**Coromandel International Limited**
'Coromandel House', 1-2-10, Sardar Patel Road,
Secunderabad - 500 003, Telangana, India.
Tel: 91-40-6699 7300 / 6699 7500 Fax: 91-40-2784 4117
E-mail: mail@coromandel.murugappa.com
CIN: L24120TG1961PLC000892
Website: www.coromandel.biz

**Ref. No.: 2023-24/35** **July 5, 2023**

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

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

Dear Sir/ Madam,

**Subject : Notice of the 61st Annual General Meeting and Integrated Annual Report for the Financial Year 2022-23**

This is further to our letter dated May 15, 2023 about the 61st Annual General Meeting ('AGM') of the Company, which will be held on Thursday, July 27, 2023 at 3.30 P.M. (IST) through Video Conferencing/ Other Audio-Visual Means.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Integrated Annual Report for the Financial Year 2022-23, including the Notice of the 61st AGM ('Annual Report') for your kind reference and record.

The Annual Report has been sent through electronic mode today, i.e., July 5, 2023, to all the members whose email address is registered with the Depository Participants/ Company's Registrars and Share Transfer Agent, i.e., KFin Technologies Limited.

The Annual Report is also available on the website of the Company, i.e., www.coromandel.biz.

We are also furnishing below the AGM related information for ready reference:

| | |
|---|---|
| Time and Date of AGM | 03:30 p.m. IST, Thursday, July 27, 2023 |
| Cut-off Date for e-Voting | Thursday, July 20, 2023 |
| Book Closure Dates for AGM and Dividend | Saturday July 15, 2023 to Thursday, July 27, 2023 |
| E-voting start time and date | 9:00 a.m. IST; Sunday, July 23, 2023 |
| E-voting end time and date | 5:00 p.m. IST; Wednesday, July 26, 2023 |

We request you to take this on record.

Thanking you.

Yours sincerely,
For **Coromandel International Limited**

Rajesh Mukhija
Digitally signed by Rajesh Mukhija
Date: 2023.07.05 17:38:52 +05'30'

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

*Enclosure: As above*

Coromandel
FUTURE POSITIVE

# Forging **New Paths,** Fortifying **Future**

# INTEGRATED REPORT FY 2022-23

## Coromandel International Limited

murugappa

# Forging **New Paths,** Fortifying **Future**

At Coromandel, we have continuously been at the forefront of driving innovation and growth in the agriculture sector. As we look ahead, we have made proactive choices to future-proof our current businesses while foraying into new domains. Our theme, "Forging New Paths, Fortifying Future", encompasses our objectives of strengthening current business operations and venturing into emerging opportunities .

To forge new paths and open up growth opportunities, a company must make investments in newer technologies and product innovation. We have made strategic investments in AgTech businesses that are pursuing ground-breaking agricultural solutions. These investments undoubtedly enhance our competitive standing in the market.

Our commitment to protect and sustain current operations through backward integration, efficiency improvement, assuring operational flexibility, and raw material security is reflected in the phrase "Fortifying Future." We envisage that these efforts will enable us to effectively address evolving market demands and associated challenges.

# Contents

# About the Report

Coromandel International Limited (Coromandel) is a major provider of agricultural solutions and promotes sustainability throughout the farming value chain. It offers superior farm inputs to foster soil enrichment and crop development, expert agricultural advisory services, and has extensive network of farmer touchpoints fulfilling the needs of farmers promptly and efficiently.

Coromandel has consistently prioritized responsible business conduct and the principles adopted by the organization ensures that it provides its stakeholders with a clear and unbiased assessment of performance and challenges in a timely manner. Moreover, the company actively seeks feedback from the stakeholder community to uncover potential opportunities, risks, and recommendations to enhance its performance.

In 2021-22, Coromandel published its maiden Integrated Report which showcased its non-financial performance. The company's progress for fiscal year 2022-23 is included as part of this report i.e. its second Integrated Reporting. Besides aligning with the <IR> Framework principles laid down by the International Integrated Reporting Council (IIRC), the report also provides disclosures required by the Global Reporting Initiative (GRI) standards. In addition, Coromandel has considered the requirements of the Business Responsibility and Sustainability Reporting [BRSR], which will establish a more transparent connection between its operational achievements and the contribution to United Nations Sustainable Development Goals (UN SDGs).

## Reporting scope and boundary

The report covers all of Coromandel's facilities that sustain its various lines of business, including Fertilisers, SSP, Bioproducts, and Crop protection. The report for the fiscal year 2022-23 comprises non-financial metrics, specifically sustainability metrics, which include both environmental and social facets[1].

## Data Management

To ensure that the material in this report is authentic and accurate, Coromandel has referred to several internal sources such as data records, periodic reviews, and audit trails. It has also considered conversion variables and assumptions which adhere to applicable international standards. Non-financial ESG information underwent an independent external assurance (Limited) process in accordance with the AA1000AS v3 Standard (Type 1, Moderate Level).

## Approach to Materiality

The report focuses around material issues that have the potential to affect the organization's capacity to generate value for its stakeholders and fulfil its strategic objectives. These issues were identified via consultations with both internal and external stakeholders and benchmarked against reputable standards (SASB) and ESG Indices (DJSI, MSCI).

## Responsibility and feedback statement[2]

The report has been developed under the supervision and guidance from the Board of Directors, adhering to the standards of BRSR, GRI and the IIRC's <IR> framework, as well as applicable regulations set by the Government of India. We welcome feedback or enquiries from the stakeholders which may be sent to Ms. Jayashree Satagopan, President - Corporate and Chief Financial Officer of Coromandel International Limited, as per the following contact details:

Olympia Terraces, #15B(SP),
SIDCO Industrial Estate, Guindy,
Chennai – 600032, Tamil Nadu, India

E-mail: investorsgrievance@coromandel.murugappa.com

Phone no.: +91 44 42525300 / 42525400

[1]GRI 2-2; GRI 2-3
[2]GRI 2-3

# About Coromandel International Limited[3]

Coromandel International Limited, part of Murugappa group, is a renowned agricultural solutions provider in India that strives to improve the lives of farmers and enhance the ecosystem while creating value for all stakeholders. The organization's commitment to promoting responsible farming and nurturing a sustainable tomorrow for farmers and the planet is demonstrated through the wide range of agri products and solutions offered by it. As one of India's largest manufacturers of agri inputs, it specializes in high-quality primary, secondary and micro-nutrients, biologicals, and crop care solutions. The business operations are divided into two major segments: Nutrients & other allied businesses and Crop Protection. Being a top marketer of organic fertilisers and a diverse portfolio of biopesticide solutions is a source of pride for the organization. Coromandel's investment in Research and Development (R&D) and cutting-edge technologies is an indication of its unwavering commitment to promoting sustainable agriculture and expanding growth opportunities.

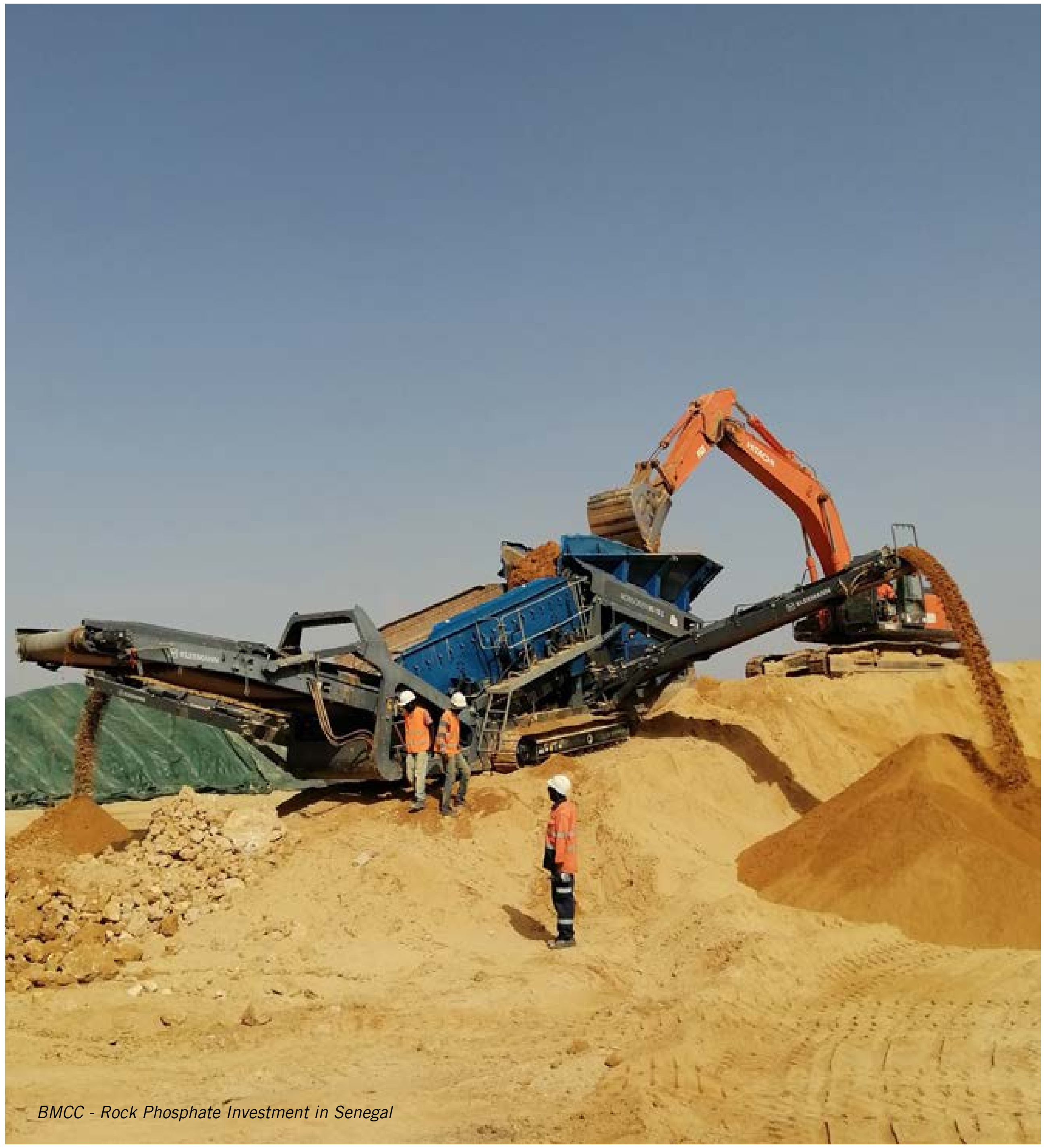
Coromandel is well-equipped to support its farmer partners in enhancing productivity through customized and well-balanced crop solutions, farmer outreach programs, and technology interventions. It actively contributes to the United Nations' Sustainable Development Goals (SDGs) and has aligned its initiatives towards programs focusing on health, education, sanitation, and clean energy.


- World's largest Neem based Bio pesticide manufacturer
- India's largest private sector Phosphatic Fertiliser company
- No. 1 Organic Fertiliser marketer in India
- Pioneers & market leaders in Speciality Nutrients
- India's largest Single Super Phosphate (SSP) company
- Leading Indian Crop Protection company
- Largest Agri Retail chain in India with ~750 stores

[3] GRI 2-1; GRI 2-6

## A 'Farmer First' Company

Coromandel recognizes the crucial role played by farmers in sustaining humankind and therefore, emphasizes on a 'Farmer First' approach in all its endeavours. The business' commitment to sustainable growth for farmers and other stakeholders is reflected in its continuous efforts to innovate and broaden its agri-solution offerings. The company actively maintains a strong relationship with farmers in order to stay informed about their evolving needs in response to technological changes, variations in weather and cropping patterns as well as shift in market dynamics. These insights are utilized by the organization to create innovative and improved solutions that specifically address the needs of farmers. As part of its commitment to sustainability, the business promotes integrated crop management practices that encompass balanced nutrition and pest management methodologies.



*BMCC - Rock Phosphate Investment in Senegal*

## A Broad Spectrum of Offerings

Coromandel's business verticals are designed to have a positive impact on soil, crops, and farmers. Its product range aims to ensure comprehensive plant nutrition, plant protection, and soil rejuvenation and caters to the entire farming lifecycle, from sowing to harvesting. Coromandel also possesses the expertise of its rural retail and agronomist teams with the farm advisory services providing valuable inputs to enhance farm productivity. The company proactively adopts technology and digitization to further improve the manufacturing processes, value chain, and customer service.


## Plant Nutrition

### Fertilisers
Coromandel's line of fertilisers features distinctive products enriched with secondary and micro-nutrients and guarantees balanced nutrition for crops.

### Speciality nutrients
Coromandel's specialty nutrient solutions not only provide primary, secondary, and micro-nutrients, but also effectively address soil deficiencies and enhance the efficiency of nutrient utilization.

### Organic fertilisers
Coromandel utilizes the natural components found in urban waste and plant remnants to create organic solutions targeting soil health.

## Plant Health

### Crop protection
The primary causes of crop loss are insects, diseases, and weeds, and Coromandel's line of products are designed to promote crop health and mitigate these issues.

### Bio products
The organization's advocacy for integrated pest management involves the advancement of bio-based products, positioning Coromandel as the leader in neem-based solutions.

## Rural Retail

Coromandel has established and manages around 750 rural retail outlets in three southern Indian states, which serve as a direct point of contact for more than 3 million farmers. These outlets are overseen by a dedicated team of crop advisors, who offer guidance to farmers on the most suitable agricultural inputs for specific soil types and crop cycles. In addition to offering a comprehensive range of products and advisory services, these outlets also provide soil testing, crop diagnostics, and farm mechanization services.

## Market Leading Products

### Fertilisers
- The leading private sector player in the Indian phosphatic industry, Coromandel holds a consumption-based market share of **17.2% in NPK & DAP segment**
- Coromandel holds the top position as the single largest producer of Single Super Phosphate (SSP) in the country, with a **consumption-based market share of 13.8%**
- With an annual production capacity of **~4.5 million tons** of complex fertiliser and SSP, Coromandel has a significant presence in the market. Furthermore, the **business generated 36%** of its sales from unique products.

### Speciality nutrients
- Coromandel is one of the market leaders in the specialty nutrient sector, particularly in the areas of **water-soluble fertilisers and the sulphur segment.**
- With **annual sales of ~2.4 lakh tons**, Coromandel is the largest marketer of organic fertilisers in India.

### Crop Protection
- Coromandel is a **leading Indian Agrochemical Player**
- Global presence spans **80+ countries**
- **90,000+ tons** manufacturing capacity per annum
- **70+ brand**-based product portfolio

### Bio Products
- **Largest neem based Azadirachtin** manufacturer globally
- Significant presence in the **US, Canada and Europe**

### Retail
- India's **largest agri retail chain**
- Wide network of **750+ stores**
- **One-stop** shop for agri requirements
- Direct contact with **3 million+ farmers**

# Vision, Mission, Values and Coromandel's Strategy

## Vision

To be the leader in farm solutions business in the geography of choice and consistently deliver superior value to stakeholders through highly engaged employees, with a strong commitment towards sustainability and our values.

## Mission

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

## Our Values

The founding philosophy of the Murugappa Group serves as an inspiration for Coromandel, fostering a steadfast commitment to upholding exemplary governance standards and conducting business with unwavering integrity and ethics. The philosophy, drawn from the ancient Indian treatise, Arthashastra, states - "The fundamental principle of economic activity is that if no man you transact with shall lose, then you shall not". Our actions and decisions are guided by the five lights: Integrity, Passion, Quality, Respect, and Responsibility.

## The Spirit of the Murugappa Group

These five lights guide us as we navigate through professional and personal decisions.






## Coromandel's Integrated Strategy of Growth

The increasing consumption and depletion of resources such as land, labor, and water highlight the imperative to enhance agricultural productivity in order to meet the escalating global demand for food. Furthermore, the agriculture sector is anticipated to grow at a healthy pace in the future driven by growing awareness and emphasis on sustainability, expanding internet penetration, technological developments, and government backing. The changing environment suggests that new agricultural practices could reshape the farming landscape, and Coromandel is moving forward to constructively leverage these growth drivers.

Coromandel follows a comprehensive approach to strengthening its foothold in the growing agricultural sector. Its strategy is supported by eight pillars and aims to increase the potential of its businesses through innovative product development, reliable governance, and sustainable business practices.


By strengthening capacity and capabilities, Coromandel continues to increase its market presence and leadership. 'Farmer-First' principle is upheld by its vast network of dealers and retail outlets, which play a crucial role in reaching the farthest corners of India and other countries with its products and services.

The organization's commitment to ensuring the holistic growth and broadening of socio-economic opportunities for farmers continues to guide the farmer-centric approach.

Its relationship with the farmers is strengthened through capability enhancement engagements and advisory programmes run by its agronomists, nutri-clinics, and retail centres. To increase farmer productivity and crop yields, the business is introducing innovative agri-technology solutions in crop diagnostics, spraying, and delivery systems.

In order to enhance the growth potential of the organization and explore new possibilities, various expansion opportunities are being explored in adjacent business sectors.

# New Product launches


### AcuMist Calcium

Micronutrient
(in liquid formulation)
containing 10% Calcium


### Gardina Soil Conditioner

Neem-based soil conditioner for urban gardening


### Gardina Growth Booster

Plant-based growth promoter for urban gardening


### Ortain Super

Broad-spectrum Combination Insecticide (Acephate 50% + Fipronil 5% WDG)


### Phendal Plus

Broad-spectrum Combination Insecticide (Phenthoate 45% + Cypermethrin 6% EC)


### Prop-Plus

Broad-spectrum Combination Fungicide (Propiconazole 10.7% + Tricyclazole 34.2% SE)


### Canister

Broad-spectrum Combination Insecticide (Hexythiazox 3.5% + Diafenthiuron 42% WDG)


### Clareo

Herbicide
(2,4-D Amine Salt 58% SL)


### Azamax

Broad Spectrum Azadirachtin-based Bio-Insecticide
(Azadirachtin 0.03% EC)

In addition to these, two new crop protection Technical products (Azoxystrobin and Cyproconazole) were commercialized by the company during the year.

# Our Presence

The corporate headquarter is located in Chennai, Tamil Nadu and the organization has divisional offices across Bangalore, Vijayawada, Pune, Indore, Noida, and Kolkata. Its extensive product line is distributed in over 80 countries worldwide. In India, Coromandel has established a vast network of 20,000+ dealers, and 2,000+ marketing and agronomy professionals to provide farm advisory and services to more than 2 crore farmers annually. It has subsidiaries, strategic investments, joint ventures, and global offices in multiple geographies. Its global subsidiaries and regional offices export over USD 100 million worth of crop protection solutions, including biopesticides and crop nutrition products.

With an unwavering focus on sustainable growth and commitment to minimizing its environmental footprint, Coromandel has established state-of-the-art manufacturing facilities that prioritize safe and efficient production. Its 18 manufacturing plants throughout South, West, Central, and North India deliver high-quality agricultural inputs to the farming community. These plants can manufacture multiple products with minimal variations, given their fungible nature. Backward integrated operation allows the business to maximize value generation and customization. The fertiliser manufacturing units in Visakhapatnam, Kakinada, and Ennore possess the flexibility to operate with multiple rock and acid combinations, enabling the manufacturing of more than 10 products. In addition to this, it has a water soluble fertiliser plant at Kakinada. The company, through its 8 SSP plants across the country, offers low cost source of phosphate-based nutrition products. Further to this, it has a lease arrangement at Ennore for manufacturing SSP products. As a leading crop protection player in the country, it has 3 technical and 2 formulation manufacturing facilities across India. The company has also established the world's largest Azadirachtin manufacturing facility in Cuddalore, Tamil Nadu.

Coromandel is proud to be considered as one of the greenest companies in the fertiliser industry. The organization has implemented robust practices to minimize waste and maximize the reduction, recycling, and reuse of resources.

Manufacturing facilities

**18**

Manufacturing capacity per annum for fertilisers

**~4.5 Million tons**

Manufacturing capacity per annum for crop protection (Technical)

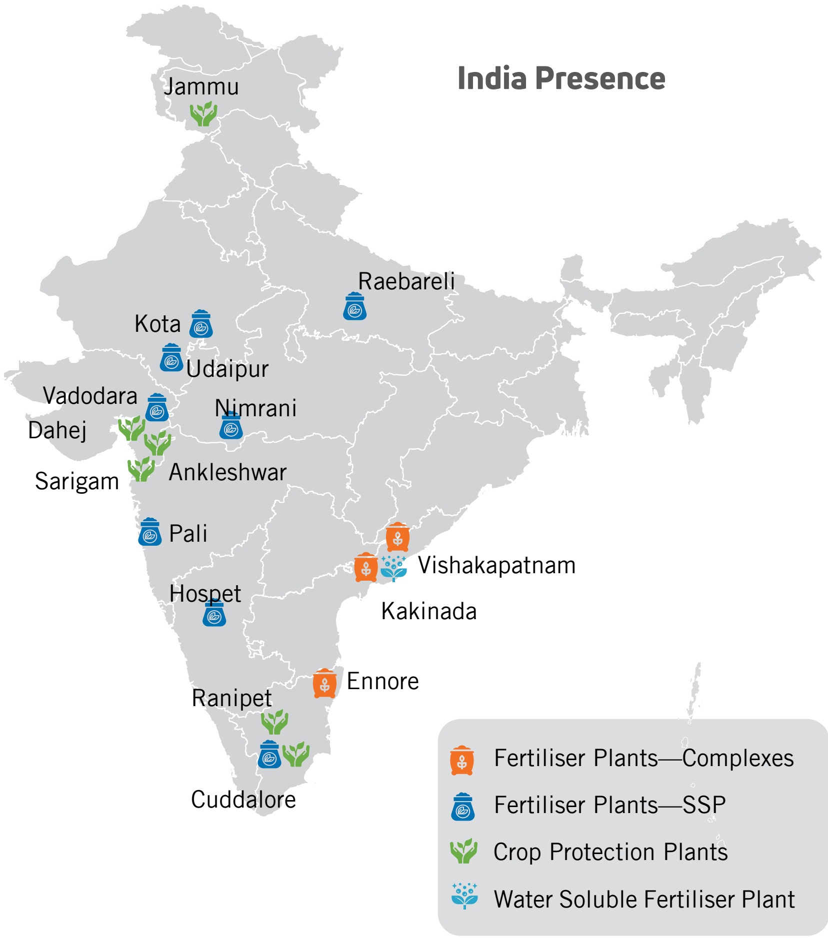
**90,000+ tons**

State-of-the-art R&D Laboratories

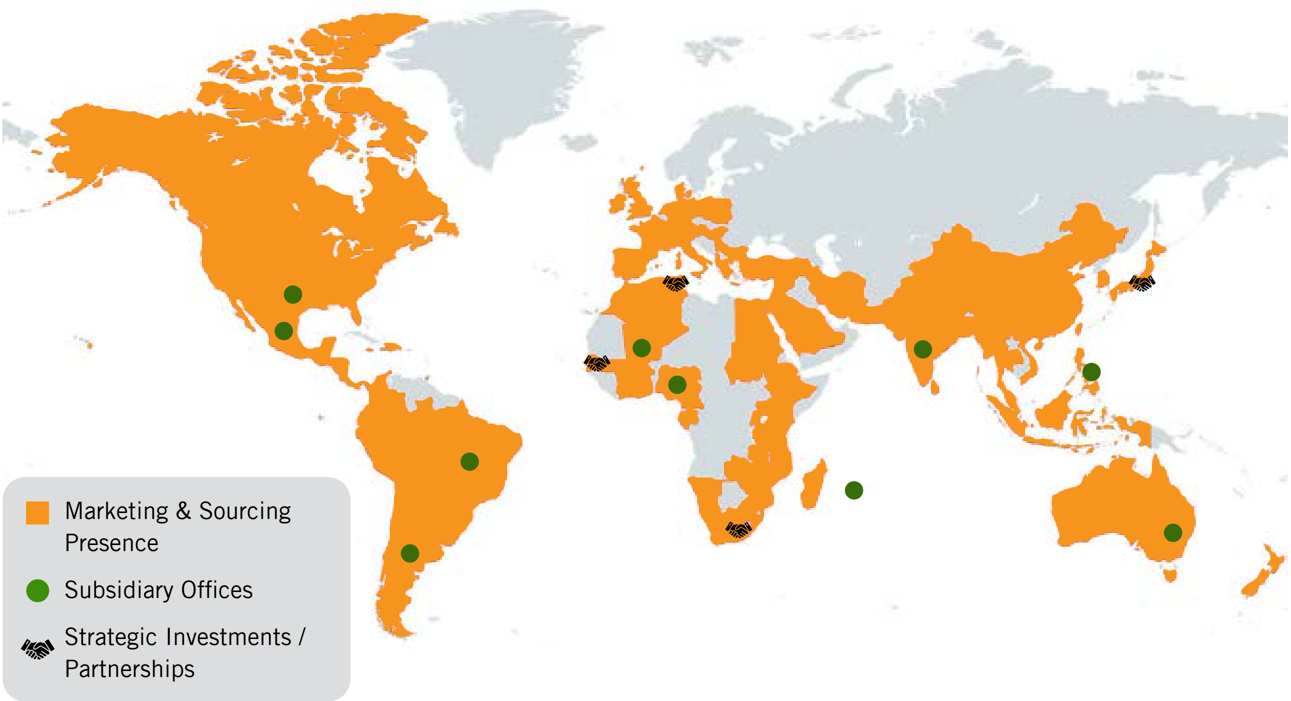
**7**

# Joint Ventures and Partnerships

At Coromandel, we prioritize collaboration with other entities that possess complementary strengths to help reduce time-to-market and to strengthen our value chain as we grow. To expand our global reach and leverage collective expertise, we collaborate with leading organizations in technology, research, sourcing, and farm mechanization. Additionally, we have established several marketing tie-ups to increase the reach of our products. Moving forward, we remain committed to exploring synergies with prospective partners who share our vision.




## Global Presence








# Financial Highlights (Standalone) - 10 Years Performance

(INR Crores, unless stated)

| Particulars | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Income | 9,442 | 11,341 | 11,690 | 10,239 | 11,168 | 13,240 | 13,155 | 14,231 | 19,231 | 29,784 |
| EBITDA (incl. Other Income) | 787 | 905 | 856 | 1,036 | 1,305 | 1,450 | 1,764 | 2,044 | 2,179 | 3,093 |
| Net Fixed Assets | 1,238 | 1,412 | 1,357 | 1,346 | 1,372 | 1,497 | 2,088 | 2,096 | 2,224 | 2,590 |
| Net Worth | 2,233 | 2,165 | 2,503 | 2,812 | 2,927 | 3,434 | 4,389 | 5,213 | 6,298 | 7,868 |
| PAT | 345 | 403 | 358 | 477 | 685 | 714 | 1,059 | 1,313 | 1,412 | 2,035 |
| EBITDA Margin % | 8% | 8% | 7% | 10% | 12% | 11% | 13% | 14% | 11% | 10% |
| PAT % | 4% | 4% | 3% | 5% | 6% | 5% | 8% | 9% | 7% | 7% |
| Debt - Equity Ratio | 0.68 | 1.05 | 1.07 | 0.79 | 0.93 | 0.86 | 0.37 | 0.00 | 0.00 | 0.00 |
| Book Value per Share (INR) | 79 | 74 | 86 | 96 | 100 | 117 | 150 | 178 | 215 | 268 |
| Earning per Share (INR) | 12 | 14 | 12 | 16 | 23 | 24 | 36 | 45 | 48 | 69 |

**Notes:**

1. Financials from 2013-14 and till 2014-15 are presented as per Revised Schedule VI
2. Financials from 2015-16 are presented as per Indian Accounting Standards (Ind AS)
3. Financials from 2013-14 include erstwhile Liberty Phosphate Limited and erstwhile Liberty Urvarak Limited which merged with Coromandel effective April 01, 2013
4. Financials for 2014-15 include erstwhile Sabero Organics Gujarat Limited which merged with Coromandel effective April 01, 2014
5. Financials from 2017-18 include Bio-Pesticide operations
6. Financials from 2020-21 onwards include Liberty Pesticides and Fertilisers Limited (LPFL) and Coromandel SQM (India) Private Limited (CSQM) which merged with Coromandel effective April 01, 2021

# Awards and Recognitions

Throughout the year, Coromandel's efforts in community engagement, safety interventions, manufacturing and business achievements were acknowledged and celebrated by numerous organizations.

## CSR

### Winner - 9th Annual Greentech CSR Award 2022 ('Promotion of Education' Category):

Coromandel emerged as Winner for outstanding achievements in the 'Promotion of Education' category at the 9th Annual Greentech CSR Award 2022. The award was bestowed upon for the commendable work and key practices implemented to promote education in various CSR activities undertaken by Coromandel International across its locations and having positive impact over a period of years.

## Environment Health and Safety

### ITC Honours Coromandel for its contribution:

ITC Limited honoured Coromandel - Visakhapatnam plant with 'Certificate of Appreciation' for contributing 19170 kgs of paper waste as part of 'WOW (Wellbeing Out of Waste)' initiative. The award was in recognition for the Nationwide recycling initiative taken up by ITC Limited. The contributed paper waste results in an environmental savings of 342 trees, 1.52 cubic meters of landfill space, 38 kL of water, 8189 units of energy and reduction of 1.71 MT of $CO_2$ during the year 2022-23. It is a proud achievement for Coromandel to be recognized as the contribution for paper waste was a result of basic '5S' done at various offices and Central Record Room.

### Kalinga Environment Excellence Award:

Kalinga Environment Excellence Award reflect the high standards of Environmental initiatives undertaken by organisations as evidence of building relationship with the surrounding community. Coromandel - Visakhapatnam plant bagged the prestigious 'Kalinga Environment Excellence Award in the Five Star Category for the Performance Year 2021' by Institute of Quality & Environment Management System (IQEMS).

### Gold Awards at the QCFI's Safety Convention:

Coromandel's Dahej team took part in a safety convention programme organised by the QCFI Vadodara Chapter with the theme "Life and Limbs are precious" and received the "Gold Award" with the highest score. CPC Sarigam also bagged the Gold Award in QCFI Safety competition organized by QCFI Surat Chapter.

