foreign currency forward contracts	253	253	-	-	253
Total	3,53,481	3,17,214	3,817	33,874	3,54,905

The table below provides details of financial assets as at 31 March 2021:

	Carrying amount
Investments	*
Trade receivables	55,442
Government subsidies receivable	58,966
Cash and cash equivalents including bank balances	72,209
Loans	1,51,368
Other financial assets	2,281
Foreign currency forward contracts	1,377
Total	3,41,643

\* less than a lakh

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020:

	Carrying amount	upto 1 year	1-3 year	More than 3 year	Total contracted 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 and option contracts	2,150	2,148	2	-	2,150
Total	5,60,649	5,25,041	5,645	33,399	5,64,085

The table below provides details of financial assets as at 31 March 2020:

	Carrying amount
Investments	*
Trade receivables	173,411
Government subsidies receivable	231,622
Cash and cash equivalents including bank balances	7,830
Loans	42,857
Other financial assets	3,074
Foreign currency forward contracts	7,020
Total	465,814

\*less than a lakh

# Included in Borrowing and interest theron 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 ₹15,948 Lakhs (31 March 2020: ₹14,892 Lakhs). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment, these deposits have been classified as current balances. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

32.7 Financial guarantee contract

The Company has provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of installment due to the lenders and delayed the payment. The same was not agreed to by the Lenders and the acceleration notice was served on TIFERT by lenders on 28 March 2017. The loan instalment was immediately paid on 30 March 2017 by TIFERT. However, on 4 April 2017 the lenders followed up with call notice on shareholders towards guaranteed amount (Coromandel's share USD 35.25 million outstanding as on 31 March 2017). The Company alongwith other shareholders of TIFERT are in discussion with the Lenders to resolve the matter with regard to liquidity situation and operational improvements of TIFERT and also to find a solution for meeting the future debt obligations of TIFERT.

Considering the 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. TIFERT has paid the subsequent half-yearly instalments that were due as per the payment schedule. The sponsor guarantee was valid upto 31 March 2018. The Company's obligation under this corporate guarantee if that amount is claimed by the counterparty to the guarantee is subject to a maximum of ₹ 10,299 Lakhs (31 March 2020: ₹ 13,707 Lakhs).

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 32.8 Financing facilities

The Company has access to financing facilities of which ₹3,49,821 Lakhs (2020: ₹ 3,10,699 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 2021	As at 31 March 2020		
1) Foreign currency forward contracts	1,124	4,870	Level 2	Refer Note 3(a) below
2) Investments in quoted equity instruments at FVTPL	18	3	Level 1	Refer Note 2 below
3) Investments in unquoted venture capital fund at FVTPL	266	174	Level 3	Refer Note 4(a) below
4) Investments in quoted equity investments at FVTOCI	675	295	Level 1	Refer Note 2 below
5) Investments in unquoted equity instruments at FVTOCI	14,292	14,217	Level 3	Refer Note 4(b) below
	3,155	2,752	Level 3	Refer Note 4(c) below

\*Positive value denotes financial asset (net) and negative value denotes financial liability (net)

### Notes:

1. There were no transfers between Level 1 and 2 in the period.
2. The Level 1 financial instruments are measured using quotes in active market.
3. 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.

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 A 10% increase/ decrease in the value of value (NAV) as reported by unquoted investments of the fund would the venture capital fund for its increase/ decrease the carrying amount of valuation purpose.	investment by ₹ 15 lakhs (2020: ₹ 13 lakhs).
(b) Investments in unquoted equity instruments at FVTOCI	Discounted Cash Flow Method	Long-term growth rates, taking into account management's basis points higher/lower while all the other experience and knowledge variables were held constant, the carrying of market conditions of the amount would increase/decrease by ₹1,203 specific industries, ranging lakhs (2020: ₹1,766 lakhs) from 0 to 3% (2020: 0 to 2%)	If the long-term growth rates used were 100 increase the carrying amount by ₹ 1,335 lakhs (2020: ₹ 1,427 lakhs)
		Weighted average cost of A 100 basis points increase/decrease in the capital (WACC) as determined WACC or discount rate used while holding ranging from 13% to 17% (2020: all other variables constant would decrease/ 12% to 16%)	