### Silver award at the CII - Southern Region (SR) EHS Excellence Awards 2022:

Coromandel's Ennore plant won the silver award for commitment to excellence in EHS practices, as well as third place in the chemical industry category. Ranipet and Hospet plants won the bronze award.





## Business

### Deloitte's Best Managed Companies Award 2022:

This award program recognises India's top family/private owned best managed companies and acknowledges their achievements via the "Best Managed" designation, a mark of business excellence that will place them in an exclusive global ecosystem of best managed companies. Deloitte evaluates applicants based on four pillars: Strategy, Capabilities and Innovation, Culture and Commitment, and Governance and Financial performance.

### Dun & Bradstreet Award - 'Corporate Awards 2022':

The award recognises the exemplary performance in the corporate world and felicitates the top 500 companies across various sectors. The company received the prestigious Dun & Bradstreet Corporate Award 2022 in the 'Fertiliser Category'


### Golden Award - Chemexcil (LSM & Merchant Exporter Sector):

Coromandel's CPC Exports has won the Golden Award from Chemexcil under LSM & Merchant Exporter Sector.

### India's Most Trusted Companies Award 2022

Coromandel has been recognized as India's Most Trusted Agri-solutions Provider for 2022 by IBC Info Media. The award reflects how the farming community looks up to Coromandel for appropriate and profitable solutions.

### Silver Trophy - Big Bang Awards 2022 (Internal communication category):

The Advertising Club Bangalore's mega event Big Bang Awards 2022 recognized Coromandel's creative excellence for Voice magazine and awarded a silver trophy to the organization.

### e4m The India PR and Corporate Communications Awards (IPRCCA):

Coromandel bagged the Bronze Award for Voice Magazine under the Internal Communication Category at the prestigious "The India PR and Corporate Communications Awards (IPRCCA)" organised by Exchange for Media (e4m). Since its inception in the year 2008, IPRCCA recognizes organizations for their success in PR and corporate communications and Coromandel has proved to be one of the best in the industry in Internal communications.

## Manufacturing


### Kaizen Awards:

Reinforcing the quality standards of the organisation, Coromandel – Visakhapatnam plant has won five prestigious awards at the 1st Kaizen convention on 'Continuous Improvement is the Way Forward for Lean Manufacturing' conducted by QCFI at HRD Centre, Steel Plant, Visakhapatnam. Five teams of Coromandel – Kakinada plant participated in this competition and won five Gold Awards for the projects that led to improvements made through Kaizen efforts, resulting in enhancement of productivity, quality, delivery, cost, safety and morale.

### India Manufacturing Excellence Award 2022:

Kakinada unit received the prestigious Gold Award in the India Manufacturing Excellence Awards-2022 (IMEA) by Frost and Sullivan in Process Sector- Mega Large Business category for our Manufacturing Excellence initiatives.

### 12th Edition of CII National Poka Yoke Competition Jan-2023:

Coromandel's CPC Plants have bagged 3 Awards at the 12th Edition of CII National Poka Yoke Competition Jan-2023 competition on Human Mistake Proofing (POKA YOKE). List of Poka Yoke awards won: Gold Award winner **Dahej Plant**, Silver Award Winner **Sarigam Plant,** Silver Award Winner **Ankleshwar Plant**

### ABK-AOTS 1st Six-Sigma Competition:

Coromandel's Ennore plant received the Rhodium Award at ABK-first AOTS's Six-Sigma Competition (Tamil Nadu Center).

### CII's 6th National Kaizen Circle Competition:

Coromandel's Ennore plant won the Platinum Award (1st Prize) at the Confederation of Indian Industry (CII) "6th National Kaizen Circle Competition" in the Process Segment (Large) category.

### CII's 45th National Kaizen Competition:

CPC's Dahej, Ankleshwar and Sarigam plants received Gold Award in the renovative and restorative categories.

### 18th CII Circle Competition:

CPC's Dahej unit earned the Platinum Award in the Cost Reduction Category, Sarigam unit was awarded the Gold Award in the Cost Reduction Category, and Ankleshwar unit was awarded the Silver Award in the Quality Improvement Category.

### Platinum Award (Basic level) by ABK-AOTS:

CPC's Ranipet formulation plant bagged the Platinum grade (basic level) award for 5S practices from ABK-AOTS.



# Leadership Messages

## Chairman's Message

Dear Shareholders,

The past year 2022-23 was yet another year of joy for the Indian agriculture sector with favourable agroclimatic conditions, timely availability of agri inputs and improved crop realizations leading to high kharif and rabi crop sowings. The total food grain production for India is estimated to be at a record 323 million tonnes, affirming the positive sentiments that prevailed throughout the year. The Indian Agri story of 2023 was also emphasized through the United Nations' declaration of 2023 as the International Year of Millets, emphasizing the potential role of millets and Indian agriculture in strengthening the global food sustainability goals.

### Promising growth of Indian economy and policy push to strengthen Indian agriculture

India's economy has seen significant rebound from the pandemic era and continues to exhibit strong growth momentum. India's GDP growth as per World Bank estimates is expected to be upwards of 6.9% during FY2023 supported by an uptick in private consumption and government capital expenditure. During the course of the year, calibrated rate hikes by RBI and moderating global commodity prices towards latter half of the financial year have seen inflation correction towards acceptable levels. With resilient domestic demand and capital investment, strengthening corporate and banking balance sheets, World Bank projects India's GDP to grow at 6.3% in FY2024.

On the policy front, Direct Income Support schemes from Centre and various state governments continued to improve liquidity at the farmers level. PM-Kisan and PM-Garib Kalyan Yojana have been endorsed by United Nations Development Programme for their positive impact in ensuring India's food security goals are met.

To strengthen farm advisory services and drive integrated nutrient management practices, Coromandel is providing agri-inputs and services including soil testing and farm mechanization services. Presently, ~40,000 centers are operational and Coromandel has supported in establishing ~7,000 PMKSKs.

As we look ahead, while a potential disruption in Indian agriculture was predicted due to an emerging scenario of El Nino, latest updates from IMD offer solace. While it remains uncertain, there is still a likelihood of India receiving normal monsoon rains in 2023. This, coupled with good reservoir levels and an increased availability of agri inputs should augur well for the Indian agriculture sector in 2023-24.

### Agri inputs industry in 2022-23 exhibited resilience in the face of challenging externalities

On the global front, agri-inputs sector was impacted by the geopolitical uncertainty in the Baltic region. Sudden export sanctions on Russia and Belarus, which together account for 41% of globally traded potash and 25% of nitrogenous fertilisers, resulted in significant volatility in global markets. Export restrictions from China added to the supply pressures on an already reduced global availability. Further, natural gas and ammonia markets contributed to record high raw material costs for fertiliser manufacturers. The threat of reduced global supply led to a rapid increase in fertiliser prices, peaking to a record level in May / June 2022 coinciding with the typical seasonal upswing in fertiliser demand.

Given these challenges on the supply front, Industry worked closely with the Government to ensure timely availability of fertilisers which resulted in stable consumption at the farmgate level. Further, timely and higher subsidy disbursements by the Government helped in absorbing the price shocks and ensured smooth agricultural activities. In FY23, against the budgetary allocation of INR 1.05 lakh crore for Urea and NPK fertilisers, INR 2.5 lakh crores funds were released towards the fertiliser subsidy.

As we look ahead, with reducing fertiliser prices and easing energy situation in Europe due to healthy stocking and a mild winter, affordability has been continuously improving. Fertiliser demand is expected to improve in FY2024 to cover up for the application shortfall in the previous year. Supply is also set to improve with overall increase in manufacturing capabilities in major producing hubs along with possible easing of export restrictions from global suppliers.

On the crop protection side, an emerging trend of global agrochemical companies looking to diversify their sourcing could be seen, with India being well positioned as a strong manufacturing alternative. With its rich know-how of complex chemistry, fast-evolving agrochemical ecosystem, sound regulatory compliances, and deep relationship with global innovators based on ethical IPR protocol and cost-efficient manufacturing, India offers a competitive manufacturing destination to the global CPC industry. The next few years can potentially be a watershed moment for Indian CPC industry.

## Coromandel is poised to tap into the emerging growth opportunities

Coromandel recorded strong growth numbers despite the market uncertainties. The Company registered a revenue of INR 29,628 Crores for the year 2022-23, a significant growth of 55% over the previous year. While a good part of this increase can be attributed to the commodity price cycle, the company will strive to ensure the growth momentum it has retained over the coming years as well. Coromandel is planning to invest in augmenting its capacities on the NPKs, Specialty nutrients and crop protection products in the coming year, which shall help the company in progressing positively on its growth trajectory. Additionally, Coromandel is also attempting to grow revenue sources outside of its core through investments in adjacencies and step-outs, guided by megatrends taking shape within India and globally. As an example of such efforts, Coromandel is also augmenting its CDMO capabilities, to become a supplier of large proportions to the global agro-chemicals and specialty chemicals industries.

The Company's PBT was at INR 2,701 Crores, a growth of 32% over the previous year and the corresponding PAT was at INR 2,013 Crores, a growth of 32% over the previous year. In order to help sustain the company's profitability, we have also invested significantly in initiatives towards strengthening backend supply chain, backward integration, process efficiency improvements programs, and high margin new product development.

## Thanking Directors who had recently stepped down from the Coromandel Board

I would also like to thank Mr. Sameer Goel, former Managing Director, who had superannuated from the services of Coromandel and Mr. Prasad Chandran, who had completed his term as Independent Director during the course of the year for their significant contributions to Coromandel.

## Welcoming the new members to Coromandel Board

I would like to welcome Mr. Aditya Himatsingka and Mr. Adnan Ahmad to the Board of Coromandel, effective October 2023. Mr. Aditya brings with him a wealth of experience from his role as head of one of the cherished Indian textiles houses, the Himatsingka Group, having built up and grown brands in a truly 'Made in India for Global' stories of our generation. Mr. Adnan has served the Indian and Global chemicals sector well. With his distinguished experience across several areas within the world of chemicals, his value add to the Board of Coromandel will be immense.

## Thank you all...

I would like to thank the Members of the Board for their continued support and guidance throughout the year. On behalf of the Board of Directors, I would like to thank all our stakeholders, including our customers, shareholders, banking partners, channel partners, and the government for supporting us in our journey. I would like to wholeheartedly thank my fellow colleagues at the factories and offices of Coromandel for ensuring yet another year of successful business operations. With all your continued support and the blessings of the almighty, I eagerly look forward to the upcoming year.

**A. Vellayan**
Chairman



# Executive Vice Chairman's Message

Dear Shareholders,

The year 2022-23 was a year of confluence of several positives for Coromandel. The company has started to witness favourable results on the basis of several internal efforts of the recent past and a complimentary agri environment helped maximise outcomes.

## The year gone by: Despite headwinds, sustained improvement initiatives and growth focus helping propel Coromandel

The performance of Coromandel has over time been strongly aligned with the mood of the agrarian economy in our country. The past few years, including FY 2022-23 saw rapid strides in agriculture becoming a point of strength for India and a sector of several opportunities. To put this in perspective, over the last six years, agriculture sector in India has grown at average annual growth rate of 4.6%, one of the highest ever growth phases for the sector, supported by reformative policy measures to augment productivity, ensuring price support for farmers, structured crop diversification initiatives and investment boost in infrastructure facilities. The country recorded a better than average rainfall during the year, with a major part of the country experiencing above normal southwest monsoon. The total foodgrain production in the country is also estimated to be at a record 323 million MT. The sector is projected to grow further, with ~USD 50 billion worth of agri and livestock produce export in the current year.

On the macro front, an evident shift of supply chains by global players towards South Asian countries is benefitting India as well. To improve its manufacturing competitiveness, Indian Government has introduced schemes like PM GatiShakti and National Logistics Policy, while Production-Linked Incentives have been extended to multiple manufacturing sectors.

External headwinds in the form of heightened commodity prices, unseasonal rainfall, pockets of heatwaves, regulatory restrictions on usage of chemical inputs in export geographies posed challenges for the businesses. However, the company was well prepared to handle these and several interventions on the sourcing, manufacturing and market collections front helped mitigate the challenges.

During the year, Coromandel endorsed its growth ambitions and consolidation of core business initiatives through a structured roll out of focused programs across the company. Setting up of a dedicated program championed by the Growth office in Chennai to identify opportunities for capital deployment towards growth was undertaken across core, adjacencies and step out opportunities. Structured programs with clear mandates towards implementation of

sourcing optimisation, manufacturing efficiencies, IT and digital infra upgradation, analytics platform build, and market development were also undertaken during the year gone by.

Progressive actions and a robust set of internal programs have helped Coromandel achieve strong financial results for the year gone by. During the year, Coromandel registered revenue growth of 55% driven by both nutrient and crop protection businesses to reach INR 29,628 crores, EBITDA grew by 35% to reach INR 2,902 crores, and net profit improved by 32% to reach INR 2,013 crores for the year.

## Nutrients business delivered a strong performance

Coromandel's Nutrients segment registered its highest ever turnover during the year, growing by 63% to INR 27,162 crores. The business achieved record sales volume in phosphatic fertilisers. Coromandel continued to focus on advocating balanced nutrition approach to the farmers.

The company's new 1,650 MT per day sulphuric acid plant commissioning is on track and likely to be completed by H1 of FY2024. With this, company plans to add 5 lakh MT of Sulphuric acid per annum, thereby resulting in a cumulative inhouse capacity of 11 lakh MT per annum. The investment is in line with Coromandel's long-term objectives to secure key raw materials for its fertiliser production.

On the manufacturing front, the business continued to prioritize safe operations and Total Recordable Incident Rate (TRIR) during the year was 0.41 per million manhours. The complex Fertiliser plants achieved record production volumes of 3.3 million MT, a growth of 14% over FY2022. The business prioritized its Single Super Phosphate (SSP) operations by reviving its Pali (Maharashtra) facility and adding capacity at Ennore (Tamil Nadu). As a result, SSP production went up by 19% to 8.6 lakh MT.

Specialty Nutrients division took significant strides in driving balanced nutrition and has been instrumental in taking differentiated nutrient solutions from Coromandel to the farmers.

In a major boost to drive the sustainable practices in agriculture, the Company has successfully developed a nano technology based fertiliser, Nano DAP from its R&D centre based at IIT Bombay. This marks a significant step in India's push towards achieving the Atma Nirbhar vision in Fertilisers.

## Crop protection business is investing for long haul

Global agrochemical companies have been diversifying their sourcing, with India becoming a well rounded destination for shift of agrochemical manufacturing. India offers a very competitive manufacturing destination for the global CPC industry, given the country's fast-evolving agrochemical ecosystem, know-how of complex chemistry, sound regulatory compliances, and deep relationship with global innovators. Coromandel is committed to leverage the tailwinds and is making long-term bets towards strengthening the crop protection business through a multitude of efforts including focus on new product pipeline, enhancement of manufacturing capacities, capabilities and new chemistries. Particularly, the company is investing to inculcate fluorination capabilities, in line with the evolving market requirements.

During the year gone by, the Crop Protection business registered a growth of 5% versus last year to INR 2,636 Cr. On the technical front, the business has successfully commissioned a "Multi Product Facility" at Ankleshwar plant during Q4 FY2023. On the domestic formulations side, the Business introduced five new products (including three novel combinations) spanning herbicides, insecticides, and fungicides. The new launches have received an encouraging response from the market.

The existing manufacturing plants continued to operate safely with increased emphasis on safety protocols. In addition to this, major thrust was also given to improving instrumentation and revamping infrastructure at all plants. The business has improved the cost position for its key molecules.

During the year, the Bio-products division while continuing with its Azadirachtin sales, continued its diversification strategy to strengthen non-Azadirachtin portfolio. In addition to exploring inorganic growth, the Bio-products team is also collaborating on multiple R&D initiatives in the areas of microbial development and plant extract-based bio-stimulants.

## Coromandel's growth story is turning a new leaf

Coromandel is now attempting to unlock its next phase of growth. During the year, "Growth Unlock" was identified as an area of focus and a dedicated growth program has been rolled out. Some of the key guiding themes behind our growth program are: (i) It is imperative for Coromandel to make big bets and make bold moves in areas beyond our current "Core", (ii) Coromandel needs to create organizational capabilities - people, processes, and Centres of Excellences to pursue our growth ambitions, and (iii) Coromandel needs a sustained and synchronized effort to be successful in its growth journey.

Towards each of the identified growth objectives, the Coromandel leadership has put together an action plan. Some of the initiatives include:

» Initiating business plan build and launching of new businesses adjacent to Coromandel's agri-inputs business and in step-out areas.

» Furthering our backward integration agenda to be competitive vis-à-vis competition.

» Pursuing inorganic opportunities in identified areas.

» Investing in cutting-edge startups focused on technologies of the future, including those working in areas such of farm robotics, drones, post-harvest management, biotechnology, etc.

» Launching programs across HR function to support in development of talent internally and preparing leaders from within the company to support our growth organisation.

» Implementing IT programs such as the Digital Data Centre to help us make faster and data enabled decisions.

» Launching dedicated Centres of Excellences, like the recent setup of Manufacturing CoE at Visakhapatnam to develop in-house best practices.

» In addition to investing in newer opportunity areas, the company will also continue to focus on R&D to ensure our market offerings stay competitive and differentiated.

During the year, Coromandel acquired a 45% stake in Baobab Mining and Chemicals Corporation (BMCC), Senegal to meet its rock phosphate needs, a key raw material for manufacturing Phosphoric acid. BMCC holds a 20 years' mining license and has been producing commercial rock phosphate for use in Visakhapatnam plant. This investment will help in strengthening Coromandel's backward integration to ensure long-term supply security of the key raw material. Coromandel's Board has also approved the company's entry into the Agri CDMO and Specialty Chemicals businesses during the year.

Coromandel's agritech focussed corporate venture capital arm Dare Ventures made 3 investments during the course of the year – (i) Ecozen, a renewable energy company providing technology led solutions for agriculture for irrigation and cold storage, (ii) StringBio, one of the few differentiated agri-biotech companies working on gaseous state fermentation of $CO_2$ and methane in India which now has tested products catering to different sectors including agriculture, animal nutrition, human nutrition and personal health, and (iii) Dhaksha Unmanned Systems, a Drone technology and manufacturing company providing complete range of Unmanned Aerial Systems (UAS) solutions for agriculture, defence, surveillance and other enterprise applications.

We firmly believe that these initiatives will give Coromandel an opportunity to be a "progressive player" and gain significant growth traction. These bold moves shall help us in expanding our addressable opportunities into newer horizons and significantly improving our core capabilities.

As a responsible corporate, we are building safe and sustainable operations and remain committed to lead balanced agricultural practices. We are strengthening our sustainability governance mechanism and are in process of setting up ambitious targets focusing on efficient resource utilization, protecting the environment and driving inclusive growth.

## Thank you all...

I would like to take this opportunity to thank all my fellow colleagues at Coromandel for their continued contribution. I would also like to thank our customers, shareholders, bankers and business partners for their continued support of our company over the years. Further, I would like to thank the Board and our Chairman Mr. A. Vellayan for their guidance and support.

**Arun Alagappan**
Executive Vice Chairman

# Highlights of the Year – FY 2023

**Following are some of the investments undertaken by Coromandel during the year:**

- 45% equity stake acquisition in BMCC (Senegalese Rock Phosphate mining company)
- SAP 3 Project – to be commissioned in FY2024
- Multi-Purpose Plant at Ankleshwar
- Strategic Investments in Agtech startups
- Desalination Plant at Visakhapatnam


**9 New Product Introductions**

**2 New Crop Protection Technicals commercialized**

**Improved NPK & DAP Fertilisers market share (consumption-based) to** 17.2% **(vs. 16.7% Last Year)**

**Dealer Strength:**
Over 20,000

**Backward Integration to ensure raw material security**

**'War-on-Waste' - Manufacturing Excellence Initiative**

**Established Centre of Excellence (CoE) at Visakhapatnam**

**Digital Data Centre 2.0 Implementation**

**CSR Spend:**
INR 33 crores

**CSR Beneficiaries:**
Over 7.25 lakh lives

**Total Income (Standalone):**
INR 29,784 crores (+55% vs. Last Year)

**EBITDA Margin (Standalone):**
10% (vs. 11% Last Year)

**Net Profit Margin (Standalone):**
7% (vs. 7% Last Year)

**Net Profit Growth (Standalone):**
44% (vs. Last Year)

**Zero Net Debt Company**

**Upgrade in Credit Ratings:**
CRISIL AAA (Stable), IND AAA (Stable)

**Total Recordable Incident Rate (TRIR):**
0.35 per million manhours

**Average Training Hours per Employee:**
43.52

**'Great Place to Work' certified**

**Successfully transitioned Corporate Functions to Chennai for driving Growth Initiatives**

**Visakhapatnam plant obtained 5-Star Rating under British Safety Council audit**

**Miyawaki Plantation Expansion (~16,000 saplings planted during the year)**

**Attained a score of 50 in DJSI Corporate Sustainability Assessment (2022)**

S&P Global

# Forging New Paths, Fortifying Future

**Forging New Paths, Fortifying Future**

## Future-Proofing Legacy

- Investment in Baobab Mining & Chemical Corporation (BMCC)
- Backward Integration of Sulphuric Acid Plant (SAP – 3)
- Expansion in Chemicals Business

## Nation-Building Endeavours

- Nano DAP
- Pradhan Mantri Kisan Samruddhi Kendras (PMKSKs)
- Potash-derived from Molasses (PDM)

## Smart-Ag

- Ecozen Solutions Pvt. Ltd.
- String Bio Pvt. Ltd.
- Dhaksha Unmanned Systems Pvt. Ltd.

## Tech-celeration

- Centre of Excellence
- MyGromor E-Commerce Application
- Digital Data Centre 2.0 (DDC 2.0)

## Empowering Our People

- Coromandel Knowledge Centre
- **Vidhya Online:** Extending Knowledge to Coromandel's Dealer Community
- Coromandel is now 'Great Place To Work'!

# Future-Proofing Legacy

Coromandel has made significant leaps in sustaining its competitive moat through strategic investments aimed at ensuring long-term raw material availability, backward integration, enhancing nimbleness in operations and creating future growth avenues. As a forward-looking organization, the Company has always believed in investing in the right opportunities that can help it grow sustainably.

Its investments in securing raw material supply and backward integration have been pivotal in ensuring it has a competitive advantage in the market. Furthermore, it has undertaken capacity expansion projects and forayed into attractive adjacencies to catapult growth. Its efforts in expanding capacity will help in catering to a larger farmer base, while its foray into newer avenues will enable diversification of its product portfolio and strengthening market position.

The company has also been constantly reviewing its operations and processes to identify areas of improvement. Optimization initiatives taken up in its operations have helped in improving efficiencies, reducing costs, and delivering better value to its customers.

Coromandel is confident that its strategic investments and focus on growth will continue to help it drive shareholder value and deliver long-term sustainable growth.

*Setting up new Sulphuric Acid Plant (SAP -3)*



## Investment in Baobab Mining & Chemical Corporation (BMCC)

As part of the 'Atma Nirbhar Bharat' initiative to promote self-sufficiency in Fertiliser operations, Coromandel has been strengthening its upstream integration capabilities. Coromandel has strategic tie up with leading integrated players like Tifert (Tunisia) and Foskor (South Africa) for meeting its Phosphoric acid requirements. It has been augmenting its captive phosphoric acid production at Visakhapatnam plant and is sourcing rock from various countries.

As part of its strategy to further strengthen its value chain, Coromandel acquired 45% equity stake in Baobab Mining and Chemicals Corporation (BMCC), a rock phosphate mining company based in Senegal, Africa at an outlay of INR 150 crores. Rock Phosphate is a key raw material for manufacturing Phosphoric acid, an intermediate used for Phosphatic fertiliser production. Given the high dependence on rock phosphate imports, investment in BMCC improves its long-term sustainability and supply security goals for meeting country's fertiliser needs.

The Project has been granted a 20-year renewable exploitation permit in 2018 and at full capacity, BMCC can meet up to one-third of Coromandel's rock phosphate requirement. BMCC has initiated commercial rock production from 2021 and its operations are being streamlined to improve process efficiency and throughput.

## Backward Integration of Sulphuric Acid Plant (SAP – 3)

As part of its long-term objectives to secure key raw materials by promoting local manufacturing, Coromandel has been creating infrastructure capabilities for its fertiliser production.

Towards this, the company is setting up a new 1,650 metric tonnes per day design capacity sulphuric acid plant at its fertiliser complex in Visakhapatnam at a cost of INR 400 Crore. The new Sulphuric acid plant will reduce the import dependence considerably and ensure sustainable production of Phosphoric acid, one of the key raw materials for phosphatic fertiliser manufacturing. India is a net importer of sulphuric acid, and the 3rd largest importer globally, accounting for close to 20 lakh metric tonnes of imports.

The new state of the art sulphuric acid plant is being built at par with globally best technology standards to control emissions. The steam generated from the process shall also be used for captive power generation. The company has engaged leading technology partners like MECS (Monsanto Enviro-Chem Systems) and TKIS (ThyssenKrupp Industrial Solutions) to support in project execution. The project is expected to be commissioned in 2023 and will double sulphuric acid production capacity.

## Expansion in Chemicals Business

With India's superior manufacturing capabilities like low-cost operations, availability of technical manpower, infrastructure focus and global push towards supply chain diversification, the country's Chemicals industry is positioning itself as an attractive sourcing alternative. To leverage these macro tailwinds, Coromandel has planned to foray into Contract Development & Manufacturing Organization (CDMO) business and diversify into Specialty and Industrial Chemicals segment. This is in line with the company's strategy to establish a sizeable presence in the Crop Protection Chemicals business and leverage its deep technical capabilities and best in class infrastructure to enter into adjacencies.

Towards these initiatives, the company has committed an investment of ~INR 1,000 crores over the next couple of years. As a part of the move to strengthen its core business, the company has scaled up its multipurpose plant at Ankleshwar for manufacturing three new technicals and has successfully executed the first order for some of these products. It has also made substantial progress in the purchase of additional land where it plans to produce few more technicals.

# Nation-Building Endeavours

As a responsible Corporate, Coromandel has always been committed to driving nation-building endeavours and improving lives of farmers to create sustainable growth opportunities. The Company has been supporting various government programs and building innovative solutions to improve farm productivity and ensure timely availability of agri inputs.


## Nano DAP

Di-Ammonium Phosphate (DAP) is the second most used fertiliser in India; however, India relies on imports to meet more than 50% of the DAP requirement. As part of ‘Atma Nirbhar Bharat’ vision, the government has been focusing on the usage of technology driven solutions to drive integrated nutrient management that can supplement the existing fertiliser availability and drive self-sufficiency in meeting nutrient needs of the nation. In line with this, Coromandel has successfully developed a nanotechnology-based fertiliser, Nano DAP, from its R&D centre based at IIT Bombay.

Nanoparticles are scientifically proven to be able to deliver nutrition efficiently to plants in comparison to the conventional products due to smaller size and higher surface area. Additionally, nanoparticles limit nutrient losses owing to leaching, fixation and volatilization and hence offer better nutrient use efficiency vis-à-vis conventional fertilisers.

Coromandel has conducted large scale field studies with leading agricultural universities and in farmers’ fields and the results have been encouraging. The product has been approved by FCO and the company is setting up a greenfield facility in Andhra Pradesh and plans to launch the product in 2023.By ensuring improved nutrient uptake, lower water consumption and minimized environmental losses, the product offers a sustainable and holistic solution for Indian farmers.





## Pradhan Mantri Kisan Samruddhi Kendras (PMKSKs)

With a view to strengthen the farm advisory to drive integrated nutrient management practices, Government has established PMKSKs across India. In addition to the agri inputs, these Model Retail outlets offer farm extension and diagnostics services and provide farm mechanization solutions.

Coromandel has been augmenting the Government initiatives and has established 7,100+ centers till date with plans to further scale it up in coming periods. Through these PMKSKs, Coromandel is providing diverse agri-inputs and services including soil / seed / fertiliser testing and sample collection facilities within one destination.


## Potash-derived from Molasses (PDM)

Given the low availability of fertiliser related mineral resources in India, Government has been promoting usage of alternate fertilisers. As part of PM Program for Restoration, Awareness, Nourishment and Amelioration of Mother Earth (PM PRANAM), the government is incentivizing the usage of organic manure, organic & bio-fertilisers.

Towards this, Coromandel has been promoting usage of potash derived from molasses (PDM). PDM is a by-product from Sugarcane industry and contains minimum of 14.5 % potassium in water soluble form. Besides being an alternate source of Potash, the product offers an organic source of nutrition and improves soil health.

# Smart Ag:
# Transforming the Future of Farming

Smart agriculture merges the power of advanced technology platforms with innovative farm management practices thereby unlocking farm productivity gains and driving national aspirations. By transforming the future of farming, smart agriculture is expected to revolutionize the agriculture ecosystem and address the challenges of feeding a growing population in a more sustainable manner. Coromandel through its venture capital arm, Dare Ventures Limited, has taken significant strides in supporting 3 novel startups working on cutting edge next-gen solutions for agriculture and allied industries.

## Ecozen Solutions Pvt. Ltd.

Ecozen is a climate-smart deeptech company providing renewable energy-based technology-led solutions. Over the last decade, Ecozen has been instrumental in decarbonising agriculture and its products have revolutionised agri cold chains (through its Ecofrost product line) and irrigation (through its Ecotron product line). Founded by IIT Kharagpur alumni, Ecozen boasts of several product patents and a strong pipeline.

Coromandel's investment in the Pune-based startup in June 2022 marked its entry into the agri-tech investment space with emphasis on creating positive and long-term on-the-ground impact.

Coromandel Retail SBU, in collaboration with Ecozen, has piloted Ecofrost cold storage installations in a couple of store locations and has garnered positive learnings and feedback. The primary objective of this initiative is to support farmers to reduce the post-harvest losses by providing a regional cold storage facility closer to the agri marketplace helping them to generate better prices and improving their income which is in line with Coromandel's mission of enhancing the prosperity of farmers.