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

(c) Investments in Market Multiple unquoted equity instruments at FVTOCI	Discount for lack of marketability, A 10% increase/ decrease in the discount for determined by reference to the lack of marketability used in isolation would share price of listed entities in decrease/increase the carrying amount by similar industries, ranging from ₹291 lakhs (2020: ₹ 206 lakhs) 30% to 50% (2020: 30% to 50%)
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### 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 2021		As at 31 March 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets/ financial liabilities</b>					
Financial assets at amortised cost:					
- Trade receivables	Level 2	55,442	55,442	1,73,411	173,411
- Government subsidies receivable	Level 2	58,966	58,966	2,31,622	231,622
- Cash and cash equivalents	Level 2	69,210	69,210	5,054	5,054
- Bank balances other than cash and cash equivalents	Level 2	2,999	2,999	2,776	2,776
- Loans	Level 2	1,51,368	1,51,368	42,857	42,857
- Other financial assets	Level 2	2,281	2,281	3,074	3,074

	Fair value hierarchy	As at 31 March 2021		As at 31 March 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
- Borrowings	Level 2	161	161	1,62,512	1,62,512
- Trade payables	Level 2	2,92,216	2,92,216	3,34,811	3,34,811
- Other financial liabilities	Level 2	22,517	22,549	21,779	21,925
- Lease liabilities	Level 2	38,334	38,334	39,397	39,397

1. In case of trade receivables, government subsidies receivables, cash and cash equivalents, trade payables, borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

### Reconciliation of Level 3 fair value measurements for the year ended 31 March 2021:

	Investments in unquoted venture capital fund at FVTPL	Investments in unquoted equity instruments at FVTOCI	Total
Opening balance	174	16,969	17,143
Total gains or losses:			
- in profit or loss	148	-	148
- in other comprehensive income (net)	-	478	478
Exchange differences	-	-	-
Purchases	-	-	-
Sold	(56)	-	(56)
<b>Closing balance</b>	<b>266</b>	<b>17,447</b>	<b>17,713</b>



# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 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	-	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>

### 33. Share based payments

Particulars	Employee Stock Option Scheme 2007 (‘ESOP 2007 Scheme’)	Employee Stock Option Scheme 2016 (‘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 31 March 2021		For the year ended 31 March 2020	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	2,150	287.50	28,400	287.50
Granted	-	-	-	-
Exercised	2,150	287.50	26,250	287.50
Cancelled	-	-	-	-
Lapsed	-	-	-	-
At the end of the year	-	-	2,150	287.50

b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of nil years (2020: 0.01 years). The exercise price of the outstanding options is Nil (2020 : ` 287.50). The weighted average share price during the year is `740 (2020 : `468).

c) Number of options exercisable at the end of the year Nil (2020 : 2,150).

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

d) The fair values of the option with modified terms were determined using a Black Scholes’ model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 3-4 years.

Following assumptions were used for calculation of fair value of grants:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend yield (%)	-	700
Expected volatility (%)	-	0.39-0.47
Risk free interest rate (%)	-	8
Expected term (in years)	-	4-6

#### 33.2 Employee Stock Option Scheme 2016 (‘ESOP 2016 Scheme’):

a) Pursuant to the ESOP 2016 Scheme, the Company granted options which vest over a period of four years commencing from the respective dates of grant. Following are the number of options outstanding during the year:

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
At the beginning of the year	17,55,990	357.49	21,54,120	347.68
Granted*	2,13,400	734.21	1,26,840	375.90
Exercised	4,22,780	338.84	4,00,170	322.30
Cancelled	1,47,870	354.92	1,24,800	319.65
Lapsed	-	-	-	-
At the end of the year	13,98,740	420.87	17,55,990	357.49

\*the weighted average fair value of options granted during the year is ₹ 265.68 (2020: ₹ 127.91)

a) The outstanding options have been granted in various tranches and have a weighted average remaining life of 1.93 years (2020: 2.39 years). The exercise price of the outstanding options range from ₹ 319.65 to ₹ 799.35 (2020: ₹ 319.65 to ₹ 529.40). The weighted average share price during the year is ₹ 740 (2020: ₹ 468).

b) Number of options exercisable at the end of the year 9,68,110 (2020: 8,21,850).

c) The fair values of the option were determined using a Black Scholes’ model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 5-6 years.

Following assumptions were used for calculation of fair value of grants:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend yield (%)	650	650
Expected volatility (%)	0.32-0.33	0.32-0.33
Risk free interest rate (%)	4.77-5.86%	6.14-6.43
Expected term (in years)	3.50-6.51	3.51-6.51

#### 33.3 Share based payments

The Group recorded employee share based payments of ₹ 399 Lakhs (2020: ₹ 518 Lakhs) under ‘Employee benefits expense’.