### Key Products

» ***Ecotron*** – Smart Solar powered Pump Controller

» ***Ecofrost*** – Smart Solar powered Cold Storage Room

### Scale of Operations

» Operations across ***20 States in India***

» Export presence in ***10+ Countries***

» Saved GHG emissions >***1.5 million tCO2e***

» Saved >***35,000 MT*** of food wastage

» Helped generate >***1.6 billion kWh*** of clean energy

» Directly impacted >***1,55,000 farmers***' lives

With sustainability as the focal point, Ecozen is poised to create remarkable impact on farmers' livelihoods through novel and innovative deep tech products and capitalise on the demand uptick foreseen as a result of aggressive climate change commitments undertaken by the Government of India. The World Economic Forum has recently recognized Ecofrost's role in empowering circular economy initiatives and boosting farmer income through partnership arrangement with a Kenya based startup.





## String Bio Pvt. Ltd.

String Bio is a biotechnology startup offering GHG-derived products for agriculture, animal nutrition, human nutrition, and personal care. The Bengaluru-based firm is a global leader in gas fermentation and the 1st company in India to receive a patent grant for microbial biostimulants. Its unique range of methane-derived agricultural inputs offers evident and proven benefits for the farmer, consumer, and the environment. Coromandel has made an investment in the firm in August 2022, as its differentiated and tested product portfolio caters to varied sectors and has the potential to enable a transition to a low-carbon economy.

### Key Products

» ***CleanRise:*** Innovative microbial-based biostimulant

» ***Impakt:*** Unique protein-based biostimulant

### Scale of Operations

» >***50*** Patents / Applications covering biology, fermentation, and engineering of the process

» >10 Products for 3 market sectors

» ***1*** production facility (***2*** additional facilities in implementation phase)

A few of its key agriculture-oriented products have been tested and validated by Coromandel's R&D and field trial teams.

## Dhaksha Unmanned Systems Pvt. Ltd.

Dhaksha is a drone-technology startup providing complete range of Unmanned Aerial Systems (UAS) technology solutions for varied applications ranging from Agriculture to Surveillance. It is the only player in India that offers petrol engine-based agri-drones and the 1st drone manufacturing company to obtain Type certification within Agricultural and Surveillance drone segments. The Chennai-based firm is an end-to-end solution provider with strong manufacturing capabilities and market-validated products. Coromandel picked up stake in the firm with a strategic intent to take Dhaksha's agri-drones to market. India has seen significant push from the government in promoting the usage of drones in agriculture further substantiating the investment decision. Drones will be a game changer in accelerating the adoption of water-soluble fertilisers, liquid fertilisers, nano-fertilisers, and crop protection products in India.

### Key Product

» ***DH-Agrigator*** – Next generation agricultural sprayer drone

### Scale of Operations

» ***1*** Manufacturing facility at Ambattur (Chennai)

*Ecofrost - Solar powered Cold Storage Room*

# Tech-celeration: Accelerating Digital Capabilities

Coromandel continues to invest in digital empowerment and enabling data-centric decision-making capabilities. One of the key priorities of the organization has been its unwavering focus on leveraging technology to achieve organizational efficiency and enhance customer experience. The company has made significant progress in setting up an ecosystem that permits it to monitor real-time operations, identify potential issues and resolve them in a proactive manner. Coromandel's approach to achieving this has been process oriented, followed by a result-oriented mindset, which has helped it stay on track towards achieving the business objectives.

## Centre of Excellence

Conceptualized in 2018, Centre of Excellence (CoE) was set up to support and drive manufacturing excellence initiatives across the organization. CoE comprises of Coromandel Knowledge Centre (which takes care of training and capacity building aspects), Energy Management Cell, Experience Centre, Operational Excellence Cell (which houses Digital Data Centre / DDC, Data Analytics and Project Management Cells). A 'Green Building' was constructed adjacent to Company's manufacturing unit in Visakhapatnam accommodating all manufacturing excellence initiatives under one roof and was inaugurated in February 2023.

CoE acts as a command centre capable of centralized monitoring of real-time plant performance including manufacturing KPIs, energy and quality related data, etc. The team tracks deviations and triggers improvements / action plans through data analytics. The centre also facilitates benchmarking within and across all the manufacturing units, thereby, easing the transfer and adoption of best practices as well as playing a pivotal role in digital transformation of Coromandel manufacturing plants


## MyGromor E-Commerce Application

MyGromor app developed by Coromandel offers a wide range of features to meet the diverse needs of farmers and is a testament to the organization's commitment to digitalizing the agri-business sector. The solution aims to overcome market access challenges, provides convenience, broadcast right advisory and thereby, become the best-in-class Agri online platform enabling an omni channel experience to the farmers.

The app is currently being adopted by the progressive High Net worth Individual (HNI) farmers and the onboarding and training services are facilitated mostly through the company's retail staff. The business plans to drive e-commerce sales from existing retail farmer base during initial phase and focus on acquainting farmers with the process of ordering online.

Since its launch in November 2022, MyGromor has achieved significant success with more than 17,000 farmers having actively placed orders through the app. The Company is also exploring partnerships with various Agri-tech companies to provide precision farming advisory through IOT and AI. Farm mechanization service offerings are also planned to be integrated as part of the solution.

## Digital Data Centre 2.0 (DDC 2.0)

CIL initiated DDC 1.0 with an objective to harness the power of data through business analytics. It has instilled a culture of data-driven decision-making within Coromandel and developed a single source of truth for all functional data. The dashboards, which were created as part of DDC 1.0, have now become an integral part of business operations and the primary source of reference for reporting and decisioning across functions.

» 200+ Employees trained in Microsoft PowerBI

» 100+ Dashboards created across business functions

To scale up to the next level and to cover all areas of business, DDC 2.0 was established. The goal of DDC 2.0 was to identify all important KPIs required to run and manage the company through a top-down approach. DDC 2.0 also aims to design, develop, and deploy a robust cloud-based data and tech architecture as well as to create consolidated dashboards for 300+ KPIs enabling a shift from mere data reporting to storytelling. Through this initiative, the business is instilling analytics within the DNA of the organization.

Coromandel has identified multiple advanced analytics use-cases which are of immense value to the business out of which implementation has begun for certain key use-cases. Insights from dashboards and Advanced Analytics use-cases help in optimizing processes and accelerating growth. The company looks to benefit from efficiency and productivity gains from business process optimization, improved speed of business, improved monitoring, reduction in human error and opening up of new business opportunities.

# Empowering our People: Journey to Excellence

Coromandel's commitment to fostering a culture of learning and engagement has always been a driving force behind its success. Through prioritization of stakeholder empowerment initiatives, the company has been able to tap into the collective expertise and knowledge of employees, partners, and customers. This has facilitated the organization in coming out with innovative solutions that meets evolving needs of all stakeholders involved and propel sustainable growth. A positive and supportive workplace culture is a key element in driving innovation, productivity, and long-term success of the organization. Moving forward, the company remains committed to fortifying its achievements and further enhancing workplace culture to support the organization's journey towards excellence.


## Coromandel Knowledge Centre

Coromandel Knowledge Centre (CKC) was inaugurated in September 2018 with the aim of building technical, safety, and leadership capabilities of its employees. Latest techniques such as simulators for complex plants have ensured that the workforce receives requisite training prior to taking charge on the shopfloor.

Currently, CKC forms an integral part of Centre of Excellence at Visakhapatnam, focusing on capability building as well as upskilling and reskilling programs across Safety, Manufacturing, Production, Engineering, Quality, etc. for the employees. As Coromandel plans to expand its operations and venture into adjacent segments, CKC will play a pivotal part in imparting industry best practices and supporting the adoption of latest technologies, thereby, supporting the business' objectives.

## Vidhya Online: Extending Knowledge to Coromandel's Dealer Community

Coromandel's products reach the farming fraternity through thousands of dealers enrolled with it. Its dealers have been using an online portal, 'Dealer Connect', to track orders and for performing other business-related activities. VidhyaOnline, an e-learning platform, has been instrumental in enhancing the knowledge of its agronomists and marketing teams by offering relevant information about products, farm solutions, crop nutrition schedules, integrated portfolio solutions, etc. in addition to offering behavioural and process-oriented training modules.

While VidhyaOnline was initially available for employees, it was extended to the company's channel partners. To enable easy learning and quicker assimilation of knowledge, the modules have been launched in 6 languages including English, Hindi, Telugu, Kannada, Marathi and Tamil. Currently, 6000+ dealers across the country are utilising VidhyaOnline with many more signing up progressively since the launch.

## Coromandel is now 'Great Place To Work'!

Coromandel International Limited has achieved the prestigious recognition of being certified as a "Great Place to Work" organization. This certification is globally acknowledged as the highest standard for identifying and acknowledging exceptional workplace culture. Coromandel undertook the survey during October – November 2022 to listen to the voices of its employees. More than 5,000 employees across the organization were given an opportunity to share feedback on their experience at Coromandel as part of the Trust Index© Survey. Simultaneously, the organization also completed the Culture Audit© as part of the survey, which provides insight into policies, practices, and programs contributing to workplace culture. Coromandel has earned the distinction for excelling on the five dimensions of Credibility of Management, Respect for People, Fairness at the Workplace, Pride and Camaraderie between People.

Further to this, the organization will set in motion the action planning process, follow-ups, and policy-level enhancements focusing on greater engagement, higher productivity, and better retention. These efforts aim to foster a more inclusive environment, enabling a highly engaged workforce that aligns with the organization's vision and contributes to long-term sustainability.

# Corporate Governance[4]

Coromandel International Limited is committed to ensuring strong corporate governance practices that promote transparency, accountability, and ethical business conduct. The organization believes that good governance is essential for creating long-term value for our stakeholders, including shareholders, customers, employees, and the wider community. Coromandel's Board of Directors is responsible for overseeing the efficient and effective management and operations of the company.

The company's annual Integrated Report provides a comprehensive overview of its operations, financial performance, and sustainability initiatives, and is designed to provide stakeholders with a clear understanding of its business model and strategy.

## The 7 Pillars of Coromandel's Corporate Governance


[4] GRI 2-9





# Board Members

The Board of Directors is composed of a diverse group of individuals with extensive experience in various industries, who bring a range of skills and expertise to the table.

**Mr. A. Vellayan**
Chairman

Mr. A Vellayan, the Chairman of Coromandel, holds a Bachelor's degree in Commerce from Shri Ram College of Commerce and a Diploma in Industrial Administration from Aston University, UK. He has extensive experience in the fertiliser business, general management, and financial planning, and has also received a Master's in Business Studies from the University of Warwick Business School and a Doctor of Science (Honoris Causa) conferred by Tamil Nadu Agricultural University and also Aston University UK. Apart from being the Chairman of the Indian Institute of Management, Kozhikode, he is an Independent Director in Kanoria Chemicals & Industries Limited and NOCIL Limited. He has held various positions in the Murugappa Group in the past.

**Mr. 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 Thirumalai Chemicals Limited.

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

**Mr. Sankarasubramanian S**
Executive Director – Nutrient Business

Mr. Sankarasubramanian S. is the Executive Director of the Nutrient Business at Coromandel. He majored in Mathematics at the University of Madras and is a member of The Institute of Cost and Management Accountants of India. He has done his Advanced Management Program (AMP) at Harvard Business School in the year 2009. He served the Company as President Nutrient Business, before being appointed as Executive Director – Nutrient Business, responsible for Fertilisers and Specialty Nutrients business segments. His professional experience of almost three decades in finance, operations, and general management began at E.I.D Parry (India) Limited, where he was primarily involved in corporate finance. He has extensive experience in Business Strategy, General Management, M&A and Policy interventions especially for the Fertiliser sector. Currently, he serves on multiple boards including the Fertiliser Association of India, Tunisian Indian Fertiliser S.A., Tunisia, and Foskor (Pty) Ltd., South Africa, along with some of the company's subsidiaries.

**Dr. Raghuram Devarakonda**
Executive Director – Crop Protection, Bio Products and Retail Business

Dr. Raghuram Devarakonda has a Ph.D. degree in Mechanical Engineering from University of California at Berkeley, and B.Tech. degree from Indian Institute of Technology, Mumbai. He served the Company as President Crop Protection, Bio Products & Retail, before being appointed as Executive Director – Crop Protection, Bio Products and Retail Business. He has over 28 years of experience in Indian industry and business consulting with about 16 years in C-Suite positions. He started his career as a consultant with Accenture, Mumbai. He also worked for the Murugappa Group as Head - Corporate Strategy and Planning Department and was the Business Head of TI Cycles for about 6 years. Later, in his second stint with the firm, he joined Accenture as Managing Director. He also served as Chief Operating Officer at Ramco Cements.

**Mr. M M Venkatachalam**
Director

Mr. M M Venkatachalam holds a Master's Degree in Business Administration from George Washington University, USA, and is also a graduate of the University of Agricultural Sciences in Bangalore. With a professional experience spanning over 25 years in the Murugappa Group, he currently serves as the Chairman of E.I.D Parry (India) Limited, Coromandel Engineering Company Limited and Parry Agro Industries Limited and is also part of the board of directors of Ramco Cements Limited and Ramco Systems Limited. Mr. Venkatachalam's role as a Director in the Company emphasizes his expertise and experience to provide valuable insights to drive the organization towards success.

**Mr. Sumit Bose**
Independent Director

Mr. Sumit Bose is an Independent Director of the Company. He holds a Master's Degree in Social Policy and Planning from the London School of Economics and a Master of Arts from St. Stephen's College, Delhi.

Having joined the Indian Administrative Service in 1976, Mr. Bose served in various positions in 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. Mr. Bose is currently on the boards of HDFC Pension Management Company Limited, HDFC Life Insurance Company Limited, TATA AIG General Insurance Company Limited, JM Financial Limited, J B Chemicals and Pharmaceuticals Limited and other companies. He also serves on the Boards of non-profit organisations such as Vidhi Centre for Legal Policy, Water Aid India, Parivaar and Foundation to Educate Girls Globally.

## Ms. Aruna B. Advani
Independent Director

Ms. Aruna B. Advani, an Independent Director of the Company, possesses an extensive background in General Management and Strategic Financial Planning. She is a Science Graduate (Hons) from the University of Sussex and pursued Owners Management Programme from Harvard Business School and Strategic Financial Planning from IIM Ahmedabad. Having been associated with Ador Welding Limited for over four decades, during which she served as Executive Chairman, she continued to be part of the Boards of various associated companies. Ms. Advani is presently on the Board of Metro Brands Limited, leveraging her valuable experience and insights to assist the company in its endeavours.

## Dr. R Nagarajan
Independent Director

Dr. R Nagarajan, 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 the Alumni Community Chair Professor in the Department of Chemical Engineering, IIT Madras. He recently stepped down as the Head of the Department after a 3-year term. His teaching and research activities at IIT Madras are focused on cleanroom processes, cancer nano-technology and ultrasonic process-intensification. Post-Ph.D., he served as Research Faculty in the Department of Mechanical & Aerospace Engineering at West Virginia University, Morgantown, WV, USA. He was also a Senior Technical Staff Member with IBM Storage Systems' Development Laboratory in San Jose, CA from 1988-2003.





## Mr. 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 the Wildlife Conservation Society – India and holds Directorship in 360 One Asset Trustee Limited.

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

## Mr. Sudarshan Venu
Independent Director

Mr. Sudarshan Venu is an Independent Director of the Company. Mr. Venu holds a Graduate Degree with Honors in the Jerome Fisher Program in Management and Technology from the University of Pennsylvania, USA. He holds B.S. in Mechanical Engineering from the School of Engineering and Applied Sciences and B.S. in Economics from the Wharton School. He has also completed M.Sc. in International Technology Management from the Warwick Manufacturing Group attached to University of Warwick in U.K.

Mr. Sudarshan Venu is the Managing Director of TVS Motor Company Limited (TVS Motor), Non-Executive Director in Sundaram-Clayton Ltd and Chairman of TVS Credit Services Ltd. With Mr. Venu's active intervention, TVS Motor has already seen a turnaround in its Market Share and has been the Most Awarded Two – Wheeler Company. It is a testimony to Mr. Venu's focus, that TVS Motor has been voted No. 1 in Customer Satisfaction for four years in a row by the prestigious J. D. Power Awards. He also has been instrumental in setting up and in the success of Emerald Haven Realty Ltd, TVS Credit Services – a non-deposit Non-Banking Finance Company and TVS Digital, a subsidiary of TVS Motor incorporated in Singapore, focused on providing technology solutions for digital transformation.

Mr. Venu has now set his vision of transforming TVS Motor into a leading global mobility player. To this effect, he has set in motion global expansion through both organic & inorganic means. Under his leadership, TVS acquired UK's iconic motorcycle brand Norton Motorcycles and has also setup a completely new manufacturing facility in UK. He is also looking to build a strategic personal e-mobility ecosystem by scaling unique brands, and recently led TVS to acquire European e-bike brand EGO Movement and Switzerland's largest e-bike company, Swiss E-Mobility Group. Sudarshan has also played a pivotal role in TVS Motor Company's growth in Africa, ASEAN & Latam.

**Dr. Deepali Pant Joshi**
Independent Director

Dr. Deepali Pant Joshi is a former executive director of the Reserve Bank of India (RBI). She is a thought leader, a public policy professional, a development economist, policy analyst and a writer on economic subjects. At RBI, her responsibilities included heading the Department of Currency Management, Legal Department, Financial Inclusion Department, Customer Protection and Education Department.

She was the First Appellate authority under the Right to Information Act, as well as the RBI nominee on the governing council of the Institute of Banking Personnel Selection (IBPS) and director on the Board of Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) part of the Board for Financial Supervision at the RBI and the Board for Financial Supervision of RRBS and Co-operatives at NABARD.

Dr. Joshi is a macro policy analyst, a prolific writer with 9 acclaimed books (on economic subjects) and a host of papers to her credit. Her core competencies besides Banking Supervision and Foreign Exchange, includes the Payments System, Currency Management. She was Banking Ombudsman for the State of Undivided Andhra Pradesh, Regional Director RBI Office, Rajasthan. She holds Law and Management Degree and is a fellow of the Harvard University Asia Centre where as a Fellow of the Harvard University she pursued post-doctoral research in Economics and Finance.

| | Chairperson | Member |
|---|---|---|
| Audit Committee | ● | ○ |
| Nomination & Remuneration Committee | ● | ○ |
| Corporate Social Responsibility & Sustainability Committee | ● | ○ |
| Risk Management Committee | ● | ○ |
| Stakeholder Relationship Committee | ● | ○ |
| Banking and Borrowing Committee | ● | ○ |





# Board Committees

## Audit Committee

The primary responsibility of the Audit Committee is to supervise the financial reporting process, and efficiency of internal control systems, and to ensure conformity with legal requirements and regulations. Additionally, the Committee reviews the company's financial statements, internal audit reports, and statutory audit reports.

## Nomination and Remuneration Committee

The principal accountability of the Nomination and Remuneration Committee is to recognize and propose potential nominees for Board membership, along with examining and recommending compensation for directors and senior management. The Committee is also responsible for monitoring the Employee Stock Option Plan(s), providing guidance to the Board on diversity matters, and assessing the performance of Board members.

## Stakeholders Relationship Committee

The Stakeholder Relationship Committee is responsible for promoting transparency and accountability in stakeholder engagements and fostering positive relationships with the company's stakeholders, including shareholders, customers, suppliers, employees, and the community. It periodically reviews stakeholder feedback and provides guidance to address any issues or concerns.

## Corporate Social Responsibility and Sustainability Committee[5]

Coromandel's CSR & Sustainability Committee is responsible for formulating and recommending the company's CSR and sustainability policies and initiatives, as well as monitoring their implementation. The committee reviews the progress of ongoing initiatives and evaluates new CSR and Sustainability related proposals.

## Risk Management Committee

The responsibility of the Risk Management Committee is to identify, evaluate, monitor, and lessen the risks that the company faces. The committee scrutinizes the company's policies and procedures regarding risk management for compliance with regulatory requirements. It is also closely involved in modifying the company's risk exposure and management strategies if required.

## Banking and Borrowing Committee

The Banking and Borrowing Committee oversees the company's banking and borrowing operations. The committee comprises executives from the finance and accounts department, along with members from the Board of Directors. Its focus is on assessing the company's banking relationships and ensuring compliance with policies and regulatory requirements. In addition, the committee monitors the borrowing activities and recommends optimal measures to minimize the company's cost of borrowing.

[5] GRI 2-14

# Our Policies & Guiding Principles[6]

Coromandel has established several policies that serve to guide smooth and ethical business conduct as well as enable us to ensure that we uphold the interests of our employees and stakeholders and build trust-based relationships with them.

## Environment and Occupational Health and Safety (E&OHS):

To guarantee the safety of our workers, clients, and the environment, Coromandel has put in place several E&OHS policies and programmes. The organization has developed an E&OHS management system, which covers risk assessment, incident reporting and investigation, emergency response planning, and training and awareness initiatives. Additionally, to identify and reduce risks and continuously enhance our E&OHS performance, we carried out routine safety audits and evaluations.

## Human Rights Policy:

Coromandel is dedicated to upholding human rights, and to make sure that these standards are followed, the organisation set up a Human Rights Committee. The group oversees the monitoring and redressal of human rights concerns about business activities and supply chains. To find and remedy potential breaches, we also perform risk evaluations and due diligence in human rights.

## Whistle Blower Policy and Vigil Mechanism:

A whistle blower mechanism has been set up to encourage staff members to report any unethical or unlawful behaviour taking place within the organisation. The system shields workers from retaliation and permits anonymous reporting. All allegations of wrongdoing are looked into by the company, and if necessary, appropriate disciplinary action is taken. Additionally, we regularly educate our staff members about the value of acting ethically and disclosing wrongdoing.

## Remuneration Policy:

We pay our employees fairly and competitively based on their performance and aligned with our remuneration policy and industry norms. To make sure they are in line with our corporate values and commercial objectives, we routinely analyse our compensation practices and policies[7].

## Dividend Distribution Policy:

Our fair and transparent dividend distribution policy applies to all the company's shareholders. The dividend policy considers topics like capital needs, financial performance, and other aspects. In a transparent manner, we also inform our stakeholders of our dividend distribution policies and procedures.

## Environment Policy:

We are dedicated to environmental preservation and have put in place several programmes to reduce our carbon footprint. Our environmental management system encompasses waste minimization, pollution prevention, and energy and water conservation. To identify and reduce environmental hazards and continuously enhance our environmental performance, we also carry out routine environmental audits and evaluations.

## Product Stewardship:

Coromandel has a policy that calls for the appropriate and safe use of our products at all stages of their lifecycle. The business produces, stores, transports, and discards products following stringent quality control and safety regulations. We also offer training and awareness programmes on the safe and ethical use of goods to our stakeholders and customers.

## Code of Practices and Procedure for Fair Disclosure:

To make sure that information is disclosed to stakeholders in a timely and accurate manner, Coromandel has established a Code of Practices and Procedure for Fair Disclosure. The code contains rules for disclosing sensitive information, disseminating information, and maintaining secrecy. We also uphold equal access to information.

## Code of Conduct for Board Members:

To ensure that Board members act ethically and responsibly in their positions, Coromandel has adopted a code of conduct for them. The code contains recommendations for corporate governance, secrecy, and conflict of interest. Additionally, we regularly educate and train the Board of Directors on their duties and obligations.

[6]GRI 2-23
[7]GRI 2-19



## Guide to Business Conduct:

To guide our staff on moral and ethical business conduct, Coromandel has written a Guide to Business Conduct. The manual contains recommendations for social responsibility, conformity, and honesty. Additionally, we regularly train our staff on ethical conduct and corporate governance through awareness programs.

## Criteria for Senior Management:

Coromandel has set standards for senior management to make sure they have the knowledge, expertise, and credentials needed to run the business successfully. The criteria consider aspects like education, professional experience, leadership abilities, and domain expertise. To make sure that our senior management is accomplishing the company's goals and objectives, their performance is examined and evaluated regularly.

## Familiarization Programme for Independent Directors:

To make sure that our independent directors are familiar with the business activities, the fertiliser sector, and the regulatory environment, Coromandel has devised a familiarization programme. Site visits, presentations, and conversations with senior management and other stakeholders are all included in the programme. Additionally, we regularly conduct educational and training programmes for our independent directors on pertinent subjects including corporate governance and regulatory compliance.

## Materiality Disclosure Policy:

The organisation adheres to a materiality disclosure policy that considers the importance and effect of information on the organisation and our stakeholders. Coromandel promptly and openly informs our stakeholders with material information. Additionally, we communicate with our stakeholders on significant occurrences and alterations to the business operations, financial standing, and strategic plans.

## Material Subsidiaries:

In our annual reports and other public disclosures, Coromandel provides information about our significant subsidiaries. We have a policy of making sure that our subsidiaries are managed responsibly, ethically, and in line with the company's goals. To ensure this, we also frequently monitor and assesses each subsidiary's performance.

## Sustainable Procurement[8]:

Coromandel adheres to a sustainable procurement policy that encourages the sourcing of goods and services ethically and responsibly. The company chooses suppliers based on their ability to meet its quality and cost needs as well as their adherence to environmental, social, and ethical norms. To ensure that they adhere to the company's sustainability criteria, we, also routinely analyse and review our suppliers.

## Related Party Transactions:

Coromandel has a policy of promptly and transparently disclosing all linked party transactions. The business makes sure that all dealings with connected parties are carried out impartially and following all applicable rules and laws. To make sure that our related party transactions are in the company's and stakeholders' best interests, Coromandel also routinely monitors and assesses them.

## Preservation and Archival of Documents:

Coromandel has a policy of securely and confidentially storing and archiving any pertinent records. Following applicable rules and regulations, the company keeps track of all our operations, transactions, and other activities. To make sure we satisfy changing business needs and legal obligations, Coromandel also periodically analyses and updates the document preservation and archival policy.

[8]BRSR Question No. 2 (Essential) of Principle 2

# Sustainability at Coromandel

As a leading agro-solutions provider in India, Coromandel places strong emphasis on sustainable practices and offering environment friendly products to support agriculture. Its focus is on improving farm productivity and resource efficiency through Seed-to-Harvest solutions offering safe and eco-friendly products to hardworking farmers who feed the nation. The company's approach involves the application of balanced nutrients and integrated pest management strategies, which are tailored to the specific requirements of crops and soil. Coromandel dedicates significant resources to research and development, utilizing state-of-the-art technology to create ground-breaking and efficient solutions that benefit both farmers and the soil.

The company strives to transform the agriculture sector by enhancing sustainability throughout its value chain and ecosystem. This goes beyond its engagement with farmers; it also involves communities and vendors, making them integral to its sustainability journey. It encourages its partners to adopt responsible practices and uphold ethics and transparency. Employees play a crucial role in realizing its vision for a sustainable future. They embody its values and sustainability principles, driving holistic value creation and creating long-lasting positive impact for all stakeholders.

The company is committed to proactively investing in its systems, processes, and technologies to improve its performance while minimizing any adverse effects on the environment and society. The five lights of the Murugappa Group - Responsibility, Quality, Passion, Integrity, and Respect - guide the organization in leading with ethics and transparency. These principles form the foundation of Coromandel's ESG framework, which is integrated into every aspect of its business.





## ESG Strategy

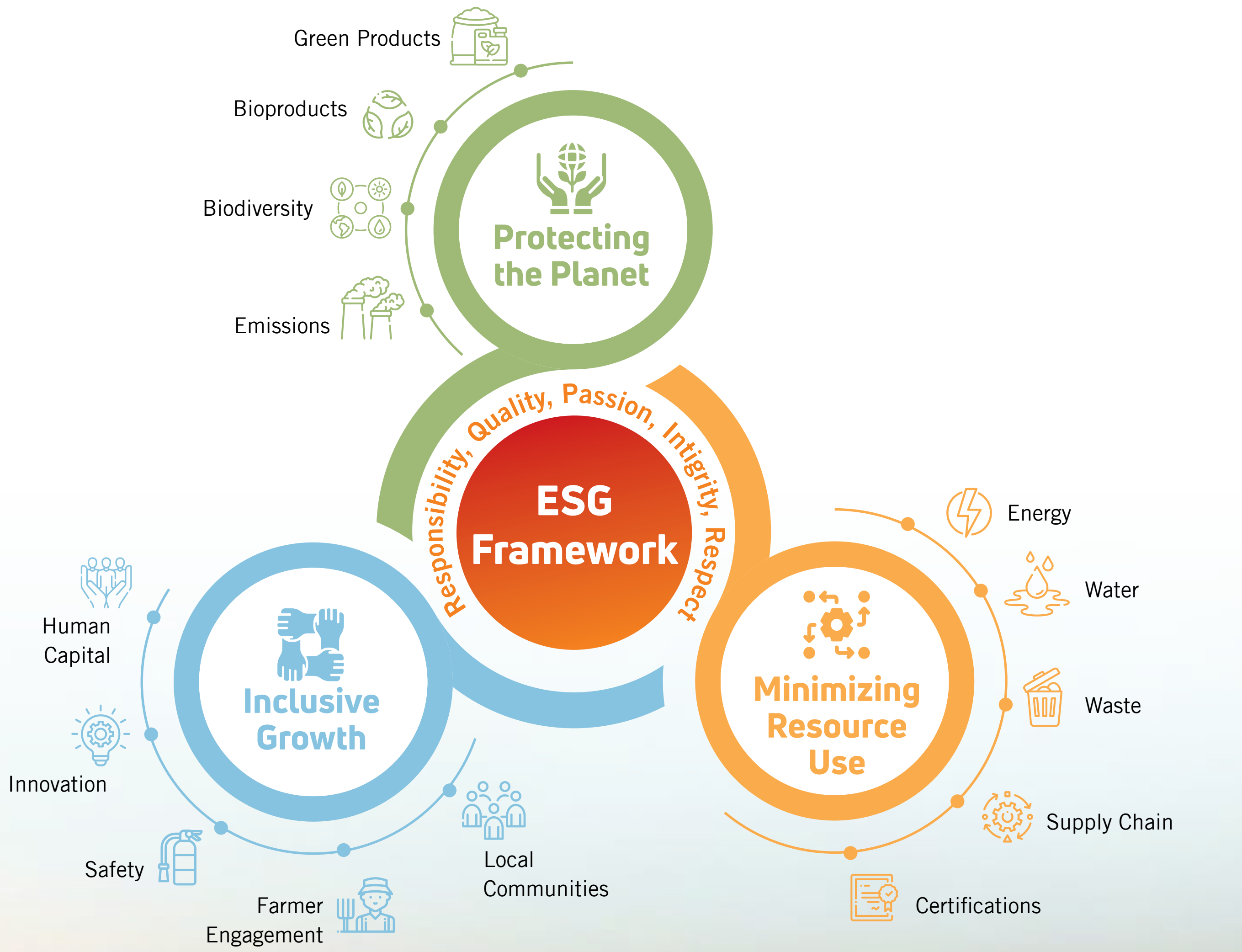
Coromandel's approach to fostering a sustainable tomorrow is grounded in its ESG framework, which is built on three pillars. These pillars serve as the foundation for its strategic responses and highlight its potential for value creation. The three strategic pillars are:

» Protecting the Planet

» Minimizing Resource Use

» Inclusive Growth

Through strategic and tactical interventions, the business prioritizes responsible growth for farmers and empowering communities, while also improving the quality of crops and soil. Its commitment to minimizing resource use and conserving the planet's limited resources is embedded in its operational initiatives and extends throughout the value chain.




# Pillars, Themes, and Interventions

Coromandel's comprehensive range of products and services covers the entire crop life cycle, from seed to harvest, including plant nutrition and plant health products as well as farm advisory services. The ESG Framework reflects the organization's commitment to minimizing the adverse impact of its operations on the planet and people. Each strategic pillar of the ESG Framework is supported by specific themes that guide the organization's sustainability roadmap.

Coromandel proactively incorporates sustainability parameters into its operational framework. This includes the judicious use of natural resources and waste management to reduce the environmental footprint. Additionally, it implements targeted interventions to drive social development in the communities where it operates. These need-based initiatives contribute to its overall commitment to fostering a sustainable future.

Shown below are the initiatives being taken for the themes under each strategic pillar of the ESG Framework.

## Protecting the Planet

| Theme | Interventions |
|---|---|
| Coromandel prioritizes ecological harmony through sustainable practices to protect the planet. Its ongoing efforts focus on enhancing environment management practices to minimize the impact of its activities on biodiversity surrounding its facilities. | » Develop a comprehensive plan to mitigate the impacts of its manufacturing operations on the local biodiversity surrounding the plants.<br>» Enhance the ecological preservation strategy by bolstering the green cover within and around the manufacturing facilities. This will help foster and support biodiversity in the area.<br>» Implement nature-based solutions that not only aid in adapting to climate change but also provide sustainable livelihood opportunities. |
| As the foremost player in Agri-solutions in India, Coromandel's primary focus has been on prioritizing the reduction of greenhouse gas (GHG) emissions from its manufacturing plants. | » Aim to reduce Scope 1 and 2 GHG emissions and become carbon neutral in the future. |
| Balancing the increasing demand for Coromandel's products with the commitment to minimize its environmental footprint has driven the organization to expand its range of organic and safer products. By doing so, it aims to reduce the adverse environmental impact associated with its operations. | » Developed a comprehensive Product Stewardship policy to champion responsible crop care practices.<br>» Aim to incorporate safer (green/blue label) crop protection products into its portfolio. |

## Minimizing Resource Use

| Theme | Interventions |
|---|---|
| Coromandel's goal is to minimize water consumption in its manufacturing processes | » Focus on designing products that contribute to reducing operational water intensity.<br>» Incorporate water recycling interventions to optimize water resources. Replace groundwater consumption with harvested rainwater and by operationalizing the desalination plant. |
| Coromandel has been actively working to reduce its carbon footprint and is collaborating with suppliers to do the same by implementing technological advancements and responsible practices. It also prioritizes minimizing energy consumption throughout the manufacturing process. | » Coromandel is committed to reducing its reliance on fossil fuels and increasing the utilization of renewable energy sources. |
| Coromandel's highest priority is to minimize waste generation throughout its operations. It is actively committed to implementing recycling and reuse practices wherever possible. | » Established a comprehensive Waste Management policy.<br>» Primary focus is on reducing the generation of hazardous waste within its manufacturing plants.<br>» Achieving 100% EPR for plastic waste generated at its manufacturing plants. |

## Inclusive Growth

| Theme | Interventions |
|---|---|
| Ensuring the safety, health, and wellbeing of employees is of utmost importance to Coromandel. It fosters a culture that encourages open communication and empowers its employees to raise safety concerns through various channels. | » It has implemented robust processes and safety performance indicators to closely monitor operations and minimize both the Lost Time Injury Frequency Rate (LTIFR) and the Total Recordable Injury Frequency Rate (TRIFR).<br>» Its goal is to maintain a track record of zero serious injuries and fatalities, ensuring the wellbeing of employees. |
| Coromandel recognizes that its employees can thrive and perform at their best when they are provided with a safe and inclusive workplace that respects diversity of thought, gender, experience, age, and other factors. | » Established a comprehensive Human Rights Policy to reinforce fair employment practices across the organization.<br>» Dedicated to promoting gender diversity by implementing enabling policies and strategies. |

# Sustainability Governance

Coromandel's sustainability governance mechanism goes beyond mere compliance and is ingrained within the organization to strengthen its ability to create value. It serves as a framework to monitor sustainability progress, share transparent updates with stakeholders, and foster an environment that upholds organizational ethics and values amidst changing external factors.

A robust governance system evaluates performance not only in terms of financial profits but also in terms of the positive impact the organization has on the environment. It aligns social and environmental considerations with business objectives, enabling the delivery of superior value to stakeholders. Most importantly, it cultivates a culture of sustainability throughout the organization.

Coromandel has enhanced its governance framework and made significant advances in its ESG roadmap through the establishment of CSR & Sustainability Committee.





# Stakeholder Engagement[9]

The company routinely interacts with its stakeholders and request their feedback to learn more about their views and concerns as well as understand the risks and growth requirements that must be considered to secure a sustainable future[10].

Its ongoing stakeholder engagements are supported by various formal and informal channels including statutory reports, events, in-person interactions, and other internal communication platforms. The channels of communication employed, and key areas of interest are shown in the table below.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of Communication | Frequency of engagement | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No | » Feedback, recognition and talent management<br>» Learning and development initiatives and capability development programs<br>» Employee engagement, wellness and safety initiatives<br>» High touchpoint communication through town halls, e-mails, etc. | Continuous | » Career development opportunities<br>» Culture of diversity and inclusion, and fair compensation<br>» Regular training<br>» Employee engagement<br>» Wellness and safety<br>» Fulfilment of the Company's vision, mission and achieving sustainability objectives<br>» Capacity building |
| Farmers and Farming Community | Yes | Retail outlets, Nutri clinics, agronomists offering interventions such as soil testing, nutrient and crop protection recommendation, field demonstrations, farm mechanization service | Continuous | » Better and sustainable crop yields<br>» Balanced nutrition and pest management<br>» Product quality standards and reliability<br>» Economical and cost-effective farming |
| Supply partners and Distributors | No | » Procurement channels<br>» One-to-one meetings, annual reviews<br>» Contracts, e-mails, calls, virtual interactions<br>» Periodic surveys<br>» Sales channels<br>» Channel Partner Meet | As required | » Long-term partnership<br>» Favorable product and value proposition<br>» Ease of doing business and data security<br>» Timely payment as per terms of the contract<br>» Capacity building to encourage sustainably sourced/ developed material<br>» Assurance of timely supply<br>» Product quality and standards<br>» Incentives and earnings<br>» Sustained communication and marketing support |

[9]GRI 2-29; BRSR Question No. 2 (Essential) of Principle 4
[10]GRI 2-26

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of Communication | Frequency of engagement | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Local Communities | Yes | As part of CSR partnership initiatives and implementation of CSR related projects | Continuous | » Work for causes such as education, health, environmental sustainability and climate change<br>» Employee participation/ volunteering<br>» Community development and progress<br>» Community awareness<br>» Improved quality of life |
| Regulators | No | » Compliance with regulatory requirements, notifications, circulars, and guidelines<br>» Regular meetings, seminars, and participation in industry forums<br>» Corporate announcements, e-mails, letters<br>» Periodic submissions, Regulatory visits/ interactions | As required | » Safety, environmental and social compliance<br>» Sound Corporate Governance - fair dealings, conduct and transparency, timely disclosures<br>» Regulatory and legal compliance<br>» Contribution to the development of industry |
| Investors | No | » Annual General Meetings<br>» Quarterly results call<br>» Annual Report, public disclosures and investor presentations<br>» Investor conferences and meetings<br>» Press releases and publications | As required | » Financial performance<br>» Business updates<br>» Growth plans and product pipeline<br>» Value creation<br>» Risk management<br>» Adoption of sustainable business practices |





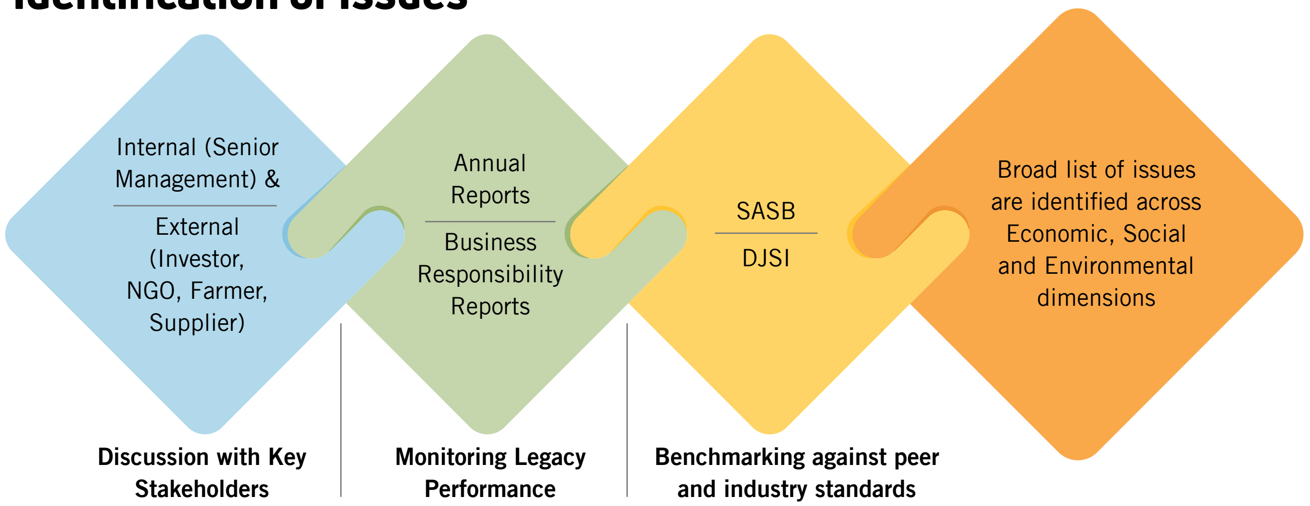
# Materiality Assessment[11]

The increasing importance of ESG considerations worldwide is reflected in corporates' growing awareness of their role in long term value creation. Coromandel strives to create sustainable value by continually improving its performance on the subjects that are most important to its stakeholders and the organisation,

The company follows a robust process to identify material issues, comprising of two essential stages, identification and prioritization.

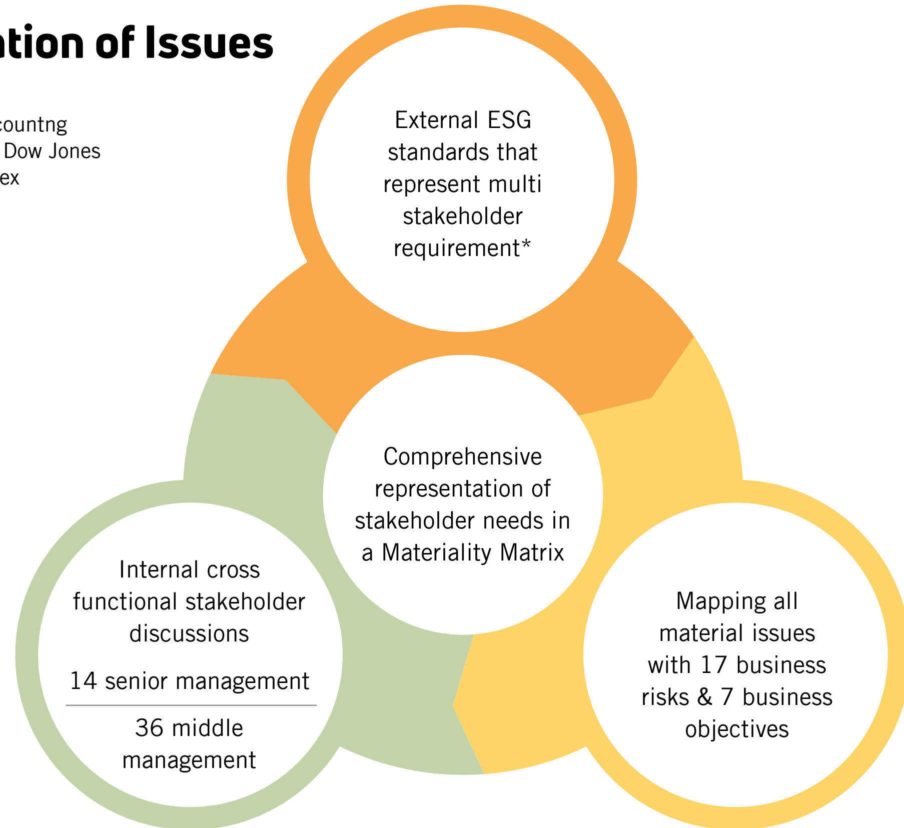
The figure below illustrates the steps involved in identifying and prioritizing material issues.

## Identification of Issues



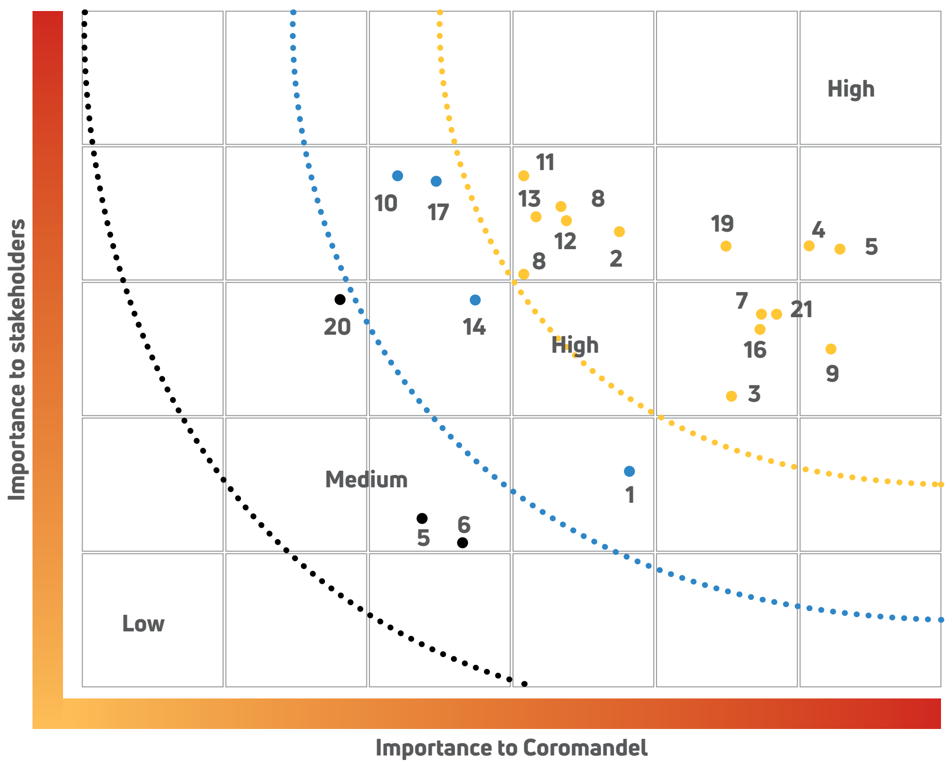

## Prioritization of Issues

* Sustainability Accountng Standards Board, Dow Jones Sustainability Index




[11] GRI 3-1

Subsequently, the Company's Materiality Matrix was developed, which maps all material issues identified on two dimensions: Importance to Coromandel and Importance to Stakeholders.




| Dimension | S. No. | Material issue |
|---|---|---|
| Economic | 1. | Market penetration & expansion |
| | 2. | Innovation and R&D |
| | 3. | Customer centricity |
| | 4. | Ethics & governance |
| | 5. | Digitisation |
| | 6. | Data integrity & privacy |
| | 7. | Product quality |
| | 8. | Public policy advocacy |
| | 9. | Regulatory Compliance |
| Environmental | 10. | Energy management |
| | 11. | GHG and air emissions in the value chain |
| | 12. | Water stewardship |
| | 13. | Waste management |
| | 14. | Sustainable & resilient supply chain |
| | 15. | Enabling sustainable agriculture (Soil health, land use, biodiversity, nutrient stewardship etc.) |
| Social | 16. | Product & chemical safety |
| | 17. | Human rights in the value chain |
| | 18. | Community development |
| | 19. | Occupational health and safety |
| | 20. | Diversity & inclusion |
| | 21. | Human capital |

Top material issues

## The key material issues identified for Coromandel are as follows[12]:

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity |
|---|---|---|---|---|---|
| 1 | Innovation and R&D | O | Continuous improvement in products and processes enables us to fulfil farmers' existing and future needs and those of the business. Research on green chemistry and eco-friendly products will minimize the usage of hazardous products by the farming community. | NA | Positive |
| 2 | Customer Centricity | O | Coromandel prioritizes customer centricity as a core driver of the business. It strives to offer the highest standards of quality in products and services. | NA | Positive |
| 3 | Ethics and Governance | R | Coromandel strives to maintain the highest standards of ethics and governance. It is well aware of the negative impact on brand reputation if such practices are not fully adhered to. | Coromandel adheres to the 'Five Lights' values and beliefs system and has a framework in place to ensure all employees adhere to Coromandel's Guide to Business Conduct. | Negative |
| 4 | Product Quality | R | Poor product quality can damage brand reputation among customers and result in loss of business. | Coromandel implements multiple processes to ensure all our products adhere to the strictest quality standards and are in complete compliance with regulatory requirements. QA & QC processes are followed with due regard. Its staff maintains constant engagement with farmers and are extremely receptive to all feedback provided. Coromandel also has best-in-class manufacturing infrastructure and runs operations in line with Standard Operating Procedures. | Negative |
| 5 | Public Policy Advocacy | O | Coromandel can contribute to industry perspectives and market insight and support regulators and policymakers frame fertiliser and other agriculture related policies. | NA | Positive |

[12] GRI 3-2,3; BRSR Question No. 24 of Section A

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity |
|---|---|---|---|---|---|
| 6 | Regulatory Compliance | R | Failure to adhere to regulatory compliance can result in production interruptions and have adverse effects on reputation and financial standing. | Coromandel products comply fully with Fertiliser Control Order (FCO) and Central Insecticides Board and Registration Committee (CIB&RC). It continuously conducts 3rd party audits / studies (environment, water, etc.) and endeavours to bridge gaps if recommended. Coromandel has also invested in setting up Online Continuous Emission/Effluent Monitoring Systems (OCEMS) and Continuous Ambient Air Quality Monitoring Systems (CAAQMS) to ensure that emissions comply with the standards established by CPCB & SPCB. | Negative |
| 7 | GHG and air emissions in the value chain | R | Having a high carbon footprint in the value chain is a key risk that extends beyond the organization to the larger population. | Coromandel has also invested in setting up Online Continuous Emission/Effluent Monitoring Systems (OCEMS) and Continuous Ambient Air Quality Monitoring Systems (CAAQMS) to ensure that emissions comply with the standards established by CPCB & SPCB. Through this, Coromandel conducts Impact monitoring of its business activities. | Negative |
| 8 | Water Stewardship | R | Water is the most critical input in manufacturing processes and an increasingly scarce resource. | Coromandel pursues projects to reduce freshwater consumption. It also conducts water audits and studies to optimise water consumption. | Negative |
| 9 | Waste Management | R | Managing and disposing hazardous and non-hazardous wastes is key focus area for organizations in reducing environmental impact. | Coromandel adheres to regulations to responsibly manage and dispose hazardous and non-hazardous wastes. | Negative |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity |
|---|---|---|---|---|---|
| 10 | Enabling sustainable agriculture (Soil health, land use, biodiversity, nutrient stewardship etc.) | O | Coromandel should focus on offering products that has the capability to minimise environmental impact, ensure preservation of soil and provide enhanced support to farmer livelihoods. | NA | Positive |
| 11 | Product and Chemical Safety | R | Coromandel should emphasize on ensuring safety to workforce and offer safe products for customers' usage. Failing to meet this can be detrimental to the business. | We emphasize product stewardship to ensure high standards of safety for our people and customers Additionally, company's front-end team conducts awareness programmes for farmers and dealers to ensure that they have adequate information on safe and effective use of products. | Negative |
| 12 | Community Development | O | Coromandel needs to have a holistic approach to growth and development and needs to build an essential ecosystem around the plants. | NA | Positive |
| 13 | Occupational Health and Safety | R | Coromandel needs to ensure reduced risk of accidents or injuries and improved efficiency and productivity. Failing to meet this could be detrimental to the business. | The company conducts several occupational health and safety awareness sessions and campaigns to equip its workforce (permanent and contract workers) with information that helps them to maintain safety in the workplace. | Negative |
| 14 | Human Capital | O | Coromandel needs to nurture talent by providing a conducive work environment to improve the motivation of employees and thereby, contribute to the growth and development of business. | NA | Positive |

# Value Creation Model

Coromandel's value creation framework serves as the guiding principle for its sustainable and creative business growth strategy. It encompasses the organization's vision, mission, and core values, driving an eight-pronged strategic intent. This framework sets the foundation for Coromandel's commitment to responsible and impactful operations.

**Value Created for Stakeholders**

## Inputs

### Financial Capital
- Net Fixed Assets: INR 2,599 Cr
- Working Capital: INR 4,387 Cr
- Debt-Equity Ratio: 0.0

### Manufactured Capital
Number of manufacturing plants
- Fertiliser: 4 (including 1 WSF plant)
- SSP: 8
- CPC: 5
- Bio: 1

Installed capacity of manufacturing plants
- Fertiliser (NPK & DAP): 3.6 million MT
- SSP: 0.9 million MT
- CPC (Technical): 90,000+ MT
- Bio (Aza based): 22.5 MT

### Intellectual Capital
- No. of R&D Facilities: 7
- No. of researchers/scientists: 94
- Patents Filed (to date): 147
- Adopted image based application for assessing nitrogen requirement of crops

### Human Capital
- Workforce including contract workers: 12,700
- Employee training manhours: 1,87,001
- 100% of plants and offices assessed for health and safety practices and working conditions

### Social & Relationship Capital
- CSR Spent: INR 33 Cr
- Employees volunteering in CSR activities: 1,501 hrs
- Market development team: ~2000
- No. of Retail Stores: 750+
- No. of Gromor Nutri-clinics: 55

### Natural Capital
- Energy consumed: 37,04,117 GJ
- Water consumed: 60,62,201 kL
- Total waste generated: 65,474 MT
- Green belt coverage: 44%

Vision: To be the leader in farm solutions business in the geography of choice and consistently deliver superior value to stakeholders through highly engaged employees, with a strong commitment towards sustainability and our values.
Vision: To be the leader in farm solutions business in the geography of choice and consistently deliver superior value to stakeholders through highly engaged employees, with a strong commitment towards sustainability and our values.

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


**SDGs Impacted**

## Outputs

### Financial Capital
- 55% Revenue growth over last year
- EBITDA: INR 2,902 Cr
- Net profit after tax: INR 2,013 Cr

### Manufactured Capital
- Quantity produced
  - Fertiliser (NPK & DAP): 3.3 million MT
  - SSP: 0.86 million MT
  - CPC (Technical): 0.6 Lakhs MT
  - Bio (Aza based): 5.1 MT
- Set up Centre of Excellence at Visakhapatnam

### Intellectual Capital
- 11 New products launched including CPC technicals
- Patents granted (to date): 31
- Developed nanotechnology-based fertilisers and employed manufacturing innovations in the extraction process to enhance the purity of Azadirachtin.
- R&D Expenditure
  - Revenue: INR 18.22 Cr.
  - Capital: INR 1.84 Cr

### Human Capital
- LTIFR
  - Employees: 0
  - Contract workers: 0.30
- Zero complaints of Human Rights violation

### Social & Relationship Capital
- Lives impacted through CSR initiatives: 7.25 lakhs +
- Youth trained and Placed in retail Operations: 108
- Nutri-clinics (Advisory and innovation): ~1.8 Lakh farmers

### Natural Capital
- Energy Intensity
  - Fertiliser: 0.75 GJ/MT
  - SSP: 0.57 GJ/MT
  - CPC: 10.04 GJ/MT
  - Bio: 6.09 GJ/Kg
- Wastewater recycled & reused: 4,42,989 kL
- Implementing 3R (Reduce-Reuse-Recycle) philosophy

## Outcomes

### Financial Capital
- Reached net worth of INR 7,908 Cr, a testament to our commitment to profitable growth and financial strength

### Manufactured Capital
- Undertaking a progressive scale-up of our manufacturing capacity and improving process efficiencies in response to the growing market demand

### Intellectual Capital
- Dedicated to enhancing scientific exploration and fostering innovation to create environmentally sustainable products
- By embracing the Digital Revolution, positioning ourselves for future success in a rapidly evolving world

### Human Capital
- Committed to cultivating a safe and inclusive workplace that fosters growth and development, while equipping our employees with the necessary skills for the future

### Social & Relationship Capital
- Actively contributing to make a positive impact on the communities where we operate
- Focusing on capacity building of farmers and recognizing the importance of maintaining a sustainable supply chain

### Natural Capital
- Enhancing the manufacturing process to minimize emissions and enhance resource efficiency
- Expediting decarbonization efforts through technological advancements and sourcing energy from renewable sources

## Stakeholders

- Farmers
- Local Communities
- NGO Partners
- Regulators
- Investors
- Supply Partners
- Distributors
- Employees

# Financial Capital

Coromandel's value-creation efforts are underpinned by efficient management of financial capital. It has consistently delivered a strong financial performance and experienced growth across all business segments. During the year, its credit ratings were revised upwards by CRISIL (long-term credit rating to AAA/Stable and the short-term debt rating to A1+) and India Ratings (long-term rating to IND AAA/Stable and short-term debt rating to 'IND A1+'). These upward revisions reflect the company's strong balance sheet and resilient business operations.

The economic value generated and distributed involves understanding how value is created through production processes and how that value is allocated among different stakeholders. It plays a crucial role in assessing economic performance, analysing income distribution, and evaluating the impact of economic activities on society[13].

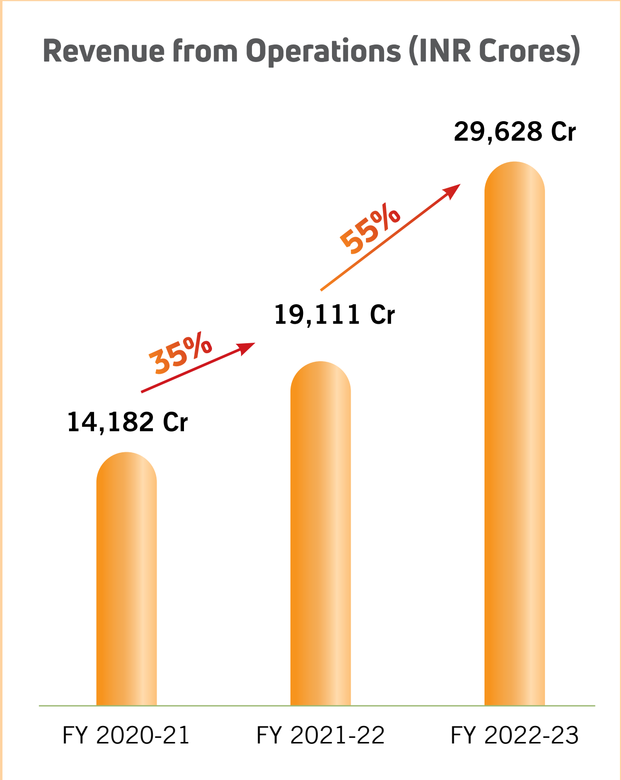
(in INR crores)

| | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|---|---|---|---|
| Revenues (Economic value generated) | 14,182 | 19,111 | 29,628 |
| Operating Costs | 11,844 | 16,559 | 26,231 |
| Employee wages and benefits | 539 | 587 | 657 |
| Payment to providers of capital | 598 | 387 | 507 |
| Payments to governments by country | 467 | 483 | 704 |
| Community Investments | 24 | 28 | 33 |
| **Economic Value Retained** | **710** | **1,066** | **1,497** |

The business showcased strong performance mainly attributed to higher sales volume and value realization supported by a range of factors, including differentiated product offerings, improved liquidation processes, enhanced operational efficiency, and supportive government reforms.

## Revenue from Operations

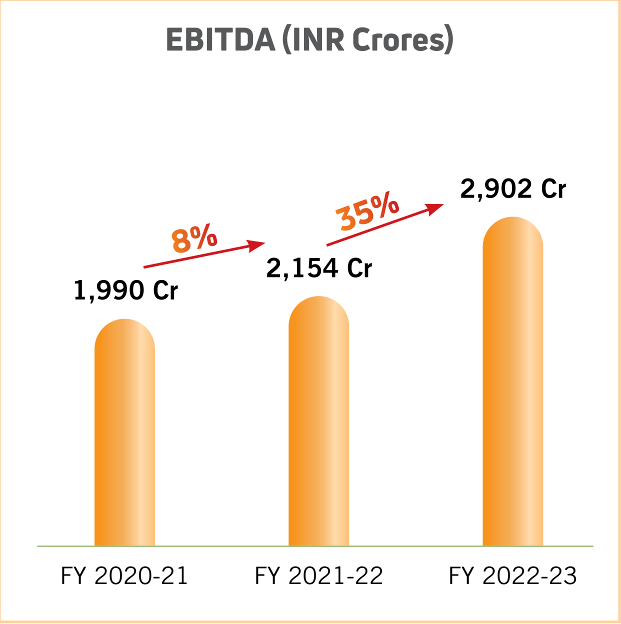
In the fiscal year 2022-23, the company achieved a robust revenue of INR 29,628 crores, demonstrating 55% growth compared to the previous financial year. This growth was driven by a combination of increased volume and value mainly within the Nutrient business, backed by higher consumption of agricultural inputs, enhanced capacity through debottlenecking, positive response received for the new products, partial pass through of increased raw material prices and disbursement of government subsidies. The Nutrient and other allied business accounted for 91% of the overall revenue, while the Crop Protection segment contributed the remaining 9%.