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 34 Employee benefits plan

### a) Defined benefit plans

(₹ in Lakhs)

	Gratuity plan	
	2020-2021	2020-2021
<b>Change in Defined Benefit Obligation (DBO) during the year</b>		
Present value of DBO at the beginning of the year	5,854	5,405
Current service cost	637	578
Interest cost	371	379
Actuarial loss/(gain) arising from changes in financial assumptions	(9)	244
Actuarial loss/(gain) arising from changes in experience adjustments	504	(9)
Benefits paid	(846)	(743)
<b>Present value of DBO at the end of the year</b>	<b>6,511</b>	<b>5,854</b>
<b>Change in fair value of plan assets during the year</b>		
Fair value of plan assets at the beginning of the year	5,624	5,622
Interest income	400	424
Employer contributions	1,400	-
Benefits paid	(846)	(743)
Remeasurements – return on plan assets (excluding interest income)	(500)	321
<b>Fair value of assets at the end of the year</b>	<b>6,078</b>	<b>5,624</b>
<b>Amounts recognised in the Balance Sheet</b>		
Present value of DBO at the end of the year	6,511	5,854
Fair value of plan assets at the end of the year	(6,078)	(5,624)
<b>Funded status of the plans – (asset)/ liability</b>	<b>433</b>	<b>230</b>
<b>(Asset)/ liability recognised in the Balance Sheet</b>	<b>433</b>	<b>230</b>
Current service cost	637	578
Interest income on net defined benefit obligation	(29)	(44)
<b>Expense recognised in Statement of Profit and Loss</b>	<b>608</b>	<b>534</b>
<b>Remeasurement on the net defined benefit obligation</b>		
Return on plan assets (excluding interest income)	500	(321)
Actuarial loss/(gain) arising from changes in financial assumptions	(9)	244
Actuarial loss/(gain) arising from changes in experience adjustments	504	(9)
<b>Remeasurements recognised in other comprehensive income</b>	<b>995</b>	<b>(86)</b>
<b>Total defined benefit cost recognized</b>	<b>1,603</b>	<b>448</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.

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.

# Consolidated Notes

forming part of the financial statements

(₹ in lakhs, unless otherwise stated)

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.

Assumptions	31 March 2021	31 March 2020
Discount rate	6.86%	6.84%
Estimated rate of return on plan assets	7.54%	7.54%
Expected rate of salary increase	5-7%	5-7%
Attrition rate	5%	5%

Sensitivity analysis – DBO at the end of the year (₹ in lakhs)	31 March 2021	31 March 2020
Discount rate + 100 basis points	6,081	5,498
Discount rate - 100 basis points	7,003	6,259
Salary increase rate +1%	6,942	6,209
Salary increase rate -1%	6,125	5,534
Attrition rate +1%	6,484	5,844
Attrition rate -1%	6,542	5,865

(₹ in Lakhs)

	2020-21	2019-20
<b>Weighted average duration of DBO</b>	11 years	11 years
1. Expected employer contribution in the next year	636	709
2. Expected benefit payments		
<b>Expected Cash flows</b>		
Year 1	889	807
Year 2	805	717
Year 3	621	655
Year 4	482	498
Year 5	485	392
Beyond 5 years	1,920	1,608

### b) Defined contribution plans

In respect of the defined contribution plans, an amount of ₹ 3,366 Lakhs (2020: ₹2,793 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 31 March 2021	For the year ended 31 March 2020
i) Profit after tax (₹ in lakhs)	[a]	1,32,915	1,06,504
<b>Basic</b>			
ii) Weighted average number of equity shares of ₹1/- each outstanding during the year	[b]	29,31,65,645	29,26,25,865
<b>Dilution</b>			
iii) Effect of potential equity shares on employees stock options outstanding		7,94,319	7,14,322
iv) Weighted average number of equity shares of ₹1/- each outstanding during the year	[c]	29,39,59,964	29,33,40,187
<b>Earnings Per Share (face value of ₹1/- each)</b>			
v) Basic – [a]/[b] – (₹)		45.34	36.40
vi) Diluted – [a]/[c] – (₹)		45.22	36.31

# Consolidated Notes

forming part of the financial statements (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 31 March 2021	As at 31 March 2020
In respect of matters under dispute:		
Excise duty	344	390
Customs duty	820	848
Sales tax	1,267	1,549
Income tax	406	2,096
Service tax	264	248
Goods and Services Tax	37	5
Others	5,657	5,657

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 31 March 2021	As at 31 March 2020
Capital expenditure commitments	5,961	5,983
Commitment towards investments	-	1,200

## 38 Corporate social responsibility

As per Section 135 of the Companies Act, 2013 ('Act'), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The focus areas of Company's CSR activities are Education and Health care & while also pursuing CSR activities for the benefit of community around its local areas of operations. The CSR activities of the Company are in line with the Schedule VII of the Act. A CSR committee has been formed by the Company as per the Act. The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company as specified in Schedule VII of the Act, as amended from time to time.

a) Gross amount required to be spent by the company during the year is ₹ 2,322 lakhs.

b) Amount spent during the year on:

Particulars	(₹ in Lakhs)
(i) Construction / acquisition of any asset	-
(ii) On purposes other than (i) above	2,178

c) Details of amount unspent:

(₹ in Lakhs)

Opening balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year (Refer Note below)	Closing balance
152	-	2,322	2,178	296

Note:

Includes amount of ₹102 Lakhs pertaining to amounts unspent on CSR projects due to COVID-19 pandemic and ₹ 194 Lakhs contributed to and remaining unspent by implementation partner AMM foundation for ongoing CSR activities.

The Company has transferred these unspent amounts to a separate bank account on April 30, 2021 in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.

# Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

## 39 Research and development expenses incurred on the following heads have been accounted under the natural heads:

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	945	880
Contribution to provident and other funds	91	77
Consumption of stores and spare parts	134	228
Power and fuel	58	61
Repairs to machinery	47	120
Miscellaneous expenses	178	497
	<b>1,453</b>	<b>1,863</b>

## 40 Related party disclosures

### (A) Names of the related parties and their relationship:

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 SQM (India) Pvt Limited (CSQM)	Joint Venture till 23 August 2020 (Refer note 41)
Coromandel Provident Fund (PF Trust)	Employee benefit plan
Coromandel Provident Fund No. 1(PF Trust)	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. A. Vellayan	Key management personnel (appointed as Additional Director w.e.f. 11 November 2020 and as Chairman w.e.f. 12 November 2020)
Mr. Arun Alagappan	Key management personnel (appointed as Additional Director w.e.f. 11 November 2020 and as Executive Vice Chairman w.e.f. 15 February 2021)
Mr. Arun Vellayan	Relative of Key management personnel –son of Chairman.
Mr. Narayanan Vellayan	Relative of Key management personnel -son of Chairman.
Mr. Sameer Goel	Key management personnel
Mr. S Suresh	Key management personnel of Parent company

### (B) Transactions during the year:

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
i) Sale of finished goods/raw materials/services		
a) Joint Venture- CSQM*	268	298
ii) Rent received		
a) Fellow subsidiary – PICPL	95	95
b) Joint Venture- CSQM*	2	4
c) Associate – PEIL	-	8



## Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

iii) Expenses reimbursed by		
a) Joint Venture- CSQM*	-	54
b) Joint venture – YCAS	-	-
c) Associate – PEIL	-	3
iv) Purchase of finished goods and services		
a) Parent company	842	320
b) Joint Venture- CSQM*	2,400	4,195
c) Associate – PEIL	157	1,230
v) Commission on sales		
a) Associate – Sabero Philippines	46	22
vi) Expenses reimbursed to		
a) Parent company	195	693
vii) Purchase of assets and spares		
a) Joint venture – YCAS	34	36
viii) Dividend paid (including interim dividend payable)		
a) Parent company	30,484	6,200
ix) Rent paid		
a) Parent company	65	49
b) Joint venture – YCAS	-	1
x) Investment made in Equity shares:		
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.