[13] GRI 201-1

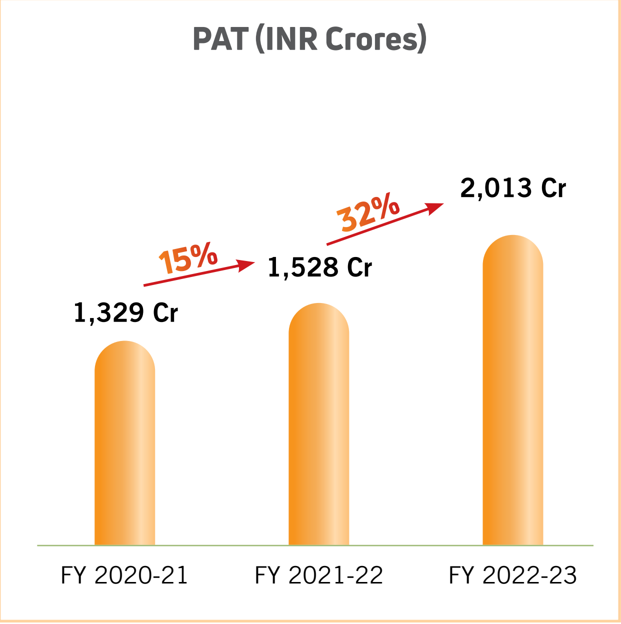
## EBITDA

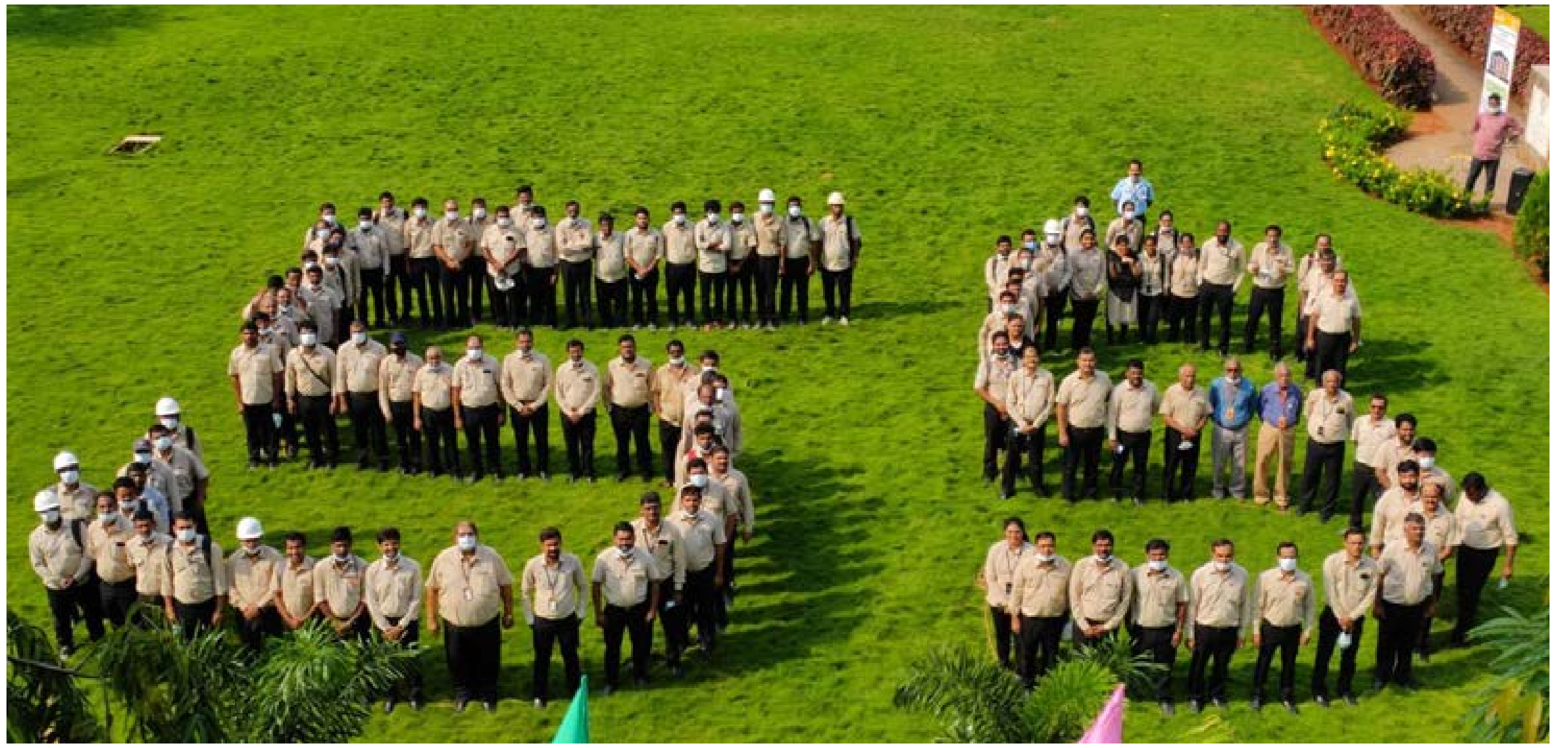
In the reporting year, Coromandel achieved the highest-ever Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). EBITDA of INR 2,902 crores reflect a growth of 35% compared to the preceding financial year. The business was able to successfully mitigate the challenges posed by increased raw material prices and operate the plants efficiently at higher capacities.




## Net Profit after Tax

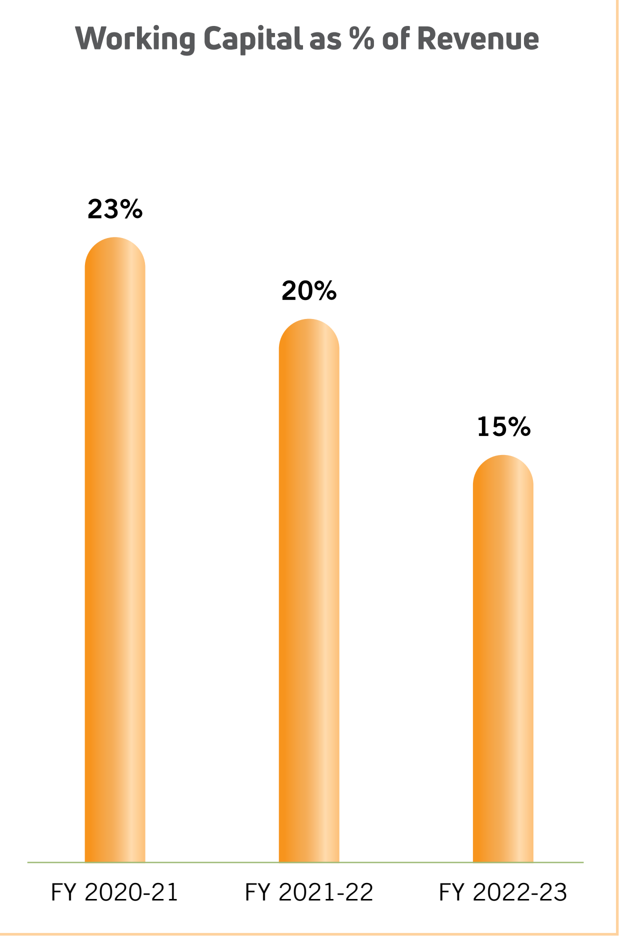
The company achieved a net profit of INR 2,013 crores, indicating a year-on-year growth of 32%.



## Working Capital

Coromandel's working capital remained at reasonable levels during the year. As on 31st March 2023, the company saw a rise in working capital to INR 4,387 crores (+13% as compared to previous year) mainly due to the build-up of subsidy receivables. It also observed an increase in inventory; however, this is attributed to the higher value of raw materials. The company was able to navigate volatile raw material scenario seen during the year through an optimal mix of strategic sourcing measures.

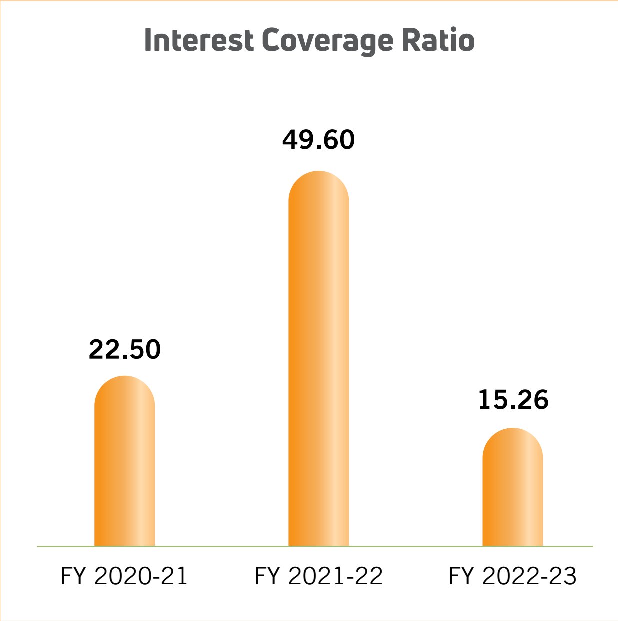



## Net Debt to Equity

Over the past three years, the company has consistently reduced its borrowing levels and currently has recorded zero net debt in its financial statements. As of 31st March 2023, the total equity of the company stood at INR 7,908 crores (at +24% growth versus previous year). The company's improved focus on customer satisfaction, increased market collections, and responsible management of working capital have all contributed to lowering the borrowing requirements. Additionally, it is also financing its expansion initiatives using internal accruals.

## Interest coverage ratio

This year, the interest coverage ratio, which gauges the strength of the company's capital structure and its capacity to meet interest obligations, reached 15.26. Though the ratio has fallen, it is still at a healthy level based on higher earnings achieved during the year.




## Dividend Distributed

The Board of Directors has proposed a final dividend of INR 6 per equity share with a face value of INR 1 each. In addition, an interim dividend of INR 6 per equity shares was approved in February 2023. Consequently, the total dividend for the fiscal year ending March 31, 2023, will amount to INR 12 per equity share of face value INR 1 each. The total payout for the year, including tax deducted at source (TDS), will be INR 353 crores.

## Return on Equity

The Return on Equity (ROE) is a measure to assess a company's ability to generate returns from its shareholders' funds. In the current year, the ROE was recorded at 28.22% (FY2021-22: 26.56%). This figure demonstrates the company's effective use of shareholder funds to generate profits.

## Earnings per Share

In the fiscal year, Coromandel achieved earnings per share (EPS) of INR 68.51, showcasing enhanced profitability. This represents a 31.5% increase compared to the EPS of the previous financial year (FY 2021-22: INR 52.09) and compares favourably with the industry peers.

## Effective Tax Rate

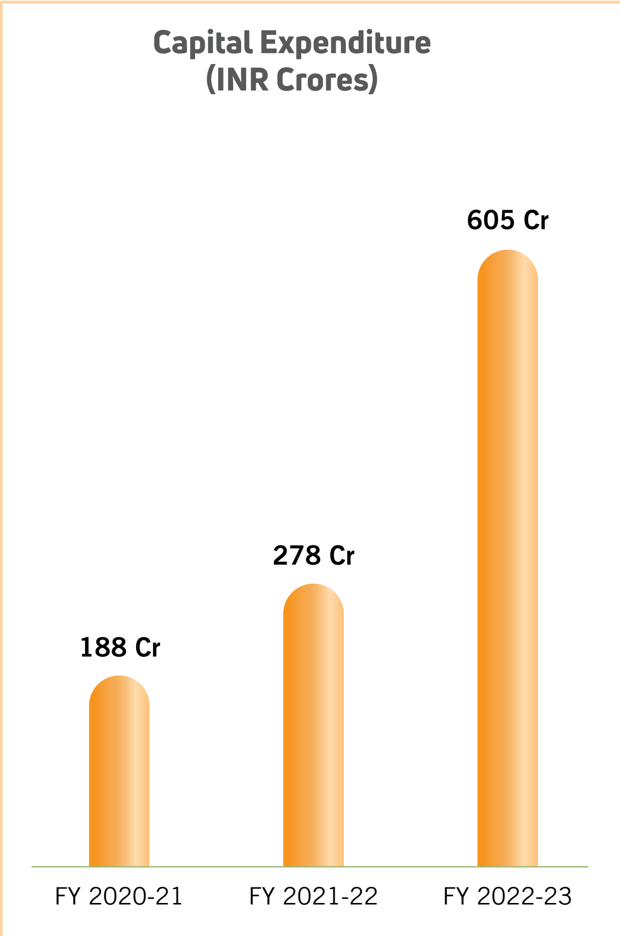
The effective tax rate serves as a measure of the overall tax burden on the company's income (Profit before Tax) for the year. Throughout the reporting period, the effective tax rate remained steady at 25%, reflecting its responsible tax management practices.

## Reported Taxes

During FY 2022-23, reported taxes amounted to INR 688 crores, exhibiting a growth of 32% over the previous year. This growth signifies the upward trajectory of company's profitability and reinforces its commitment to contribute to the nation's development.

## Capital Expenditure

In FY 2022-23, the company made significant investments in process improvements and capacity enhancement across the facilities. The projects to set up the new SAP 3 plant and desalination plant at Visakhapatnam are progressing as per the stipulated timelines. Additionally, it has set up Multi-Purpose Fungicide plant at Ankleshwar. The total capital expenditure (CAPEX) for the reporting year amounted to INR 605 crores.






# Manufactured Capital

Coromandel is a renowned manufacturer of superior quality plant nutrition and plant protection products. Placing sustainability as a central focus, the company remains unwavering in its dedication to providing exceptional products and services to its customers while striving to reduce its environmental impact. It prioritizes research and development, and continuously invests in cutting-edge technologies to enhance its products and processes to ensure that the offerings meet the highest industry standards.

As part of ESG commitments, the company ensures that it provides its employees and business partners a safe workplace. It has also undertaken several digital transformation initiatives to enhance the efficiency of its processes.

The business' diversified portfolio spans fertilisers, crop protection, specialty nutrients, biologicals, and organic products. This extensive range is supported by a network of 18 manufacturing facilities strategically positioned to optimize product mix based on raw material availability and proximity to major markets for different brands. Within these plants, it manufactures complex fertilisers, water soluble fertilisers, single super phosphates, crop protection products, and bioproducts.

### Manufacturing Capacity v/s Production: FY 2022-23

| | Units | Manufacturing Capacity | Quantity Produced |
|---|---|---|---|
| Fertiliser (NPK+DAP) | MT | 3.6 million | 3.3 million |
| SSP | MT | 0.9 million | 0.86 million |
| CPC (Technical) | MT | 0.9 lakh | 0.6 lakh |
| Bio (Aza based) | MT | 22.5 | 5.1 |

Coromandel has implemented various advanced technologies which have resulted in boosting process efficiency and resource utilization. Notably, the introduction of an advanced technology for Single Super Phosphate (SSP) production has led to an improvement in $P_2O_5$ efficiency, increased throughput rate, and reduced curing time.

In the fiscal year 2022-23, Coromandel also increased its manufacturing capacity of fertilisers by 0.12 million MT and launched a new multi-purpose Fungicide plant at Ankleshwar. The commissioning of new sulphuric acid plant and desalination plant are expected to be completed during FY 2024. Additionally, as part of its long-term strategy, it plans to leverage its existing manufacturing capabilities and foray into CDMO business and Specialty & Industrial chemicals segment to unlock growth opportunities.

Additionally, to enhance operational efficiency and achieve consistency in quality, the bioproducts business is implementing several process improvements and control systems such as filtration and concentration system and DCS (distributed control system).

These process enhancements have played a pivotal role in elevating the quality and productivity of its products. Consequently, the business has been able to meet the growing demands of its customers while maintaining its position as a leader in the Indian agricultural market.

Coromandel's focus on capacity expansion and product quality has propelled it to its position as a leading manufacturer of fertilisers and agrochemical products in India. The business remains resolute in its pursuit of excellence as it contributes to the advancement of the agricultural industry.

## Enhancing Production Throughput and Operational Flexibility at Kakinada Fertiliser Plant

CIL depends on multiple raw materials like Ammonia, Urea, and Sulphuric Acid to manufacture fertilisers at Kakinada plant. Given the elevated raw material scenario, the company embarked on finding alternative raw materials that could reduce the usage of high-cost inputs, leading to improved production efficiency and cost viability.

Coromandel conducted extensive trials in its R&D facility and commercial plants at the Kakinada site and successfully identified a suitable substitute raw material.

Its adoption and technological upgrades led to an increase in the throughput of NP/NPK Grade fertilisers by 21% in the related production trains at the Kakinada plant. This improvement not only ensured the production of fertilisers efficiently but also guaranteed an adequate supply in the market despite challenging external circumstances.

The intervention enabled the production of sufficient fertilisers at a price viable for farmers, thereby contributing to food security in the country.






## Multi-Effect Evaporator (MEE) Capacity Improvement at CPC Dahej Unit

The MEE plant at Coromandel's CPC Dahej Unit initially operated at a limited treatment capacity, and effluent treatment was outsourced to an external agency. This resulted in additional manufacturing costs and complexities in managing effluent disposal. Additionally, scaling in tubes and lines increased energy and maintenance costs for MEE operations, while solid waste disposal incurred extra expenses and environmental concerns.

**Action taken**

- Capacity Assessment
- Installation of Separation Unit
- Optimization of Evaporation Rate
- Improved Cleaning-In-Process (CIP) Method

The intervention yielded approximately 37% reduction in effluent treatment cost per kg compared to the previous year. Additionally, the unit now operates at a higher effluent treatment capacity, eliminating the need for outsourcing the treatment process.

## Digitisation

The business has implemented Artificial Intelligence (AI) based asset health monitoring and predictive maintenance system as Proof-of-Concept in all fertiliser plants, which will be scaled up next year. Moreover, a self-service AI-based Process Analytics tool has been established as Proof-of-Value to develop three process models. Its Visakhapatnam plant houses a Centre of Excellence (CoE) aimed at production process analysis and improvement in ATQ (Availability, Throughput and Quality) through advanced analytics.

## Digital Transformation in Coromandel

Coromandel, as a company operating in a rapidly evolving industry, has encountered several challenges owing to manual processes, limited digital capabilities, and the need to remain competitive. By embracing digitisation, the company aims to overcome its limitations, seize new opportunities, and enhance its overall competitiveness in the market.

**Challenges Faced**

- Manual Processes
- Lack of Data Integration
- Evolving Market Dynamics
- Limited Digital Capabilities

**Mitigation Measures Taken**

- Technology Infrastructure Upgrade DDC2.0
- Implementation and Upgradation of CRISP-ER
- Employee Training and Change Management
- Customer Relationship Management (CRM) System
- Data Integration and Analytics through CoE
- Digitization of Maintenance and Raw Material movement processes

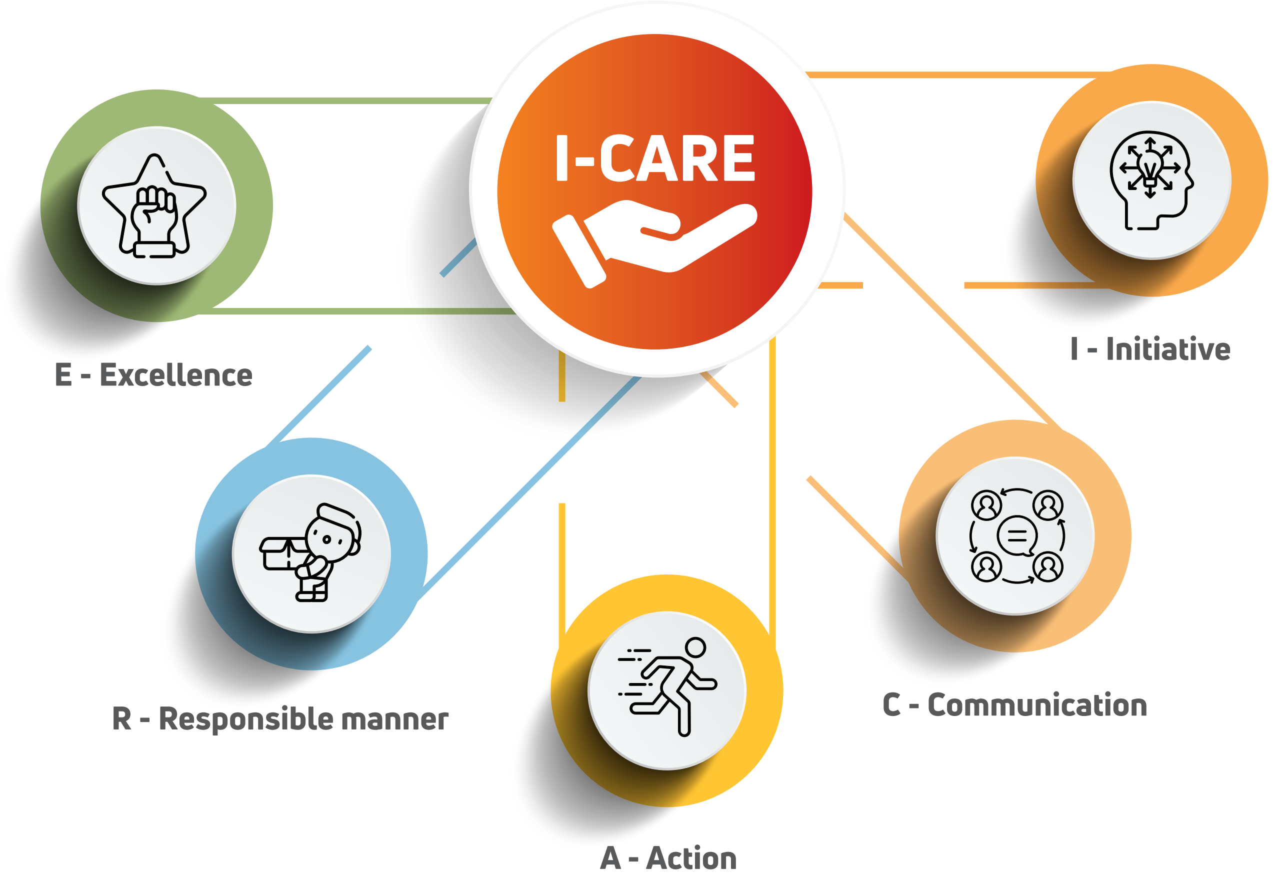
This digital transformation had led to improved operational efficiency, reduced manual efforts, faster decision-making, enhanced customer experience, gained valuable insights into manufacturing processes and had become more scalable, agile, and adaptable to changing market dynamics.

# Quality

Coromandel places significant emphasis on upholding stringent quality standards across every stage of the product lifecycle. The company has implemented various initiatives and technologies to guarantee this.

**Fertiliser & SSP:** The business concentrates on enhancing First Time Pass Rate (FTPR), digitizing quality processes, and ensuring product quality at railheads and godowns, among other significant endeavours.

**Crop Protection:** Similarly, the business focuses on reducing customer complaints, improving compliance with Standard Operating Procedures (SOPs), and shifting from site-specific to product specific FTPR. To address quality issues more efficiently, the business has introduced a Data Management System for IMS documents and a dashboard for monitoring customer complaints and material management. The business has introduced ICARE initiative across all the CPC plants, which places a strong emphasis on quality at employee and at organizational level. **I** stands for Initiative, **C** for Communication, **A** for Action, **R** for Responsible Manner, and **E** for Excellence. This initiative fosters a culture of ownership and responsibility for quality among the employees, reinforcing the organization's commitment to delivering exceptional products.




**Bioproducts:** The business has achieved zero customer complaints by implementing a pre-procurement quality assurance process, focusing on FTPR for formulation products, providing technical training for the QC team and strengthening the QA function to achieve process quality at each stage. There are strict measures in place to ensure quality from raw materials to final products. The company maintains counter samples until the end of shelf life, monitors the quality of active ingredients through HPLC at each stage of the process, and captures the results in SAP.

Coromandel promotes a culture of quality across all its divisions by conducting training sessions, implementing rewards and recognition programs, and monitoring product quality through real-time quality dashboards. It has also implemented quality risk management systems and processes to assess and mitigate potential risks.

## Systems and Certifications

**Fertiliser & SSP:** The manufacturing sites are certified for ISO 9001:2015 highlighting its dedication to maintaining rigorous quality management systems at these crucial units. Additionally, the business has successfully completed the NABL pre-assessments for its laboratories at Visakhapatnam and Udaipur, setting the stage for NABL accreditation. This significant milestone demonstrates its unwavering focus on upholding industry-leading standards in laboratory testing and analysis.

**Crop Protection:** CPC division has not only obtained its existing IMS certification from a certified agency but also achieved NABL accreditation (ISO 17025) at Sarigam plant. To enhance operational efficiency and streamline document management processes, it has implemented a Data Management System (DMS) for IMS documents. This transition from a paper-based system to a digital platform enables seamless document approval, storage, and retrieval, and promotes efficiency and accuracy across its operations. Further, to this, it has developed a dashboard to monitor and analyse quality related metrics in real-time. This innovative tool empowers Coromandel to proactively address customer complaints, track batch First Time Production Rate (FTPR), and manage materials, ensuring timely and effective actions to maintain product excellence.

**Bioproducts:** The division has renewed ISO 9001:2015 and ISO 14001:2015 certifications, reaffirming its commitment to quality management and environmental stewardship. Additionally, it holds the IMO certification for organic inputs, underscoring its dedication to sustainable and environment-friendly practices.

## Inspections and Audits

In addition to the internal due diligence and quality assurance methods, Coromandel conducts external third-party audits and inspections to further ensure compliance and quality standards. The IMS Audit has been conducted at all SSP and Fertiliser units (except at Pali) and pre-assessment for NABL was conducted at Udaipur and Visakhapatnam plants.

Moreover, regulatory inspections have been done by Fertiliser inspectors at all Fertiliser and SSP plants. CPC plants have undergone external audit for IMS and an audit conducted by NABL. The Bioproducts division has completed the audit for ISO 9001:2015 and ISO 14001:2015 certifications renewal and also underwent client audit.

## Procurement Quality

Coromandel implements rigorous quality checks during the raw material procurement stage to ensure adherence to specifications. Critical raw materials such as rock phosphates and acids are sourced from reputable vendors. These raw materials undergo thorough quality assessments upon arrival at the plants. In the event of any batch rejections, the concerned vendor and procurement teams are promptly notified. This information is used to evaluate and rate vendors through its internal vendor evaluation system. The approved list of vendors for raw materials procurement is regularly updated based on quality parameters of historical shipments as well as considerations of safety and timely deliveries.

For the biopesticide manufacturing unit, neem seeds serve as the primary raw material, and the sourcing process differs slightly from other product lines. Instead of relying on larger companies, the business procures neem seeds from self-help groups and local vendors. Additionally, it maintains a dedicated neem plantation to ensure raw material security.

## Quality Targets

The company has established specific targets and KPIs to drive quality initiatives, such as reducing customer complaints, improving FTPR, and 100% SOP compliance. Based on the specific product type, these targets assist the business in achieving optimal outcomes for customers. To improve focus on driving quality parameters across different product lines, Coromandel links quality-centric KPI achievement with unit-level Balanced Scorecards.

## Data Integrity

Coromandel places high emphasis on maintaining robust processes to uphold the data integrity of its SAP Enterprise Resource Planning (ERP) system. Applying stringent measures ensures that data is accurate, consistent, valid, and complete. All data is efficiently captured within the system, and strict rules, procedures, and integrity constraints govern the interface of source systems. This ensures data accuracy and consistency, even with increased volumes and users. In addition, Coromandel has implemented a set of user-defined rules that further reinforce the integrity of the data.

The comprehensive set of rules governing data entry, storage, and transformation ensures the reliability, accuracy, and resilience of the data, minimizing the possibility of human error.

The various measures implemented by the business to ensure data integrity are outlined below:

» Physical integrity of data: It has power backups, disaster recovery systems, and robust cybersecurity measures in place. Coromandel also conducts regular Vulnerability Assessment & Penetration Testing (VAPT) reviews to identify and address any system vulnerabilities.

» Logical integrity: Coromandel maintains the integrity of its data by linking tables through primary keys and unique values, preventing duplication of records. The database structures are governed by rules that restrict unauthorized data deletion and ensure that only valid amendments can be made.

» Domain integrity: To maintain data quality, it has defined a set of constraints that validates and restricts the values, format, and data types that can be entered into its systems.

By implementing these measures, Coromandel strives to ensure the reliability, accuracy, and security of its data.

## Data Security

Coromandel has established a robust IT infrastructure that prioritizes scalability, resilience, and security. This has been achieved by implementation of various platforms and processes, including:

» Single Corporate Network with Perimeter Defense

» Secure Web Facing Assets

» Consolidated Data Center in Internal Network

» Robust and Reliable Disaster Recovery Setup

» Managed Servers and Devices

» Secure and Seamless Cloud Connect

Its Information Security Policies are readily accessible to all employees through its SharePoint portal. Coromandel conducts Cyber Security awareness sessions periodically to raise awareness among its employees about the growing threat of data security.

Coromandel has established a dedicated email address, "IT Security-Coromandel", for employees to report any cybersecurity breaches. This allows the organization to promptly address such incidents and implement necessary corrective or disciplinary actions. Furthermore, it has set up a Security Operations Center (SOC) or Security Incident and Event Management (SIEM) system to ensure data security throughout the organization. Regular testing of data backups is conducted every month to verify their effectiveness.

To assess the security posture of its web and mobile applications, a comprehensive vulnerability analysis is conducted annually. This analysis helps identify potential vulnerabilities and enables the organization to take proactive measures to mitigate any risks associated with its applications.

In FY 2022-23 there were no cases of information security breach across Coromandel.





# Intellectual Capital

Coromandel accords high priority to R&D as it allows it to develop new products and services that meet our customers' needs and helps it to stay ahead of the competition. In recent years, the company has made significant investments in R&D. As a result of its investments, it has developed several innovative products and services that have helped it to grow its business.

Coromandel has a total of seven R&D facilities - three for fertilisers, three for crop protection, and one for bio- and a total of 94 researchers/scientists.

Coromandel has a robust policy that outlines the process and criteria for filing patents.

| Patents filed till date | Patents granted |
|---|---|
| 147 | 31 |

Coromandel constantly explores new innovative techniques to ensure that it stays ahead of the competition and continue to provide the best products and services to its customers. In terms of the impact of innovative techniques implemented in the past few years, it has been able to enhance the pace of product manufacturing. These techniques have helped in streamlining processes, reduce costs, and improve the quality of products.

Coromandel's R&D expenditure for the year amounted to INR 20.06 crores, comprising of revenue expenditure of INR 18.22 crores and capital expenditure of INR 1.84 crore. Its R&D expense as a percentage of net sales stood at 0.07%.

| | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|---|---|---|---|
| Revenue Expenditure (INR cr) | 14.52 | 15.96 | 18.22 |
| Capital Expenditure (INR cr) | 1.15 | 2.24 | 1.84 |

In FY 2022-23, Fertiliser SBU's R&D division focused on alternative rock phosphates, supported the Senegal phosphate mine optimization, and developed a process for upgrading indigenous rock phosphate. The R&D team also introduced a new liquid fertiliser, i.e., Liquid Calcium, and conceptualized and produced a novel Urea SSP product. It has also received FCO registration for two grades of fertilisers fortified with magnesium. A breakthrough nanotechnology-based fertiliser, Nano DAP, was developed at the lab at IIT Bombay-Monash Academy and received approval under FCO. The feasibility of production of Nano DAP on a commercial scale was established through trials in the liquid fertiliser plant at Visakhapatnam. The material produced was used for large-scale trials in farmers' fields and the results are positive.

CPC business developed new formulations, including Capsule Suspension (CS), Emulsions-in-Water (EW), and Micro-emulsion (ME) types, and differential formulation products with added micronutrients. In the bioproducts segment, it has established a pilot-scale facility for the fermentation of microbes. Coromandel also developed a testing kit for measuring humic fraction in soil and tested it in approximately 200 farmer plots. This will help assess the humic content of organic matter in the soil.

Coromandel holds the distinction of being the largest manufacturer of neem-based biopesticides worldwide. We are dedicated to innovation and consistently growing our portfolio to incorporate environmentally friendly chemistries. In our quest to increase product effectiveness and application efficiency, we are actively developing advanced delivery mechanisms. Our cutting-edge manufacturing facility in Cuddalore, Tamil Nadu, employs a patented extraction process to convert neem seeds into the purest and most concentrated form of Azadirachtin. Our products are certified organic by reputable organizations such as IMO and DNV, and they are distributed in over 40 countries. We are also exploring the in-vitro delivery of biopesticides in trees through injectables and have obtained EPA registration for the corresponding neem formulation.

## Green Chemistry

Coromandel's Crop Protection Chemicals division has actively collaborated with leading agrochemical innovators and consistently tailored products to create safer chemicals. The introduction of new products throughout the year underscores its commitment to advancing safer chemistries. Furthermore, the research and development efforts in the Nutrient business are dedicated to improving resource utilization efficiency, advocating for balanced nutrition, and devising tailored crop solutions.

## Open Innovation

Coromandel believes in the power of open innovation and collaboration with external partners to drive growth and innovation. An example of this is Coromandel's continued collaboration with TNAU (as CRO) for the development of microbial pest control technologies. Through this partnership, the business expects to develop patented microbial solutions for crop protection and introduce them to the market.

The business also partnered with external institutions such as BHU, IIT Madras, NITs, etc. to obtain innovative ideas and solutions pertaining to the use of Phosphogypsum including $CO_2$ sequestration.

The business' collaboration with the Indian Agricultural Research Institute, Delhi, on the evaluation of Nano Clay Polymer Composites (NCPC) based phosphorus and zinc fertilisers has provided Coromandel with access to technology for soil-based nano P fertilisers, while its agreement with Shell for Shell Thiogro Technology for the production of Sulphur Enhanced Fertilisers provides the organization with access to world-class technology designed for safe handling of elemental sulphur.

Coromandel has initiated discussions with national institutes like the Indian Institute of Chemical Technology, Hyderabad and the IIT Hyderabad for product development and troubleshooting projects and have also partnered with six Indian Council of Agricultural Research (ICAR)/ State Agricultural Universities (SAU) and three toxicology laboratories.

The company has made investments in deep-technology companies specializing in methane-based products across agri-input, animal nutrition, human nutrition, solar-powered cold storage and pumping technologies, and drone production across agriculture and defence domains. By investing in these start-ups, the company is expanding its reach and access to innovative technologies and solutions beyond in-house capabilities.

## Process Innovation:

Coromandel's process innovations have made substantial contributions in terms of cost savings. In its fertiliser production process, innovation has improved production throughput by 25% for APS-grade products. Additionally, adoption of advanced technology in SSP units has resulted in efficiency improvement, reduction in curing time, and enhanced throughput rate.

In CPC division, the business focused on improving the yield of key crop protection technical products by controlling degradation during manufacturing. As a result, the business achieved yield improvement in the technical product at concerned manufacturing sites. This has simultaneously led to:

» lower impurity formation and hence, increased active ingredient (AI) content

» decreased failure rate in AI as compared to previous scenario

» reduced discoloration in by-product

## Leveraging the Digital Tools

Coromandel has adopted an image-centric application developed by an Israeli-based organization. This app allows for the assessment of the nitrogen requirement of crops in farmers' fields, using smartphone pictures. Additionally, it has tested a digital tool developed by International Rice Research Institution (IRRI) for assessing greenhouse gas emissions from rice fields.

# Human Capital

Coromandel's progress over the past five decades is attributed to the unwavering dedication of its employees, who have consistently worked towards its business objectives and sustainable growth vision. The organization is deeply committed to providing its employees with a supportive and inclusive work environment, prioritizing their safety and well-being in the workplace.

The company places great importance on its employees and has established various policies and procedures to foster their professional and personal growth. Coromandel's hiring practices are fair and unbiased, ensuring that no deserving candidate is overlooked, while its comprehensive benefits and compensation packages are thoughtfully designed to demonstrate appreciation for its employees.

## Employment and Employee Turnover

Coromandel emphasizes competence as the primary consideration in its hiring process. It is committed to promoting inclusiveness and embrace diversity of gender, age, caste, religion, and ability, and strives to create a workplace where each employee feels valued and respected. The organization values the varied skills, attitudes, and experiences that employees contribute and gives priority to offering them fulfilling career prospects to support their advancement within the company.

| Employee category | FY 2022-23 | | | | | | Total Number of Members |
|---|---|---|---|---|---|---|---|
| | <30 years | | 30-50 years | | >50 years | | |
| | Male | Female | Male | Female | Male | Female | |
| Senior Management | 0 | 0 | 26 | 0 | 37 | 1 | 64 |
| Middle Management | 12 | 3 | 543 | 26 | 116 | 4 | 704 |
| Junior Management | 973 | 63 | 1799 | 61 | 159 | 10 | 3065 |
| Associates/ Non-management (Permanent Workmen) | 333 | 0 | 692 | 2 | 203 | 1 | 1231 |

*Note:* Senior *Management. - Band 1 (MG7 and above),* Middle *Management - Band 2 (MG4 to MG6A),* Junior *Management-Band 3 (SU to MG3).*

In FY 2022-23, Coromandel had a total workforce of 12,700 including 7,636 contract workers. Women constituted nearly 4.4% of total permanent employees and 0.2% of permanent workers. Women represent 18% of Board members and comprise 50% among key managerial personnel. The organization had 11 differently abled permanent employees (10 male and 1 female) and 1 differently abled male permanent worker.

In the reporting year, the company hired 977 permanent employees and 119 permanent workers. With a steadfast commitment to future expansion, a significant portion of these new joiners belong to the middle and junior management categories as it aspires to nurture them into future leaders within the organization[14].

| Employee category | New Hires in FY 2022-23 | | | | | | Total Number of Members |
|---|---|---|---|---|---|---|---|
| | <30 years | | 30-50 years | | >50 years | | |
| | Male | Female | Male | Female | Male | Female | |
| Senior Management | 0 | 0 | 7 | 0 | 2 | 0 | 9 |
| Middle Management | 9 | 0 | 86 | 5 | 2 | 0 | 102 |
| Junior Management | 588 | 36 | 228 | 13 | 1 | 0 | 866 |
| Associates/ Non-management (Permanent Workmen) | 102 | 0 | 15 | 0 | 2 | 0 | 119 |

Its employees evolve alongside the organization and set their own goals and aspirations, both within the company and beyond. In FY 2022-23, the company's turnover rate was 23.2% (885 persons) among permanent employees of whom 836 left the organization voluntarily. Among permanent workers, the turnover was 8.9 % (110 persons)[15].

| | Turnover Rate (Voluntary + Involuntary[16]) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY 2022-23 | | | FY 2021-22 | | | FY 2020-2021 | | |
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 22.8% | 32.1% | 23.2% | 19.6% | 20.8% | 19.6% | 12.7% | 13.5% | 12.7% |
| Permanent Workers | 8.9% | 0% | 8.9% | 8.2% | 0% | 8.2% | 7.2% | 22.2% | 7.2% |


[14] GRI 2-7; GRI 2-8; GRI 401-1
[15] GRI 401-1
[16] BRSR Question No. 20 of Section A

## Employee Benefits[17]

Coromandel follows all regulatory guidelines that relate to providing financial and non-financial benefits to its employees. Furthermore, it goes beyond what is legally required by providing enhanced benefits. For example, the company extends life insurance, health insurance, and accidental leave benefits to all its permanent employees and workers. It also provides retirement benefits like provident fund (PF) and gratuity to all its permanent employees and workers. Additionally, all permanent employees and workers whose monthly gross salary is less than INR 21,000 are eligible for Employees' State Insurance Corporation (ESIC) benefits[18].

Coromandel takes proactive measures by organizing medical examinations every two years for all employees and annually for those aged 40 years and older[19].

The company offers flexible working hours for employees at the corporate office and registered office, allowing them to start their work between 9 am and 10 am. They have the freedom to log in at any time within this window and complete their 8 working hours accordingly. Similarly, for division offices, flexible working hours are provided between 9 am and 10 am.

Further to this, Coromandel provides housing facilities at its Visakhapatnam location, while the canteens provide nutritious food for employees at all its factories and corporate office locations.

In FY 2022-23, the company spent INR 657 crores on employee benefits which includes salaries, pension, etc.

## Parental Leaves[20]

Coromandel recognizes the importance of parental leave for both male and female employees. The company provides parental leave to give employees the essential time needed to take care of their children and themselves.

It not only complies with the mandated maternity leave stipulations but also supplement it with an additional six months of flexible work schedule. This allows new mothers to spend more time with their children while fulfilling their work responsibilities. Additionally, Coromandel provides comprehensive support to assist employees to transition back to work after parental leave, facilitating a smooth and successful return to their professional responsibilities. Women who resume work after the conclusion of their maternity leave have the option to utilize flexible working hours for convenient management of their responsibilities for up to one year following childbirth.

In the reporting period, a total of 173 male employees and 7 female employees utilized parental leave, and all of them subsequently resumed their work after the conclusion of their leave. Of the employees who returned in FY 2021-22, all male employees have completed 12 months after returning to work, but 3 female employees left the organization leading to the overall retention ratio of 97.2%.

## Learning and Development

Coromandel believes in providing ample opportunities for self-development to every employee. It ensures that learning and development avenues are available to individuals at all levels of the workforce, catering to various skill sets and capabilities. Through internal learning portals and partnerships with renowned external agencies, the company offers effective learning interventions that empower the employees to enhance their professional competencies.

To further support their growth, Coromandel has implemented a Financial Assistance Scheme that aids employees in completing programs offered by its learning partners. Additionally, in certain cases where job requirements align, it also sponsors employees' enrolment in learning programs with external institutions. The organization's goal is to enable continuous learning and growth for its employees, fostering their personal and professional development.

Coromandel has established partnerships with esteemed educational institutions such as the Indian School of Business, Great Lakes, Indian Institute of Management, Indian Institute of Foreign Trade (IIFT), National Academy of Agricultural Research Management (NAARM), Centre for Creative Leadership, Society for Human Resource Management (SHRM), Acharya N.G. Ranga Agricultural University (ANGRAU), and others. These collaborations enable the employees to access top-notch external learning opportunities. Moreover, it has formed alliances with renowned companies like BCG and KPMG to develop customized learning modules tailored to the specific needs of the employees.

Coromandel offers a diverse range of specialized programs, including Excel-30, Coromandel Finance Academy, Sales Force Training Academy, and Branding & Communication. These programs are designed to enhance their skills and knowledge in relevant areas.

In addition, it has implemented a succession planning program that aims to identify and groom future leaders within the organization. Through this program, the company identifies high-potential individuals and equip them with the necessary tools and experiences to prepare them for higher responsibilities in the future.

In FY 2022-23, Coromandel delivered 1,87,001 man-hours of training and 91% of male and 68% of female permanent employees and 100% permanent workers have received skill upgradation training. In the previous year, 99% for permanent employees and 96% for permanent workers received similar training[21].

[17]GRI 401-2
[18]GRI 201-3
[19]GRI 403-6; BRSR Question No. 10 (d) (Essential) of Principle 3
[20]GRI 401-3
[21]GRI 404-1



During the reporting period, the organization allocated INR 1.88 crores towards employee training initiatives. Detailed information regarding the trainings conducted in the fiscal year 2022-23 is presented in the table below[22].

| Training Topic | Total Employees | | Employees at Management level | | Employees at Non-Management level | | Total Employees | Brief about the training |
|---|---|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female | | |
| Skill Upgradation (Behavioural) | 1757 | 22 | 1329 | 20 | 428 | 2 | 7589 | The behavioural aspects that would improve the effectiveness of employees. |
| Skill Upgradation (Technical) | 3581 | 67 | 2674 | 66 | 907 | 1 | 56016 | Training on agriculture, products, solutions, as well as manufacturing and other technical trainings. |
| Leadership skills | 4840 | 133 | 3695 | 132 | 1145 | 1 | 36162 | Trainings including devising strategies, setting goals, innovation, change leadership, etc. |
| Induction | 378 | 19 | 272 | 19 | 106 | 0 | 9206 | Induction on Murugappa Group, Coromandel, an overview of all BUs and functions |
| Policy and Compliance | 523 | 7 | 374 | 7 | 149 | 0 | 1466 | Trainings on Whistle blower Policy, HR Policies, etc. |
| Process Training | 1142 | 22 | 806 | 22 | 336 | 0 | 7607 | Manufacturing process, Sales process, Store SOP, etc. |
| Business Ethics | 502 | 10 | 349 | 10 | 153 | 0 | 2012 | Coromandel Guide for Business Conduct, Five Lights, etc. |
| Human Rights | 4246 | 61 | 2784 | 59 | 1462 | 2 | 58358 | Trainings on POSH and Diversity |
| Digital | 1324 | 46 | 1085 | 46 | 239 | 0 | 8585 | Digitisation and other trainings |

### Vidhya Online

Six years ago, Coromandel introduced Vidhya Online, its e-learning portal, in collaboration with the Learning & Development team and the Management Development Centre. Initially designed as a convenient tool for the field force, it provided information and knowledge about Coromandel's products and recommended agricultural processes. Over time, Vidhya Online evolved into a valuable resource for the employees in the field, enabling them to engage with farmers more effectively while on the go.

The success of this initiative encouraged it to expand the scope of Vidhya Online. It incorporated modules on technical processes, product features, functional requirements, and plant safety. Over the past six years, the company has developed a collection of over 70 learning modules, covering a wide range of topics to cater to the development needs of various employees. These modules now feature engaging 3D graphics for better visualization, allowing users to learn at their own convenience. The interactive nature of the modules facilitates easier assimilation of knowledge.

In FY 2022-23, 3,249 employees have benefited from Vidhya Online, utilizing its comprehensive learning resources.

[22]GRI 404-2

## Employee Communication and Engagement

Coromandel takes great satisfaction in cultivating a work environment that prioritizes safety and inclusivity, where every voice is esteemed and treated with respect. To facilitate open communication, it has implemented multiple channels for employees to express their opinions and ideas while also actively listening to their peers and senior executives. Moreover, all employees and workers can register their grievances as well as violations of Coromandel's ethical, moral, and legal business conduct standards as per the Whistle Blower policy.

Coromandel has established diverse communication channels through which it strives to create an environment wherein every employee can actively participate and contribute to the growth and success of the organization. Its communication with employees begins during the new joiners' induction process, where senior leaders' welcome new employees and provide insights into its culture and values. Other channels of communication include a webinar called Chronicle, which encourages a free exchange of thoughts, opinions, and suggestions throughout the organization. Additionally, Coromandel's in-house magazine, Voice, serves as a platform for sharing news from across the company with all the employees. Through its human resource management system (HRMS) module, it also provides a user-friendly digital self-service platform for employees to carry out various HR tasks.

The company effectively supports the career advancement of its employees through a strong talent review framework that ensures recognition and rewards for employee performance.

Coromandel has a robust Annual Appraisal Process which starts from April and continues till June. The appraisal process is based on the achievement of the pre-defined and measurable goals of the employees A Performance Appraisal Review Committee (PARC) consisting of the Functional, SBU and HR Heads as per Grade is set up for final evaluations. The company also conducts Mid-Year Appraisal Review for select employees basis the Annual Appraisal review, which is effective January. All eligible permanent employees (whose joining date falls on or before 30th September of the assessment year) have undergone performance review and received counselling where needed. This accounts for 91.2% of total employee strength in FY 2022-23 and 83.89% in FY2021-22. Long-term settlements govern the rights and conditions of permanent workers, and they are not subject to appraisal metrics similar to those applicable to permanent employees[23].

The organization depends upon feedback from its employees to consistently improve communication and engagement with them as well as enhance its work culture. Employee engagement surveys are conducted periodically by external agencies to track satisfaction levels at the workplace, concerns and areas of improvement. Coromandel has achieved the distinguished recognition of being certified as a "Great Place to Work" organization, signifying its exceptional performance across the five dimensions of Credibility of Management, Respect for People, Fairness at the Workplace, Pride and Camaraderie between People.

## Occupational Health and safety

Coromandel's manufacturing operations involve the use of chemicals and energy systems that can pose potential hazards. Thus, it places strong emphasis on safeguarding its facilities and on protecting the health and safety of its employees. The company has adopted the OHSAS 18001 framework and obtained ISO 45001 certification for the plants. Through the Hazard Identification and Risk Assessment (HIRA) process, it identifies potential risks and implement effective mitigation strategies. These frameworks enable it to assess safety, health, and environmental (SHE) performance and take necessary corrective actions. It also utilizes the mySetu application to manage workplace hazards efficiently. The occupational health and safety measures implemented by the organization also extend to individuals who visit its locations, ensuring a safe environment for all stakeholders involved[24].

Coromandel has established dedicated general safety committees, led by Unit Heads, which comprise key members such as a medical officer, safety officer, senior leaders, and representatives from workers' unions. These committees convene quarterly to evaluate safety performance in relation to set targets and undertake various initiatives to enhance workplace safety.

Maintaining workplace safety depends strongly on employees' awareness and acknowledgement of its importance. Coromandel actively encourages its employees to report safety risks they observe and escalate them to the appropriate authorities. To reinforce these behaviours, the company organizes activities like Safety Week and defensive driving workshops to promote safe practices. During the reporting year, 100% of Coromandel's plants and offices were assessed for health and safety practices and working conditions and have received no complaints for the same during the last two years[26].

To ensure that its employees do not lose sight of safety requirements, it provides comprehensive training on various aspects such as chemical safety, process safety, fire safety, electrical safety, and general safety. The organization also places emphasis on implementing environmental management systems to uphold a workplace that is both safe and sustainable[27].

| Safety Incident / Number[25] | Category | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|---|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees (Including Management & Non-management) | 0 | 0.34 | 0 |
| | Contract Workers | 0.30 | 0 | 0.30 |
| Total recordable work-related injuries | Employees (Including Management & Non-management) | 1 | 4 | 1 |
| | Contract Workers | 9 | 10 | 9 |
| No. of fatalities | Employees (Including Management & Non-management) | 0 | 0 | 0 |
| | Contract Workers | 0 | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees (Including Management & Non-management) | 0 | 2 | 0 |
| | Contract Workers | 6 | 0 | 6 |

[23]GRI 404-3

[24]GRI 403-1,2,8; BRSR Question No. 10 (a) & 10 (b) (Essential) of Principle 3
[25]GRI 403-9,10; BRSR Question No. 11 (Essential) of Principle 3
[26]GRI 403-4; BRSR Question No. 13 & 14 (Essential) of Principle 3
[27]GRI 403-5

## Training on Health & Safety Measures

| Category | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total Number of Employees/ Workers | Employees/Workers provided training | | Total Number of Employees/ Workers | Employees/Workers provided training | |
| | | No. (B) | % | | No. | % |
| **Permanent Employees** | | | | | | |
| Male | 3665 | 3282 | 90% | 3619 | 1976 | 55% |
| Female | 168 | 34 | 20% | 175 | 34 | 19% |
| Total | 3833 | 3316 | 87% | 3794 | 2010 | 53% |
| **Permanent Workers** | | | | | | |
| Male | 1228 | 1228 | 100% | 1245 | 1245 | 100% |
| Female | 3 | 3 | 100% | 3 | 3 | 100% |
| Total | 1231 | 1231 | 100% | 1248 | 1248 | 100% |

In addition to physical safety, the company also prioritizes mental well-being of its employees and their families through an Employee Assistance Program (EAP). In the event of the death of an employee or worker owing to a workplace related event, Coromandel offers adequate compensatory packages to their dependents adhering to applicable regulations[28].

### Process Safety Management System (PSMS)

To address the potential hazards that arise from the nature of its work, the organization has implemented a Process Safety Management System (PSMS) across all its manufacturing locations.

Aligned with the OSHA CFR 1910.119 guidelines, its PSMS serves as a framework that helps to proactively identify, understand, and control workplace hazards. It is designed to prevent process incidents that could potentially harm employees, community, facility assets, and environment.

Consisting of 19 elements, its PSMS fosters a safety-oriented culture and applies to specified hazardous chemicals and energy systems, such as ammonia, sulphuric acid, high-pressure steam, instrument air, and vacuum. These elements of the PSMS are integrated into the management of process safety, including the design, construction, maintenance, and operation of all process plants.

Since 2018, Coromandel has embraced five new enablers that support Risk-Based Process Management System (RBPS) implemented across the fertiliser manufacturing sites. These enablers include:

» Strong commitment and active involvement of senior management

» Utilizing a risk-based approach to enhance its processes

» Continuously enhancing knowledge and expertise

» Developing competency in process safety

» Utilizing performance indicators to assess effectiveness


[28]GRI 403-6

## Diversity and Inclusion

Coromandel embraces inclusivity and adheres to a non-discriminatory approach, disregarding factors such as gender, nationality, culture, and age. It actively seeks individuals with diverse perspectives, experiences, and expertise, emphasizing merit-based hiring. It is well established that giving women opportunities to join the workforce can boost India's economy significantly. As an equal opportunities employer, Coromandel is dedicated to enhancing gender diversity through targeted policies and hiring strategies. Currently, women constitute nearly 4.4% of its total permanent employees and 0.2% of permanent workers.

The organization prioritizes open and transparent communication with its employees to raise awareness about appropriate workplace behaviour and the importance of respecting diversity. To address any issues related to sexual harassment or discrimination, Coromandel has established an Internal Complaints Committee (ICC) that provides a platform for employees to escalate concerns and resolve complaints.

In line with the Whistle Blower policy of the company, utmost care is taken to preserve the confidentiality of the complainant's identity by all individuals involved in handling grievances related to discrimination and harassment. This commitment extends to anyone who comes across any information pertaining to such complaints. The company ensures a careful balance between maintaining confidentiality and fulfilling legal obligations and constraints.

During the reporting year, three cases of sexual harassment were reported, and one case was reported in the previous year which has been investigated and resolved. There were no cases of discrimination reported in last two years[30].

| Financial Year | STEM related positions occupied by female workforce[29] | STEM related positions occupied by female workforce as % of total female workforce | Revenue generating positions occupied by female workforce | Revenue generating positions occupied by female workforce as % of total female workforce |
|---|---|---|---|---|
| 2022-23 | 33 | 19% | 85 | 50% |
| 2021-22 | 46 | 26% | 94 | 53% |
| 2020-21 | 49 | 27% | 103 | 56% |

[29]GRI 405-1
[30]GRI 406-1

## Freedom of Association and Human Rights[31]

Respect for human rights is deeply ingrained in the philosophy of the Murugappa Group. At Coromandel, the Coromandel Guide to Business Conduct (CGBC) emphasizes the importance of respecting human rights in all its business engagements. This includes upholding fundamental rights, preventing sexual harassment and discrimination, and adhering to safety, health, and environment (SHE) policies. It has implemented robust management systems and policies, such as the HR Policy, Training and Communication, and the 5S policy, to ensure the protection of human rights. 100% of its employees and permanent workers are provided more than minimum wages. Contract workers receive remuneration that exceeds the statutory minimum wages[32].

The company does not employ child labour and maintains strict vigilance in this respect. It also mandates that all contractors it collaborates with, refrain from involving child labor, not only within Coromandel engagements but also in other projects or endeavors. It also discourages engaging forced labour in its business.

Coromandel tracks its advancements in protecting human rights using the following metrics:

» Training and awareness programs focused on policies and the Coromandel Guide to Business Conduct (CGBC)

» Employee engagement survey responses related to relevant parameters

» Number of grievances received and resolved

» Successful resolution of audit issues

» 5S audit score for the work environment

The details of human rights trainings provided is captured in the table below[33].

| Category | FY 2022-2023 Current Financial Year | | | FY 2021-2022 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees/ workers covered (B) | % (B / A) | Total (C) | No. of employees/ workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 3833 | 3333 | 87% | 3794 | 2827 | 75% |
| Other than permanent | 0 | 0 | 0% | 0 | 0 | 0% |
| Total Employees | 3833 | 3333 | 87% | 3794 | 2827 | 75% |
| **Workers** | | | | | | |
| Permanent | 1231 | 1231 | 100% | 1248 | 1145 | 92% |
| Other than permanent | 7636 | 7636 | 100% | 8124 | 8124 | 100% |
| Total Workers | 8867 | 8867 | 100% | 9372 | 9269 | 99% |

It has implemented an internal document checking system during the pre-recruitment process to verify candidate credentials, including age, and automated age restriction controls for contract workers.

Coromandel strictly adheres to all relevant laws to protect the rights of its stakeholders. It also conducts internal audits to monitor compliance and detect any violations. 100% of its plants and offices were assessed and reported no human rights violation complaints in last two years.

Coromandel has 8 recognized workmen unions and during the reporting year, industrial relations across Coromandel were cordial. In FY 2022-23, 877 out of total 1,231 permanent workers were part of the union, i.e., 71% compared to 900 in FY 2021-22 (out of total 1248 permanent workers).

The minimum notice period regarding significant operational changes given to the workers is 21 days or 42 days, depending on the State rules[34].

## Socio-Economic Compliance

Coromandel adheres to socio-economic regulations concerning employees and workers, including areas such as wages, minimum wage, overtime, and maternity benefits. Regular audits are conducted to ensure compliance throughout the organization. Coromandel is pleased to report that in the reporting year, there were no instances of non-compliance with socio-economic laws or regulations.

[31]GRI 407-1, GRI 408-1, GRI 409-1
[32]BRSR Question No. 5 (Essential) of Principle 5
[33]BRSR Question No. 1 (Essential) of Principle 5
[34]GRI 402-1





# Social & Relationship Capital

## Customer Engagement:

Customer centricity is at the heart of everything that Coromandel does. It believes that its success lies in understanding the customers' needs and expectations and consistently delivering products and services that exceed their expectations. Coromandel strives to build lasting relationships with its customers and contribute to their success by providing comprehensive product information, addressing customer grievances promptly, and consistently delivering high-quality products and services.

To ensure that it is meeting customers' needs, the company employs extensive feedback mechanisms that enable it to capture customer insights. Its dedicated helpline, Hello Gromor, is one such mechanism. It enables the customers to register their queries and complaints, and the internal team addresses them promptly according to the policies and processes.

In addition to gathering direct feedback from customers, Coromandel also engages external agencies to conduct comprehensive surveys, enabling a deeper understanding of how customers perceive and experience its products and services. These surveys help in identifying areas where the business can improve and develop new products that meet its customers' evolving needs.

The business prioritizes addressing all customer grievances that it receives receive and take swift action to resolve them. In the year 2022-23, it received 2,889 inbound calls and 3,024 outbound calls through the Hello Gromor helpline and addressed 44 customer complaints[35].

One of the ways by which the company demonstrates its commitment to customers is by ensuring that it provides them all the necessary information about the products on the label. It goes beyond the statutory contents mandated by law and provide additional information such as crop-wise dosage, precaution, compatibility, and safety guidelines. This is to ensure that farmers have all the information they need to use Coromandel's products safely and effectively. 100% of the products manufactured by Coromandel are in compliance with the Fertiliser Control Order (FCO) and the Central Insecticide Board and Registration Committee (CIBRC) regulations[36].

It also has mechanisms to inform consumers of any risk of disruption/discontinuation of essential services. It is continuously in touch with the channel partners, providing them with product and service-related updates to keep them abreast of market developments. Coromandel's retail stores are also in continuous engagement with farmers, through farmer awareness programs.

[35]BRSR Question No. 1 (Essential) of Principle 9
[36]GRI 417-1

## Our Key Programs

As a company dedicated to improving the lives of farmers across India, Coromandel is constantly looking for new ways to help its customers achieve greater success. One of its key programs is the ***Gromor Nutri-Clinic***, which provides farmers with access to expert advice and guidance on crop nutrition.

In the fiscal year 2022-23, the Nutri-Clinic program successfully reached more than 1.8 lakh farmers as against 1.4 lakh farmers during the previous year. In addition to the Nutri-Clinic, the company also offers a range of other programs, including organic carbon tests, scientist-farmer teleconferences, and technical advisory based on satellite aerial maps.