\*With effect from 24 August 2020, CSQM has become subsidiary of the Company on acquisition of balance 50% shares. Accordingly, transactions with CSQM till the date of conversion to Subsidiary are being considered in the disclosure. (Refer note 41)

### (C) Transactions with key management personnel

- a) Dividends paid to directors during the year ended 31 March 2021 ₹ 32 Lakhs (2020: ₹6 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 31 March 2021	For the year ended 31 March 2020
Short-term employee benefits	1,062	496
Others*	332	319
<b>Total compensation</b>	<b>1,394</b>	<b>815</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) During the year, the company has sold car and laptop to its key managerial personnel for ₹ 7 lakhs

### (D) Refer Note 34 for transactions with Employee benefit funds.

## Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### (E) Outstanding balances as at the year end

	(₹ in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
<b>a) Trade receivables/Loans and advances</b>		
- Parent company	725	254
- Fellow subsidiary – PICPL	3	22
- Associate – Sabero Philippines	6	6
- Associate – PEIL	5	37
-CSQM	-	140
- PF Trust	422	-
<b>b) Trade payables/ Other liabilities</b>		
- Parent company	295	645
- CSQM	-	514
- Fellow subsidiary – PICPL	1,019	1,049
-Joint venture – YCAS	11	19
-Associate – PEIL	8	28

### 41 Acquisition of share in Coromandel SQM (India) Private Limited (CSQM)

Pursuant to Share Purchase Agreement dated 10 July 2020, the Company has acquired 50,00,000 equity shares held by M/s Soquimich European Holdings B.V. for a consideration of ₹ 1,200 Lakhs. Consequent to this acquisition Coromandel SQM (India) Private Limited (CSQM) has become a wholly-owned subsidiary of the Company with effect from 24 August 2020. The transaction was accounted in accordance with Ind AS 103 - Business Combinations ("Ind AS 103") and the initial accounting was provisionally determined during September 2020.

During March 2021, the necessary fair value calculations has been finalised and retrospectively adjusted the provisional amounts recognised as at acquisition date with fair values as per the Ind AS 103. The excess of identifiable assets acquired and the liabilities assumed over the consideration paid has been recognised as gain on bargain purchase in capital reserve through other comprehensive income in Consolidated Financial Statements. Consolidation of CSQM as a subsidiary was done w.e.f. 31 August 2020 as there were no material transactions between 24 August 2020 to 31 August 2020.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

Particulars	Fair Value (₹ in Lakhs)
<b>Assets</b>	
Property, plant and equipment	470
Capital work-in-progress	17
Financial assets	2
Deferred tax	9
Inventories	1,200
Trade receivables	1,163
Cash and cash equivalents	1,239
Other current assets	120
<b>Total assets (A)</b>	<b>4,220</b>

## Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

Particulars	Fair Value (₹ in Lakhs)
<b>Liabilities</b>	
Trade payables	1,353
Other current liabilities	118
Provisions	7
Current tax liabilities	16
<b>Total liabilities (B)</b>	<b>1,494</b>
<b>Total identifiable net assets acquired (C) = (A-B)</b>	<b>2,726</b>
Cash consideration	1,200
Fair valuation of previously held equity interest	1,260
<b>Total consideration (D)</b>	<b>2,460</b>
<b>Gain on Bargain purchase - Capital reserve (C-D)</b>	<b>266</b>

### 42 Financial information in respect of joint ventures and associates that are not individually material:

#### a. Joint ventures

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Group's share of profit/ (loss)	536	76
Group's share of other comprehensive income	-	(1)
Group's share of total comprehensive income	536	75

	As at 31 March 2021	As at 31 March 2020
Aggregate carrying amount of the Group's interests in these joint ventures	1,353	2,077

#### b. Associate

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Group's share of profit/ (loss)	4	2
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	4	2

	As at 31 March 2021	As at 31 March 2020
Aggregate carrying amount of the Group's interests in these associates	6	2

## Consolidated Notes

forming part of the financial statements (Contd.)

(₹ in lakhs, unless otherwise stated)

### 43 Payments to Auditors of the Company

#### 43 (a) Payment to Auditors of the Company

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit fees	75	75
Tax audit fees	15	15
Limited reviews	36	36
Certifications	70	70
Other services	-	10
Reimbursement of expenses	2	2
<b>Total</b>	<b>198</b>	<b>208</b>

#### 43 (b) Payment to auditors of components

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Audit fees	16	15
Tax audit fees	2	1
Other services	5	-
<b>Total</b>	<b>23</b>	<b>16</b>

Note: Amounts given above excludes GST/ service tax.

44 During the year, the Company has made political donation of Nil (2020: ₹413 Lakhs) to Triumph Electoral Trust.

45 During the previous year 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. There are no Commercial papers outstanding as on 31 March 2021.