***Organic Carbon Tests:*** In financial year 2021-22, Coromandel conducted a total of 41,647 organic carbon tests to help farmers improve the health of their soil. This number rose significantly in the financial year 2022-23 to a total of 1,34,363.

***Scientist-farmer teleconference program*** aims to connect farmers with experts in the field of agriculture, providing them with access to valuable advice and guidance to increase productivity and hence, profitability.

***Technical advisory based on satellite aerial maps program*** is focused on helping farmers better understand their land and make informed decisions about crop management. In 2021-22, Coromandel was able to geotag 20,850 farmer plots, covering 60,607 acres of land. In 2022-23, it was able to geotag 995 farmer fields, covering an area of 3,975 acres. As of now, it has a total of 21,845 geotagged plots covering a total area of 64,582 acres.

***Farm mechanization program:*** The company believes that farm mechanization is essential for the sustainable development of Indian agriculture. This program aims to provide farmers with access to affordable and reliable machinery that can help them increase productivity and reduce input costs. It offers a wide range of machinery, including tractors, harvesters, threshers, and sprayers. Coromandel also provides farmers with training on how to use the machinery. Going forward, it plans to include the integrated service offering through its ecommerce application – MyGromor.

## Product Stewardship

Coromandel is committed to promoting safe and responsible use of its products and services. It follows a multi-pronged approach to disseminating information related to product stewardship. Its initiatives aim to educate and inform farmers about the best application practices, enhance nutrient use efficiency, and introduce them to the latest advancements in technology.

To achieve its objective of promoting safe and responsible usage, Coromandel celebrated Product Stewardship Day on 23rd December 2022 across the company, coinciding with Farmers' Day/Kisan Diwas. It conducted a total of 137 meetings, wherein nearly 6,400 farmers participated in the event across India.

It engaged with farmers through the Nutri-Clinics, backed by its agronomist team, to disseminate information related to best application practices. Moreover, the Retail business regularly engages with farmers and conducts campaigns to spread awareness on safe agri inputs' usage. Additionally, it has made all product related information available on its learning and development portal, Vidhya Online, which is accessible to the dealer community.

# Supply Chain Management

Coromandel maintains a steadfast commitment to the development of safe, sustainable, and effective products. Its primary objective lies in the establishment and maintenance of a resilient and sustainable supply chain. With a global value chain, it fosters strong relationships with its partners to ensure the smooth functioning of operations. Additionally, the organization is deeply mindful of the environmental consequences associated with its value chain and actively promote responsible sourcing and practices throughout its supplier network.

The business has adopted a transparent and objective performance monitoring system for its esteemed partners and suppliers. This system entails the establishment of partner review schedules and the tracking of key performance indicators (KPIs) by heads of specific processes. These KPIs serve as metrics to assess and rate suppliers and partners, enabling it to provide valuable feedback to enhance their performance.

## Global Supply Chain

Coromandel has actively pursued diversification strategies in its sourcing to address the scarcity of raw materials and disruptions in the supply chain, while simultaneously reducing its dependence on imported fertilisers. In its ongoing quest for self-sufficiency in essential raw materials and intermediates, it has been undertaking strategic investments. The new sulphuric acid plant project is progressing well and is expected to be commissioned in FY2023-24. Coromandel has recently entered into an agreement with a prominent global manufacturer of Ammonia and Phosphates, for securing the supply of Blue Ammonia. Furthermore, its joint ventures for Phosphoric acid production in South Africa and Tunisia have played a vital role in diversifying sourcing and mitigating supply risks. It is important to note that the phosphate rock mining operations in these facilities strictly adhere to stringent environmental stewardship and worker protection standards. Through the strategic investment in BMCC, the company has taken a step towards securing long-term Rock Phosphate supplies.

## Sourcing Locally

The company's commitment to sustainable and inclusive growth is exemplified by its dedication to empowering local communities and businesses. It prioritizes procuring requisite portion of its consumables, materials, services, engineering, and retail units from local vendors wherever possible. This strategic approach not only enables it to maintain a seamless value chain but also contributes to reducing its environmental impact by minimizing the transportation and storage of goods sourced from distant locations. Additionally, its domestic sourcing accounted for 7% of its total procurement value of input materials in the FY 2022-23, compared to 9% in FY 2021-22[37].

[37]GRI 204-1

Coromandel stands as a prominent figure on the global stage in the manufacturing of neem-based pesticides. The company upholds a sustainable procurement approach when it comes to acquiring neem seeds, and it has also forged partnerships with NGOs to ensure local sourcing of these seeds. Additionally, it possesses neem plantations within Tamil Nadu. By implementing these strategic measures, the business aims to ensure consistent supply of quality raw materials and protect its market share[38].

Its organic fertiliser business meticulously adheres to stringent standard operating procedures (SOPs) and complies with the regulatory requirements outlined in the Fertiliser Control Order (FCO) when procuring products from Micro, Small, and Medium Enterprises (MSMEs). These measures are implemented to guarantee consistency and uniformity across its vendor network.

### Sustainable Supplier Assessment

Systematic implementation of a sustainable supplier assessment framework has been strategically planned, commencing with a prioritized list of suppliers that hold the utmost significance for its operations. All suppliers within this category will be obliged to complete comprehensive sustainability questionnaires, with the outcomes meticulously scrutinized and integrated into the supplier rating mechanism. Subsequently, the business will explore avenues to enhance the environmental, social, and governance (ESG) performance of these critical suppliers based on their respective ratings. This endeavour will encompass workshops and technical interventions as integral components of the process. Furthermore, it will actively encourage these suppliers to extend the breadth of its sustainability interventions by embracing the Company's ESG principles within their operations.

Following the completion of the initial rollout, a comprehensive evaluation of the framework will be conducted. Its objective is to acknowledge and commend suppliers who demonstrate the highest level of alignment with its Environmental, Social, and Governance (ESG) policies. It is anticipated that the implementation of subsequent cycles will lead to enhanced supply chain sustainability.

[38]BRSR Question No. 2 (Essential) of Principle 2



## Government & Policy Engagement

As a testament to its dedication to upholding the highest standards of governance and stakeholder engagement, Coromandel is proud to report that it has partnered with government entities, industry associations, and advocacy groups on various regulatory and policy matters throughout the year. These collaborations have enabled the company to address key issues such as agri-input quality, accessibility, and affordability while remaining actively engaged with its stakeholders and responding to their evolving needs. As the organization reflects on its progress in the past year, it is pleased to share its ongoing commitment to these partnerships and the positive impact they have had on the business and the communities it serves.

The business collaborates with industry associations and other entities within the ecosystem to advocate for matters such as the well-being and advancement of farmers, the expansion of production, and the creation of employment opportunities. By actively engaging in multiple policy interventions, it clearly demonstrates the company's unwavering commitment to promoting positive change in these specific fields. Some examples of Coromandel's active role in policy interventions during FY 23 include[39]:

- Fertiliser Subsidy policies such as Nutrient-based subsidy and Direct Benefit Transfer
- SSP related policy recommendation
- Integrated nutrient approach for organic fertilisers
- Atma Nirbhar Bharat - Strategic Sourcing & Backward Integration (Key raw materials for Fertilisers)
- Agri Technology and Drones
- New Products & Services – NanoDAP
- Pradhan Mantri Kisan Samruddhi Kendras (PMKSKs) - Farm Advisory & Services
- Ensuring the continued utilization of agrochemical molecules by preventing their prohibition.
- Pesticide Management Bill

Coromandel's active participation in these policy interventions highlights its commitment to promoting sustainable agricultural practices and its contribution to creating a better future for the agriculture industry.

During the fiscal year 2022-23, the business allocated INR 35.6 lakhs for payment of membership fees for the following government bodies and industry associations[40]:

- International Fertiliser Association
- Fertiliser Association of India
- International Zinc Association
- State Fertiliser Marketing Federation
- Central Insecticides Board & Registration Committee (CIB&RC)
- Crop Care Federation of India
- Pesticide Manufacturers and Formulators Association of India
- Southern Indian Chamber of Commerce and Industry
- Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry
- National Safety Council
- Environmental/ Pollution Control Boards
- Bureau of Indian Standards
- Confederation of Indian Industry
- National Human Resource Development

## Investor Relationship

At Coromandel, upholding transparency and timely communication with its stakeholders is of utmost importance. To keep investors, shareholders, and analysts well-informed, Coromandel consistently provides them with essential updates on its financials, operations, and other relevant information through multiple channels, including press releases, quarterly investor calls, participation in investor conferences, and organizing an Annual General Meeting (AGM).Further, the company has established a dedicated email address, "Investorsgrievance@coromandel.murugappa.com", to swiftly resolve any investor grievances. Shareholders and investors can utilize this email address to raise any questions or concerns, which shall be promptly addressed. During the fiscal year 2022-23, Coromandel held one AGM and organized six investor meets as part of its commitment to fostering transparent communication with the stakeholders.

[39]BRSR Question No. 1 (Leadership) of Principle 7

[40]GRI 2-28; BRSR Question No. 1 (Essential) of Principle 7

# Corporate Social Responsibility[41]

Coromandel believes in a sustainable approach to development, which focuses on people, planet, and profit. Its Corporate Social Responsibility (CSR) strategy is aligned with the core values of empowering people, educating them, and improving the quality of their lives.

The company's CSR initiatives can be broadly categorized under Education, Healthcare, Community Development, Support in Natural Calamity, and Research & Development. The flagship programs are aligned with the UN Sustainable Development Goals. For example, Coromandel's 'Empowering Girl Child' program is a notable CSR initiative that aligns with the SDGs of Education, Gender Equality, and Good Health and Well-being. As of end of FY 2022-23, the organization's programs have positively impacted over 7.25 lakh lives.

Its CSR initiatives, which are based on principles of partnership and community ownership, enable the organization to build social capital in the communities where it works. The Murugappa Group has an overall focus on community-facing activities in education and healthcare. The AMM Foundation, which is an independent public charitable trust, is responsible for leading these philanthropic efforts, in alignment with the goals of the Murugappa Group. The organization works with local communities and other stakeholders to ensure continuous and smooth operations, which helps in building pathways for sustainable development in the regions where it operates. To identify the real needs of the communities and develop models for sustainable development, the business conducts need assessment studies and research and prioritize the projects based on their outcomes.

To build and maintain trust with its local communities, the company has taken several steps to ensure that it has a mechanism to collect, record, and address complaints or grievances. Coromandel adopts a formal system for identifying local stakeholders or communities of interest and conducts ongoing consultations to ensure that it stays informed of community concerns and expectations. The company consults with them in the early stages of a project to ensure that any concerns can be addressed proactively and its operations benefit the local communities[42].

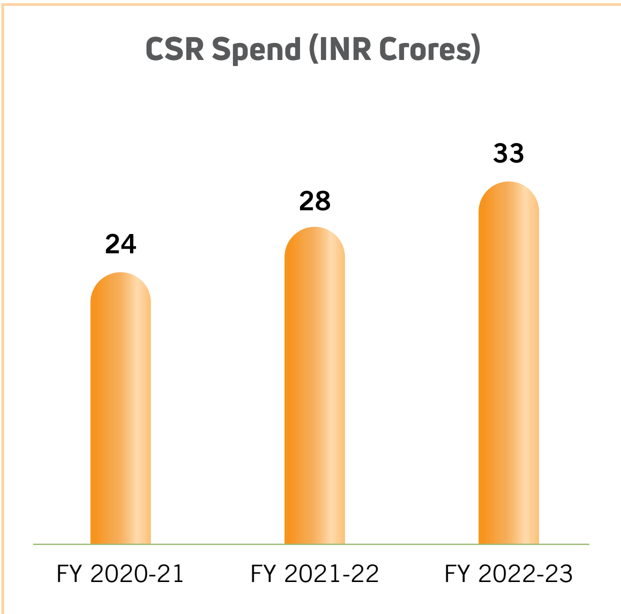
Coromandel also follows community consultation guidelines to ensure that it engages with them in a respectful and meaningful manner.

## CSR Strategy & Framework

To ensure that each CSR project/program has clear objectives, targets, timelines, and measurable indicators, Coromandel has a well-defined, transparent monitoring and review mechanism in place. The monitoring system is aligned with the requirements of Section 135 of the Companies Act 2013 and the CSR Rules. It conducts daily reviews and hold weekly, and monthly CSR review meetings organized by the CSR Head. It reviews the activity plan versus action taken and presents CSR reviews at its Board meetings. The HR Head reviews the CSR activities, and the company conducts annual impact assessments and perception studies by third-party agencies. The business also conducts general financial audits by both internal and external audit teams and compares the baseline with the project output to ensure it is meeting its stated objectives. Coromandel strives to make a positive impact in the communities where it operates and ensures that the CSR initiatives are sustainable, impactful, and aligned with the community's needs.

## CSR Spend

In FY 2022-23, Coromandel spent INR 33 crores on CSR, which is consistent with its previous year's spending of INR 28 crore. The organization has consistently increased its CSR spending over the years, demonstrating its commitment to social development.



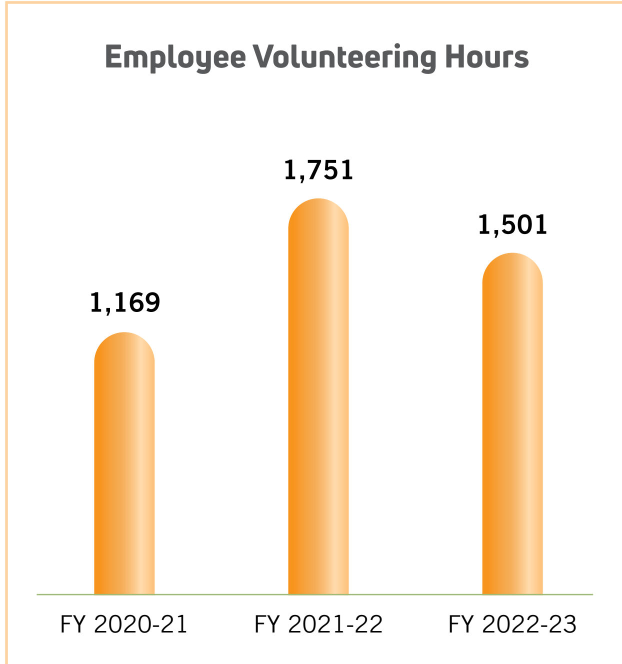

[41]GRI 413-1,2

[42]BRSR Question No. 3 (Essential) of Principle 8



## Employee Volunteering

Coromandel employees, over the years, have contributed a significant number of hours towards social causes. In the current financial year, FY 2022-23, 593 employees contributed 1,501 hours towards CSR initiatives, and the company hopes to continue this trend in the future. Coromandel takes pride in the devoted efforts of its employees to make a positive impact on the community, and eagerly anticipates their increased engagement in the coming years.




## Coromandel's CSR Initiatives[43]

Coromandel's CSR initiatives are location-centric and work closely with the communities around its plants. It works closely with communities to identify their needs and develop programs accordingly. The participatory approach ensures that the community is involved in the decision-making process and has been successful in building synergistic partnerships and creating sustainable development pathways in its areas of operations. The CSR policy is directed towards identifying and supporting programs aimed at empowering the disadvantaged sections of society through education, access to financial services, healthcare, drinking water, and sanitation. The organization also works towards eradicating hunger and poverty through livelihood generation and skill development.

## Education & Sports Development

One of the major initiatives undertaken by the organization is the Coromandel Girl Child Scholarship Scheme, which aims to promote the education of girl children in rural areas and reduce the number of child marriages. This initiative is directly implemented by Coromandel and has provided scholarships and career counselling to 2,201 girls. Coromandel continues to support Udbhav School, an educational institution dedicated to providing quality education to underprivileged communities. The school's exceptional performance remained consistent, with an impressive 98% success rate in the class $X^{th}$ board exams conducted by the Telangana State Board of Secondary Education.

It has also been working to support the education of children with hearing impairment. In partnership with the Signing Hands Foundation, it has produced 20 videos in sign language, which can benefit many children worldwide. It has also committed to supporting the Balavidyalaya Trust, a school for deaf children, and has worked with both parents and children to improve their learning outcomes. 51 children are currently studying in the school and 3 children have been successfully integrated into mainstream education.

Coromandel's Education Improvement Programs in Government Schools aim to improve educational infrastructure and reduce school dropouts, supplement government initiatives, and build educational resources. To combat learning gaps caused by the COVID lockdown and to address slow learners, it has introduced a Learning Enrichment Programme and provided supplementary classes in subjects like Mathematics, Chemistry, and Physics to 3,292 students from 12 government schools in Visakhapatnam, Ennore, Kakinada, and Sarigam.

Coromandel also believes that sports and extracurricular activities play a crucial role in improving children's physical and mental well-being and in engaging youth positively. In this regard, the company organized Sports Day across 121 government schools, where 4,226 students participated and exhibited their sporting skills. It also organized Community Sports Day in the communities it works with during different festivals. With the objective of fostering sports engagement among children and youth while promoting harmony among all individuals, this initiative has successfully reached out to a total of 24,542 individuals.

[43]GRI 203-1,2

## Healthcare

Coromandel believes that good health is the foundation of a happy and prosperous community and that every person deserves access to quality healthcare. It has taken several initiatives in this direction and has positively impacted the lives of thousands of people.

The company conducted assessments to improve access to quality and affordable healthcare, raise awareness about preventive healthcare, and make the most of existing health facilities. Through its community and school-led sessions on COVID-19, hygiene, and eye care, it has increased awareness of preventive healthcare. It also collaborated with District Administrations to provide medical equipment support. Among its significant initiatives is the establishment of the Coromandel Medical Centres in Ennore, Visakhapatnam, and Sarigam. These centres provide basic outpatient services to the needy and reduce their out-of-pocket expenses on healthcare and reached out to 45,988 patients during the year.

Coromandel has also strengthened existing health infrastructure by adopting medical centres. It has been working towards improving government health facilities in Kakinada and Ankleshwar. In Kakinada, it supported the paediatric ward at Government General Hospital (GGH) and helped enhance the outreach of the hospital by at least tenfold with appropriate technology and collaboration. In FY 2022-23, 9,195 children were treated in the ward. In Ankleshwar, it continued its support of a health centre by installing an oxygen plant and a dialysis machine. This centre plays a vital role in increasing the number of institutional deliveries of babies and ensuring better health for mothers and new-borns. In the reporting year, 83 deliveries were carried out at this centre.

The organization believes that every child deserves the chance to live a healthy and fulfilling life and is committed to making this a reality. Coromandel partners with the Hrudaya Foundation to support children with congenital heart diseases and has supported 43 surgeries enabling children to experience a new lease of life.

In addition to these efforts, it organized 89 medical camps at its main CSR locations in the year 2022-23. These camps included dental, eye, general health, anaemia screening, sickle screening, and antenatal check-ups. This initiative has directly benefited 20,613 patients.

## Community Care and Development

As a responsible corporate entity, Coromandel is committed to promoting skill development initiatives that contribute towards improving the livelihoods of communities in and around its areas of operation. The CSR interventions in this regard have been designed to create employment opportunities, provide necessary training and support, and nurture entrepreneurship models.

In line with this objective, Coromandel has partnered with Access Livelihoods Foundation to implement skill development programs for rural youth in agriculture and retail store management. During FY 2022-23, a total of 108 individuals were provided training in retail operations and subsequently placed in employment opportunities within rural areas. Additionally, it has extended livelihood support to the fishing communities in Ennore and Dahej by providing them with essential equipment such as boat engines, ice boxes, and fishing nets. This initiative has benefited 413 families and led to a substantial increase in their productivity, thereby improving their income levels.

Its women's livelihood program aims to empower women by providing skills, enhancing employability, and nurturing them to enhance their family income through entrepreneurship models. It has employed experts and external agencies to train and build the capacity of women's groups. This training focuses on developing a habit of saving and maintaining responsible credit practices. During FY 2022-23, 481 women participated in courses on tailoring, beauty, henna application, and housekeeping and thereafter, created several sustainable opportunities to secure a livelihood.

# Natural Capital

Coromandel demonstrates a conscientious approach to the environment and the sustainable utilization of natural resources by considering the effects of their facilities, manufacturing methods, and marketing activities. It actively takes steps to ensure responsible resource usage and minimise its carbon footprint. The company's operations rely on various natural resources, including Rock Phosphate, Potash, Dolomite, chemical intermediates, Sulphur, Zinc Oxide, Boron, Neem Seed, as well as water and energy. To responsibly manage these resources, the focus is on optimizing energy consumption, promoting the adoption of renewable energy sources, minimizing water usage and waste production, and preserving biodiversity.

The data completeness and accuracy for FY 2022-23 reporting has been enhanced by making the data management systems more robust and by carrying out data validation through an independent agency. To demonstrate its commitment to environmental stewardship, the organization has obtained ISO 14001 certification at its key locations. Acquiring this certification demonstrates the organization's dedication to fulfilling the criteria of an environmental management system, facilitating the methodical management of its environmental responsibilities. Through sustainable practices, Coromandel strives to judiciously utilise precious natural resources, reduce its ecological impact, and contribute to a greener future. Through ongoing assessment and enhancement of its operations, Coromandel strives to minimise its environmental impact while simultaneously achieving its business objectives.

Coromandel is committed to responsible management of resources, promoting environmental sustainability, and meeting the demands and expectations of its stakeholders. By integrating these principles into its operations, the organization aims to create a positive and lasting impact on the environment and the communities it serves.





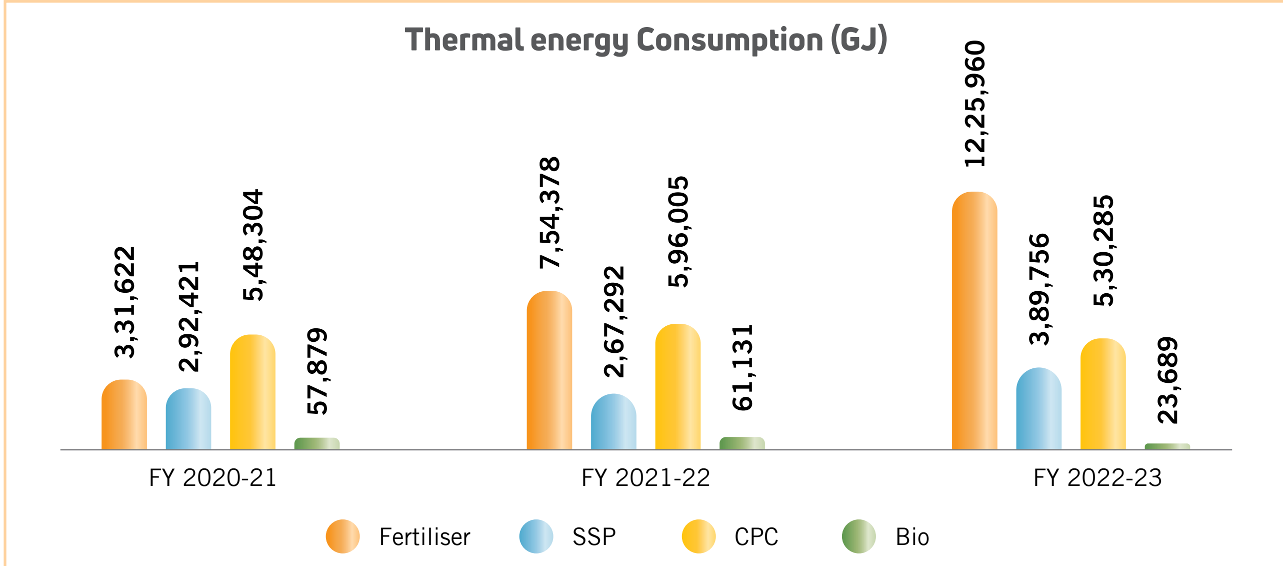
## Energy and Emissions

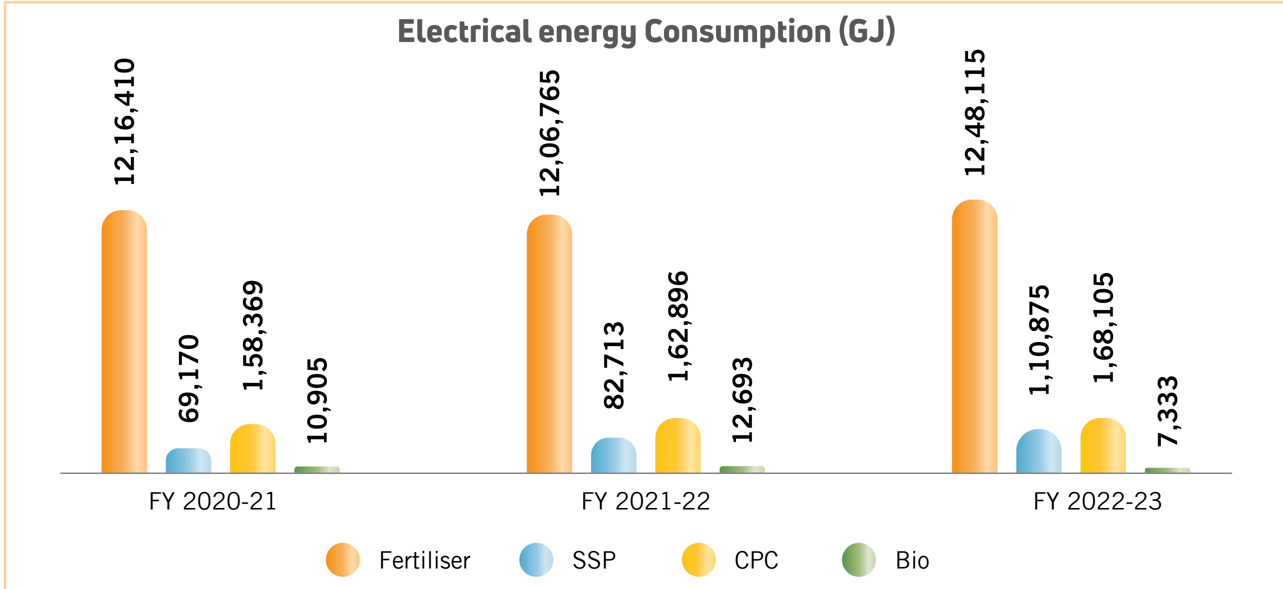
Currently, Coromandel's manufacturing plants predominantly rely on thermal and electrical energy sources. However, the organization is actively working towards transitioning to a more sustainable energy mix by increasing the proportion of renewable energy. This strategic shift aims to significantly reduce its carbon footprint and minimise the environmental impact. To achieve this goal, Coromandel is implementing process transformations, embracing innovative technology solutions, and adopting energy-saving practices throughout its operations. These initiatives help in optimizing energy consumption and decreasing emissions, ensuring a more sustainable and efficient use of resources.

In the financial year 2022-23, Coromandel's total energy consumption across all operations amounted to 37,04,117 GJ. Of this, approximately 59% was derived from thermal sources, while the remaining 41% attributed to electricity. It is important to note that a significant portion of this energy is consumed by the organization's fertiliser manufacturing units, which represents a substantial share of its overall operations. Coromandel consumed 862 GJ (FY 22: 422 GJ) of energy from renewable fuels and 21,573 GJ (FY 22: 22,677 GJ) of electricity generated from renewable sources[44].

The rise in thermal energy consumption within the Fertiliser units during the year can be primarily attributed to the following:

- Increased production of fertilizers by 14% (vs. FY 2021-22)
- Improved intermediates production through backward integration by the business which helped in substituting the imports
- Utilization of alternative raw material sources led to an increase in the consumption of steam and natural gas, further contributing to the overall increase in thermal energy consumption.




[44]GRI 302-1

## Energy Intensity[45]

Coromandel conducts energy intensity analysis across its diverse product categories to evaluate the level of energy consumed per unit of output. This benchmark serves as a foundation for identifying specific operational areas which can be focused on to reduce energy usage. Through the implementation of process and technological advancements, Coromandel strives to improve production efficiency and reduce energy consumption within its product verticals. Coromandel is also actively involved in several initiatives to achieve the objective of reducing energy intensity across its range of products.