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 2021	Net assets		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2021	Amount in lakhs	31 March 2021	Amount in lakhs	31 March 2021	Amount in lakhs	31 March 2021	Amount in lakhs
Coromandel International Limited	Parent	India	-	98%	5,03,893	99%	1,31,218	85%	1,110	99%	1,32,328
Liberty Pesticides and Fertilisers Limited (LPFL)	Subsidiary	India	100	*	282	*	6	-	-	*	6
Sabero Organics America S.A. (SOAL)	Subsidiary	Brazil	100	*	127	*	(29)	*	(62)	*	(91)
Sabero Australia Pty Ltd, Australia (Sabero Australia)	Subsidiary	Australia	100	*	3	*	(3)	-	1	*	(2)
Coromandel Europe B.V. (Sabero Europe)	Subsidiary	Netherlands	100	*	-	*	-	-	-	*	-
Sabero Argentina S.A. (Sabero Argentina)	Subsidiary	Argentina	95	*	(2)	*	(9)	*	(1)	*	(10)
Coromandel Agronegocios de Mexico, S.A de C.V (Coromandel Mexico)	Subsidiary	Mexico	100	*	148	*	(56)	*	21	*	(35)
Coromandel International (Nigeria) Limited (CNL)	Subsidiary	Nigeria	99.99	*	2	*	2	*	(1)	*	1
Parry America, Inc (PAI)	Subsidiary	USA	100	1%	3,969	1%	1,167	(9)	(112)	1%	1,055
Parry Chemicals Limited (PCL)	Subsidiary	India	100	*	1,685	*	30	-	-	*	30
Dare Investments Limited (DIL)	Subsidiary	India	100	*	641	*	(1)	28%	361	*	360
CFL Mauritius Limited (CML)	Subsidiary	Mauritius	100	*	156	*	(31)	-	(6)	*	(37)
Coromandel Brasil Limitada (CBL), Limited Liability Partnership	Subsidiary	Brazil	100	*	46	*	51	*	(3)	*	48
Coromandel Mali SASU (CMS)	Subsidiary	Mali	100	*	7	*	(1)	-	-	*	(1)
Coromandel SQM (India) Private Limited (CSQM) w.e.f 24/08/2020	Subsidiary	India	100	*	2,743	*	30	-	1	**	31
Coromandel SQM (India) Private Limited (CSQM)( Up to 23/08/2020)	Joint venture	India	50	*	-	*	7	*	-	*	7
Yanmar Coromandel Agrisolutions Private Limited (YCAS)	Joint venture	India	40	*	1,353	**	529	*	-	*	529
Sabero Organics Philippines Asia Inc (SOPA)	Associate	Philippines	40	*	6	*	4	*	-	*	4
<b>Total</b>					<b>5,15,059</b>		<b>1,32,915</b>		<b>1,309</b>		<b>1,34,224</b>

\*less than 1 %

- a. In respect of SOAL, Coromandel Mexico, CNL and SOPA the financial year is from 1 January 2020 to 31 December 2020 and accordingly audited financial statements are available upto 31 December 2020. 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 and CMS the financial year is from 1 January 2020 to 31 December 2020, however the unaudited financial statements for the period from 1 April 2020 to 31 March 2021 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 2020 to 31 May 2021 and in respect of YCAS the financial year is from 1 April 2020 to 31 March 2021, however unaudited financial statements for the period 1 April 2020 to 31 March 2021 has been considered for the purpose of preparation of consolidated financial statements.

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:

(₹ in Lakhs)			
Sl.No.	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	Principal amount due to suppliers under MSMED Act, as at the end of the year	936	943
(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. The Board of Directors have approved the proposed Scheme of Amalgamation of Liberty Pesticides and Fertilizers Limited (LPFL) and Coromandel SQM (India) Private Limited (CSQM) with the Company subject to approval of the Hon'ble National Company Law Tribunal, Hyderabad (NCLT) under Section 230 and 232 of the Companies Act 2013. Upon approval of the Scheme by NCLT, the undertakings of LPFL and CSQM shall get transferred to and vested in the Company with the Appointed Date of 01 April 2021 or such other date as the NCLT may approve.

49. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

50. Approval of financial statements

The financial statements were approved by the Board of Directors on 29 April 2021.

For and on behalf of the Board of Directors

**Sameer Goel**  
Managing Director

**A Vellayan**  
Chairman

**Jayashree Satagopan**  
Chief Financial Officer

**Rajesh Mukhija**  
Company Secretary

Place: Secunderabad/ Chennai  
Date: 29 April 2021





**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