During the year, the energy intensity of complex fertiliser and CPC businesses have decreased from FY 2021-22 levels. The energy intensity in SSP plants has experienced a marginal increase in FY 2022-23 due to a higher proportion of granulated single super phosphate production and the challenges associated with stabilizing operations after the capacity upgradation of one of its key manufacturing units.

| Energy Intensity | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|---|---|---|---|
| Fertiliser (GJ/MT) | 0.54 | 0.68 | 0.75 |
| CPC (GJ/MT) | 10.80 | 10.99 | 10.04 |
| SSP (GJ/MT) | 0.54 | 0.48 | 0.57 |
| Bio (GJ/kg) | 6.28 | 6.07 | 6.09 |

## Electricity Savings[46]

To significantly decrease energy consumption, Coromandel has implemented several electricity saving initiatives at its fertiliser, CPC, SSP and Bio plants, prioritising the business units with the most potential. In FY 2022-23, the organization was able to save 69,98,502 kWh of electricity. The following are some significant measures taken during the reporting period:

| Fertiliser | CPC | SSP | Bio |
|---|---|---|---|
| Replacement of existing motors and pumps with efficient motors and pumps | Installation of lighting transformer for lighting and domestic load | Replacement of 400- and 250-Watt Metal Halide Food Lights with 100 Watt LED Flood Lights | Replacement of boiler fuel from furnace oil with light diesel oil leading to no requirement of heating section |
| Installation of screw compressors | Installation of VFD Panel for utility accessories | Installation of VFD for scrubbing air blower motor | |
| Throughput enhancement initiatives | Electricity generation through induction generator | Replacement of 400-watt CFL lights with 150-Watt LED lights | |
| Solar Street Lighting and LED Lighting | Installation of energy efficient BLDC ceiling fans | Replacement of IE0 motor with IE3 motor | |
| Replacement of old window ACs with 3-star AC units | | Replacement of two old transformers with one energy efficient transformer | |
| Installation of Instrument Air Piping with higher dimensions | | | |
| Evaporator Condensate recovery at Utilities Plant | | | |
| Interconnecting AFBC Boiler and Sulphuric acid plant steam systems through HP Steam Line | | | |

[45]GRI 302-3

[46]GRI 302-4





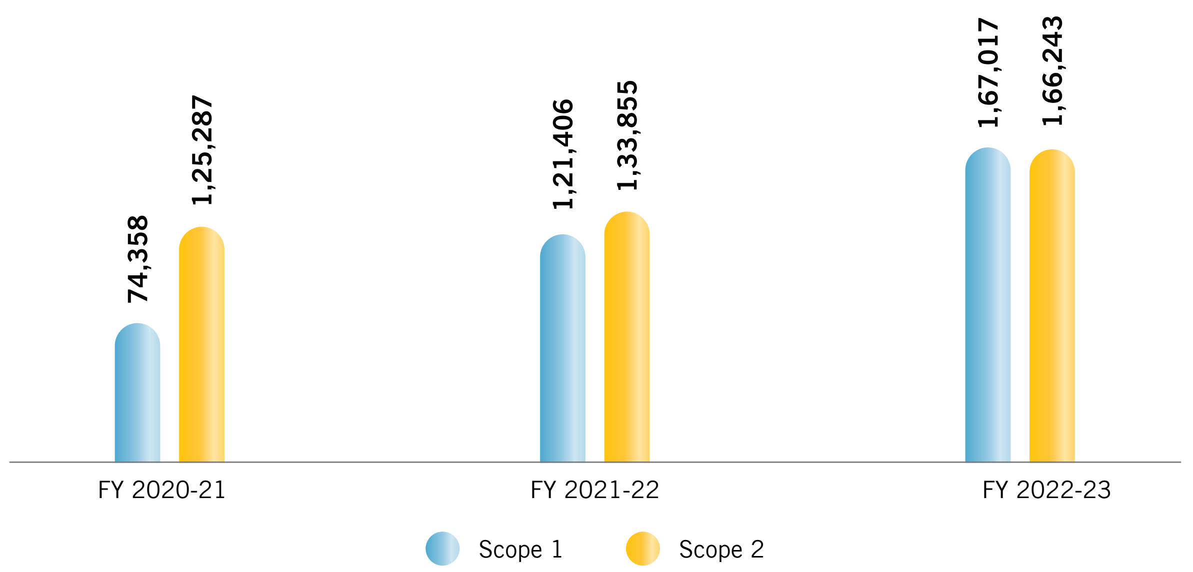
## Emissions[47]

Coromandel carefully monitors and reports its greenhouse gas (GHG) emissions under Scope 1 and Scope 2, which encompass the emissions from major fuels and electricity sources. Its primary focus is to reduce overall GHG emissions to ensure the safety of its employees and neighbouring communities. When calculating its Scope 1 emissions, it also accounts for the impact of the refrigerants used in Air Conditioners, fuel consumed in the vehicles and $CO_2$ refilled in the fire extinguishers. By considering these factors, the company ensures accurate measurement of its Scope 1 emissions.

Within its overall portfolio, the fertiliser units have the largest manufacturing footprint among its various manufacturing facilities. In the past year, these units were responsible for over 65% of the total emissions recorded.

In FY 2022-23, the business successfully offset 2.6% of its emissions by procuring power from renewable sources.

**Scope 1 & 2 Emissions ($tCO_2eq$)**




The company has taken several initiatives to reduce the Green House Gas emissions. These include[48]:

- Installation of solar street-lights within the plant premises
- Replacement of metal halides and compact fluorescent lamps with LED lights within plant premises and administrative building
- Distribution of 660 bicycles to employees for commuting to and from the workplace
- Introduction of battery-operated electric automotive for internal transport
- Miyawaki plantation at Visakhapatnam plant.

Additionally, the CPC division is in the process of increasing the share of renewables in its energy mix.

Coromandel diligently complies with regulations pertaining to Sulphur Oxides (SOx) and Nitrogen Oxides (NOx) emissions, and its emissions consistently remain well below specified limits[49].

| Parameter | Unit | FY 2020-2021 | FY 2021-2022 | FY 2022-2023 |
|---|---|---|---|---|
| NOx | MT | 23 | 24 | 42 |
| SOx | MT | 317 | 274 | 158 |
| Particulate matter (PM) | MT | 551 | 568 | 562 |

[47]GRI 305-1,2,5

[48]BRSR Question No. 7 (Essential) of Principle 6

[49]GRI 305-7

# Water[50]

Water plays a crucial role in the end-use of Coromandel's products, as it is essential for plant growth and serves as a medium for spraying and fertigation processes. Being a prominent producer of agricultural inputs in the country, Coromandel not only utilizes water in its manufacturing operations but also acknowledges the significance of monitoring and managing water consumption. To achieve this, it utilizes digital meters to track water usage at its facilities.

Coromandel emphasises on initiatives that focus on minimizing water requirements in the final application of its products. The emphasis on water conservation and efficiency is a fundamental aspect of Coromandel's commitment to sustainable practices.

| Parameter | FY 2020-2021 | FY 2021-2022 | FY 2022-2023 |
|---|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | | |
| (i) Surface water | 6,15,081 | 6,26,263 | 6,67,139 |
| (ii) Groundwater | 3,83,767 | 3,83,767 | 3,88,260 |
| (iii) Third party water | 39,42,846 | 46,22,650 | 48,92,711 |
| (iv) Seawater / desalinated water | 79,698 | 1,21,411 | 83,224 |
| (v) Others | - | - | - |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | 50,21,392 | 57,54,092 | 60,31,334 |
| **Total volume of water consumption (in kilolitres)** | 51,02,641 | 59,91,914 | 60,62,201 |

[50]GRI 303-1,3,5

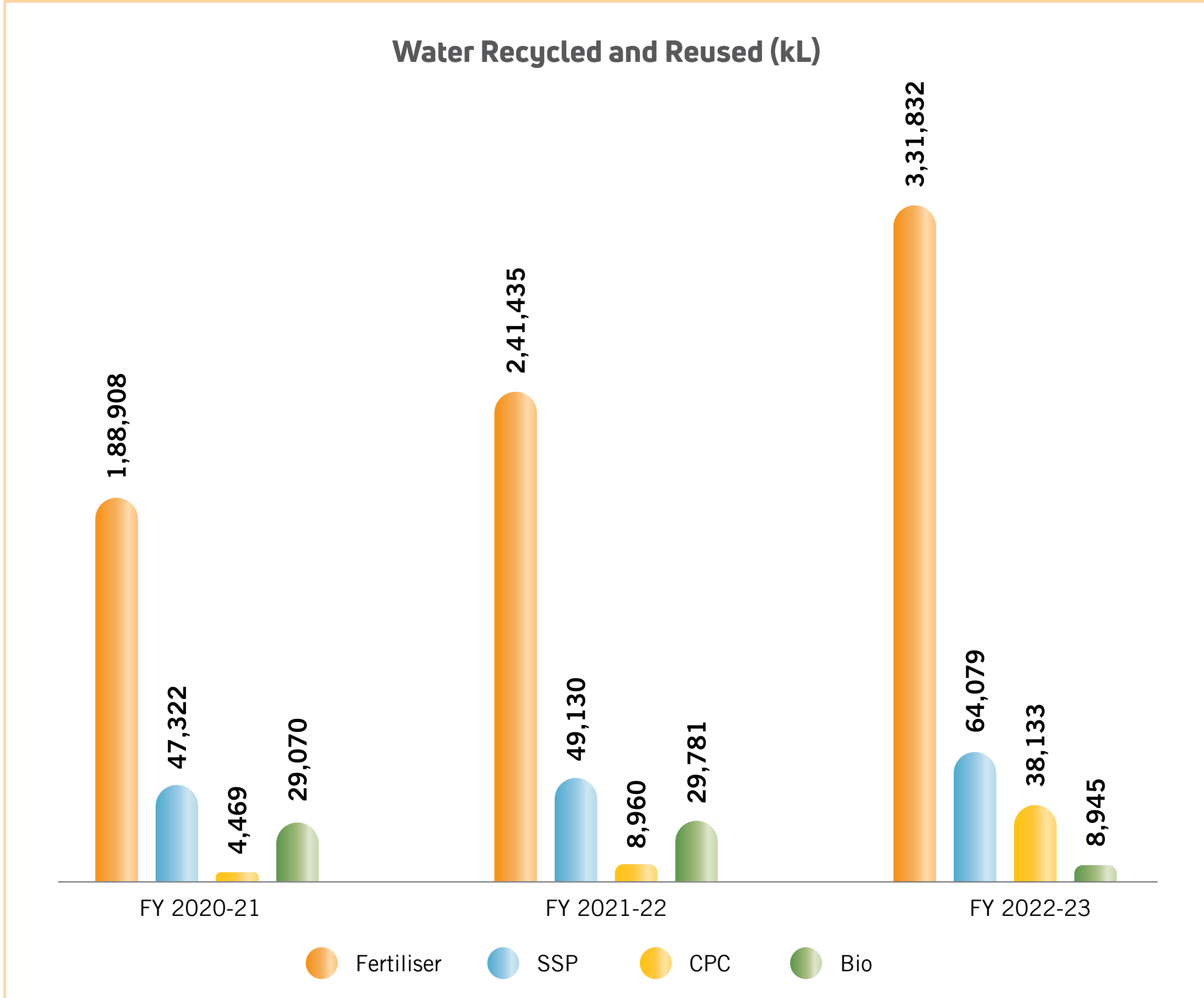




To promote efficient irrigation practices among farmers, Coromandel actively advocates for the adoption of water-soluble fertilisers through techniques like fertigation and foliar applications. These approaches have demonstrated the potential to reduce water use while increasing nutrient uptake by plants, with efficiency levels reaching up to 90%. This is a substantial improvement compared to conventional methods that typically achieve only 40% to 50% nutrient uptake.

To assist farmers in optimizing their water usage, Coromandel leverages smart technology-driven solutions such as soil moisture sensors. These sensors enable farmers to assess the precise amount of water required for their crops, helping them make informed irrigation decisions and avoid unnecessary wastage of water.

Coromandel has achieved Zero Liquid Discharge at 10 manufacturing units. This is accomplished through recycling and reusing discharged water within its processes and gardening practices. Multiple effect evaporator capacity enhancement at Dahej unit has enabled the organization in controlling effluent generation.




| Water Discharged[51] (kL) | | | |
|---|---|---|---|
| **Destination** | **FY 2020-21** | **FY 2021-22** | **FY 2022-23** |
| Seawater | 42,344 | 50,585 | 47,756 |
| Common Effluent Treatment Plant (CETP) (after tertiary treatment) | 2,08,821 | 4,06,988 | 3,94,145 |
| Common Mult-Effect Evaporator (CMEE) | 13,282 | 1,14,115 | 9,614 |
| **Total Water Discharged** | **2,64,447** | **5.71,688** | **4,51,515** |

[51]GRI 303-4

# Waste[52]

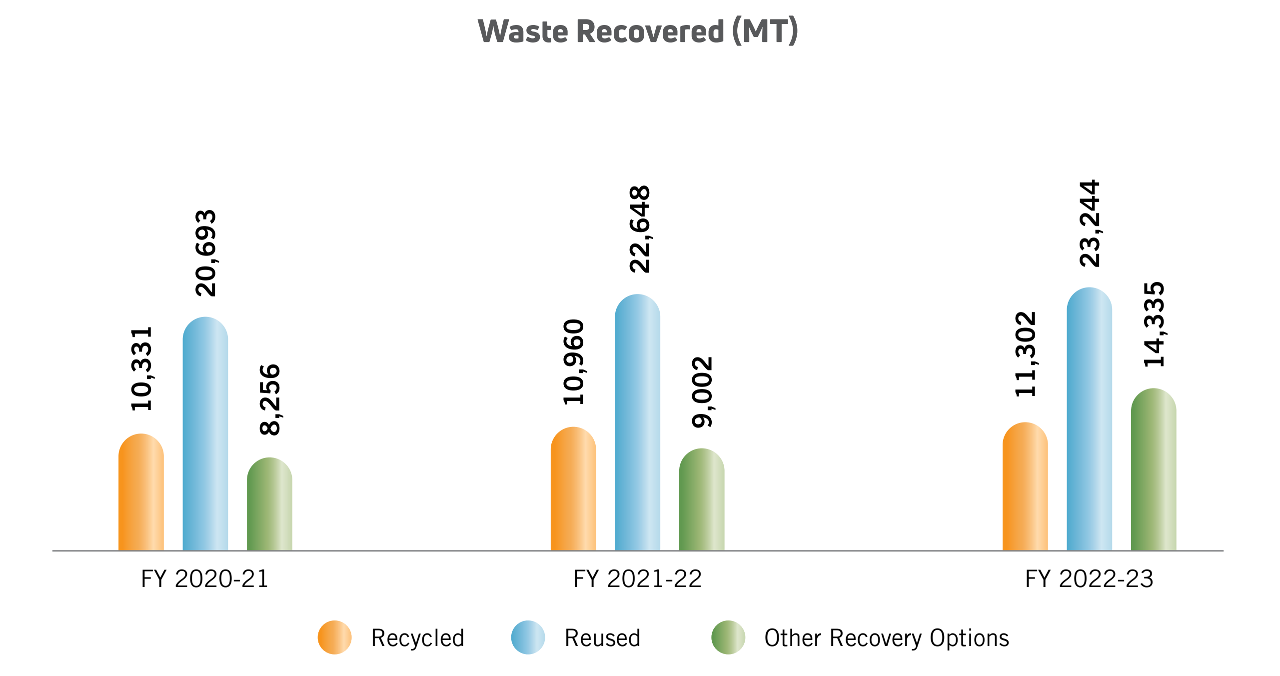
The manufacturing of agricultural inputs inevitably generates waste products that can pose hazards to people and environment. Hazardous wastes generated as part of Coromandel's operations primarily include acid residues, used oil, scrubbing sludge, sludge from effluent treatment plants, spent catalysts, solvents, and used containers and barrels. In addition to hazardous waste, Coromandel also generates non-hazardous waste, biomedical waste, plastic waste, electronic waste and battery waste across offices and factories. Non-hazardous waste primarily consists of food waste, scrap, etc.

| Waste Generation (MT) | | | |
|---|---|---|---|
| **Parameter** | **FY 2020-2021** | **FY 2021-2022** | **FY 2022-2023** |
| Plastic waste | 200 | 146 | 122 |
| E-waste | 23 | 19 | 12 |
| Bio-medical waste | 15 | 14 | 7 |
| Battery waste | 4 | 7 | 56 |
| Other Hazardous waste | 43,845 | 46,980 | 61,439 |
| Other Non-hazardous waste generated | 3,711 | 7,697 | 3,838 |
| **Total** | **47,798** | **54,863** | **65,474** |

Coromandel gives utmost priority to the safe handling, management, and disposal of both hazardous and non-hazardous waste. It adheres to the principles of reduce, reuse, and recycle (3Rs) in its waste management practices.

When it is not possible to reuse or recycle waste, the company ensures that authorised vendors, who have received approval from the Pollution Control Board, are entrusted with the responsibility of managing the waste. These vendors adhere strictly to regulatory guidelines when disposing of the waste, guaranteeing its proper and secure disposal[53].

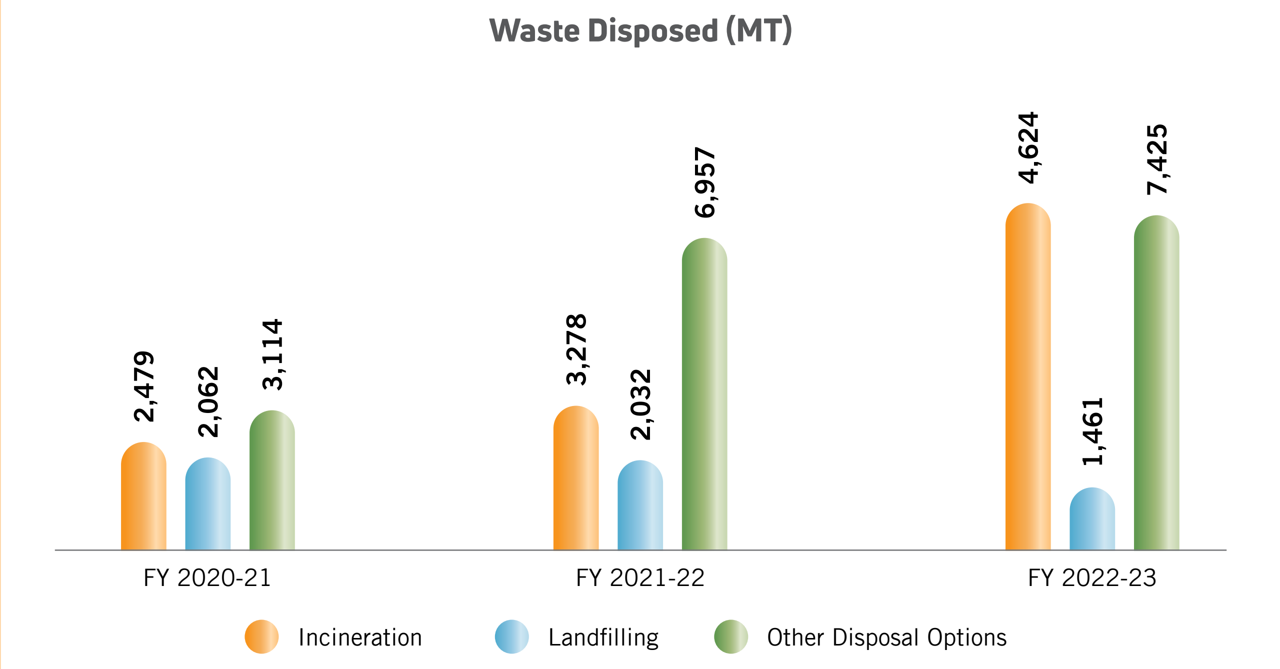
Furthermore, the company ensures the responsible disposal of biomedical waste to authorised vendors with expertise in safe disposal, while battery waste is included in a buy-back program. Through adherence to these procedures, the company demonstrates its dedication to environmental stewardship and guarantees that waste is managed in a way that minimises potential harm to both individuals and the environment.




[52]GRI 306-1,2,3,4,5

[53]BRSR Question No. 9 (Essential) of Principle 6






The business actively utilizes technology-oriented solutions and implement process improvements to reprocess, recycle, and reuse waste materials wherever possible. Its aim is to minimise the amount of waste that needs to be sent for disposal through authorised vendors and channels. By prioritising waste reduction and employing sustainable practices, Coromandel strives to minimise its environmental impact and promote a circular economy.

» The Nutrient business has established a reprocessing system for off-spec material. This material goes through a recycling process to enable its reintegration into the production cycle.

» The P2O5 sludge generated during the development of phosphates and the sulphur sludge resulting from raw sulphur are completely reprocessed within the production process.

» In the manufacturing of one of its crop protection products, the CPC business has successfully reduced the catalyst requirement by 20% through recycling efforts. This reduction in catalyst usage has not only optimized the production process but has also significantly decreased the generation of hazardous waste, such as spent catalysts.

» The precipitated Silica generated during the production of Single Super Phosphate is recycled and reused within its operations.

» The company ensures responsible management of scrap materials, including torn HDPE bags and metal wastes, by engaging licensed vendors for their recycling. The scrap material volumes are consistently maintained at levels below 5%.

» In the production of one of the key agrochemicals technical products, the organization has implemented a recycling system for optimal resource utilization. This approach significantly reduces the need for freshwater intake and minimises effluent discharge, enhancing the overall sustainability of its operations.

## Plastic Waste Management

Coromandel successfully obtained registration as a Brand Owner and Importer under the Plastic Waste Management (PWM) Rules of 2016 from the Central Pollution Control Board (CPCB). To fulfil its obligations under this registration, it has appointed designated partners to responsibly recycle the plastic waste generated at its sites. Notably, in FY 2022-23, Coromandel recycled a total of 9,953 metric tons (MT) of plastic waste under the Extended Producer Responsibility (EPR).

These recycling efforts exemplify Coromandel's commitment to sustainable waste management practices and align with its goal of minimizing the environmental impact associated with plastic waste.

# Biodiversity

Recognizing the significance of ecological balance, Coromandel has undertaken various initiatives to promote and sustain biodiversity around its factory premises. As a result of these efforts, the organization has achieved an impressive 44% of its total area under green cover. Coromandel's fertiliser manufacturing facilities are widely recognized as among the most ecologically sustainable in the nation. These initiatives serve as a prime example of its dedication to environmental stewardship and its unwavering commitment to safeguard and improve the natural ecosystem surrounding its operations.

## Green Visakha

The Green Visakha program, launched by the Visakhapatnam Urban Development Authority (VUDA) in the fiscal year 2012-13, aimed to plant 40 lakh trees over a span of five years. This ambitious initiative was designed to combat air pollution in the port city of Visakhapatnam.

The implementation of the Green Visakha program received support from various public sector and industrial units, such as Coromandel International, the Greater Visakhapatnam Municipal Corporation (GVMC), and the State Pollution Control Board (SPCB).

As an enthusiastic and dedicated participant in the Green Visakha program, Coromandel took part in planting 2,25,000 saplings across different locations within and around Visakhapatnam. These plantation efforts encompassed significant areas such as the Andhra University Campus, Atchutapuram SEZ, ITBP Site, and VIMS Hospital. Upon maturity, the plantation will contribute to significant carbon sequestration, estimated to be approximately 950 metric tons of $CO_2$ per year. Through its involvement in this program, Coromandel actively contributed to the overall mission of enhancing the green cover in the region and fostering a healthier environment.


*Harithavanam at Visakhapatnam (greenbelt coverage project)*





## Miyawaki Plantation at Coromandel, Visakhapatnam

The Miyawaki Method is recognized as a highly efficient tree-planting technique for establishing forest cover, particularly in urban areas, in a concentrated manner. This approach involves planting predominantly native species in a close-knit plantation, facilitating rapid and hassle-free growth of the saplings. At its Visakhapatnam unit, Coromandel has implemented the Miyawaki Method in a phased manner, resulting in the successful plantation of approximately 48,000 saplings. This initiative contributes to the creation of a thriving green environment while maximizing limited space available in urban settings.

Miyawaki forests are self-sustaining and reduce ambient temperatures and air and noise pollution. The Miyawaki plantation has garnered appreciation from local officials and other dignitaries during their visits to the plant. They have recognized the value and effectiveness of this plantation method and expressed their support for its adoption by other nearby industries.

## Neem Plantation at Coromandel, Thyagavalli

As part of its commitment to promoting local sourcing, Coromandel's Bioproducts business has established partnerships with rural traders and NGOs to procure high-quality neem seeds and fruits, which serve as a crucial raw material for biopesticides. Through these collaborations, the organization aims to not only ensure the availability of premium-quality neem seeds but also create livelihood opportunities for the local communities.

To secure sourcing volumes of high-quality neem seeds and develop optimal farming practices to promote sustainable farming of neem, it has established a neem plantation in Thyagavalli, Tamil Nadu. This initiative improves the green belt around the plant and at the same time, helps in developing scientific farming techniques for growing high Aza neem seeds.

By actively engaging in local sourcing and sustainable neem plantation efforts, Coromandel strives to strengthen community well-being, promote environmental sustainability, and establish a self-reliant supply chain for its biopesticide business.

## Bird's Paradise at Coromandel, Kakinada[54]

With its steadfast dedication to establishing manufacturing facilities that are globally recognized for their environmental friendliness, Coromandel has accomplished a remarkable transformation at its Kakinada plant. It has successfully converted the previously marshy and muddy wasteland surrounding the plant into a flourishing sanctuary known as Birds' Paradise. The sanctuary has been transformed into a thriving habitat for a wide variety of plants and animals, providing a home to over a hundred species of birds.

Within the diverse avian population residing in Birds' Paradise, Coromandel takes pride in providing a sanctuary for a wide range of bird species, including flamingos, raptors, bustards, coursers, cranes, sandgrouses, larks, shrikes, wheatears, and chats. In partnership with the EGREE foundation, Coromandel has actively supported the breeding efforts of species such as the Grey Heron and the Painted Stork.

The success of the Birds' Paradise initiative has gained recognition on a global scale. The Discovery Channel has featured the remarkable transformation, highlighting the significance of this ecological achievement. Furthermore, the United Nations Development Programme (UNDP) has acknowledged and commended the organization's efforts.

[54]GRI 304-3

# Risk Management

Coromandel operates in a dynamic business environment marked by legislative changes, technology disruptions, financial market volatility, and other global events that pose challenges to Coromandel's operational and financial performance. Its well-established Enterprise Risk Management (ERM) framework has enabled it to assess the risks and impacts of the various events on its business and stakeholders and respond appropriately, all the while ensuring that it continues to create sustainable value.

**ERM Framework and Policy Overview:** Its ERM framework comprises a comprehensive Risk Management Policy that covers the identification, analysis, evaluation, and treatment of risks at Entity Level, Business Level, and Operational levels. It has implemented the internationally recognized ISO 31000 Standard on Risk Management to incorporate best practices in this framework. Its strong governance structure has facilitated the ERM process to integrate seamlessly its strategy and planning processes. This integration allows the company to utilize emerging risks as inputs in the strategy development and planning process, ensuring that its approach to risk management remains proactive and aligned with strategic goals.

The Board's Risk Management Committee (RMC) is tasked with ensuring that the many risks and their impacts are managed appropriately to ensure it continues to grow sustainably. The Risk Management Committee (RMC) is composed of four directors, including one independent director who serves as the committee's Chairperson. The committee works closely with the Chief Risk Officer and Coromandel's senior executives to conduct a thorough review of risk management practices and assess the implementation status of mitigation measures. The risk analysis activity also includes committees at the corporate business level as well as division and site levels.

It follows a comprehensive risk evaluation process that takes into account both quantitative and qualitative factors related to impact and likelihood. Through this the RMC and its members identify and prioritize key risks at the entity level.

Coromandel's assets, such as inventory, plant, and machinery are safeguarded through sufficient insurance coverage against potential damage from fire and related hazards. It provides insurance coverage for its employees. Additionally, all manufacturing plants are covered by virtue of Public Insurance if any adverse event happens in any of the sites and public, at large, are impacted. Coromandel also possess the Product Liability Insurance as a shield from risks that result from any legal case filed by customers reporting adverse impact due to any Coromandel product.

In this section, primary risks connected to its operations have been briefly outlined, including their probable impact and the measures developed to mitigate them. It is important to note that risk is constantly evolving, and the list below is not exhaustive, as the assessment of risk is based on management's perspective. During the year, the company implemented ERM tool 'CURA' to improve continuous tracking and actioning on audit observations.

**Our business risks are categorized into the following broad categories:**

### Environmental Risk

The adverse impact of effluents from manufacturing processes on the ecosystem may lead to litigation and penalties.

### Economic Risk

Downturns or adverse political situations that negatively impact Coromandel's organizational business objectives.

### Regulatory Risk

Inadequate compliance with regulations, contractual obligations, statutory violations, and amendments that may lead to litigations and reputation loss.

### Operational Risk

Inherent to business operations, this includes disruptions to manufacturing and distribution operations, monsoon failures, tangible or intangible property damage, and other business activity disruptions.

### Financial Risk

Major fluctuations in the currency market, interest rate hikes, and possible non-recovery of debts that could impact the organization.

### Human Resources and Legal Risks

Attrition of key managerial personnel, disruption of operations due to other human resources issues, and non-compliance with applicable laws and regulations.

### IT/Cyber Risk

Cyber-attacks that may lead to operational disruptions. These are addressed through adequate backup mechanisms and disaster recovery processes. A dedicated team upgrades the IT assets and infrastructure and implements the latest technologies to ensure a safe and secure environment.

### Pandemic Risk

The impact of pandemics such as the Coronavirus across sectors, affecting the way business is conducted and will be conducted in the future.

| Risk | Risk Assessment | Mitigation Plan |
|---|---|---|
| **Environmental / Economic / Regulatory Risks** | | |
| Handling and storage of hazardous materials including ammonia, sulphuric acid, etc. | » Impact on operations<br>» Stoppage of production<br>» Accidents resulting from release of the hazardous materials/gaseous and consequent claims | » Implement and monitor Process Safety Management guidelines<br>» Strictly adhere to maintenance/ inspection schedules, training, and emergency /disaster management plans.<br>» Public Liability Insurance Policy coverage<br>» Comply with ISO 14001 and OHSAS 18001 guidelines |
| Emissions / un-treated effluents causing pollution | » Revocation of factory license and levy of penalties<br>» Civil/criminal action | » Augment ETP facilities.<br>» Strictly adhere to Pollution Control Board standards<br>» Installed effective equipment for maintenance of pollution control |
| Non-compliance with legal / regulatory / tax requirements including in other countries | » Disruption of operations<br>» Legal proceedings against Coromandel and our officials | » Understanding/awareness of regulations and statutes<br>» Engage with and seek /advice from renowned lawyers and experts<br>» Monitor regulatory changes |
| Non-compliance with Fertiliser Control Order (FCO) standards and specifications | » Civil/criminal proceedings<br>» Production stoppages<br>» Disallowance of subsidy claims | » Conduct rigid quality checks at plants<br>» Test verification of bags<br>» Reprocessing non-standard materials<br>» Better bag handling procedures |
| Change in government subsidy policies | » Impact on turnover/working capital<br>» Change in distribution pattern | » Advocate policy for direct transfer of subsidy to farmers<br>» Increased focus on non-subsidy business. |
| Restriction on sale/ usage of some crop protection products in India / abroad | » Impact on turnover/profitability<br>» Negative publicity | » Enriched portfolio with the development of newer and safer products.<br>» Extended product lifecycle |
| Change in climate / monsoon failure in the target market | » Impact on turnover/profitability | » Diversified market / focus on high margin products to ensure profitability<br>» Promote efficient crop management practices through integrated nutrient and agronomists' structure. |
| **Operational Risks** | | |
| Possibility of reduction of timely supply or non-availability of key raw materials and proper pricing | » Impact on revenues<br>» Increased cost of production<br>» Increase in working capital requirement<br>» Volume shrinkage | » Forecasting the supply and demand dynamics<br>» Close monitoring of the international price of raw materials.<br>» Diversified sourcing and strategic tie-up<br>» Monitor manufacturing flexibility in the light of emerging events in international markets, e. g. war. |

| Risk | Risk Assessment | Mitigation Plan |
|---|---|---|
| High dependence on certain product categories; molecules which are likely to be obsolete / banned in near future, and lack of a herbicide portfolio and new generation molecules | » Impact on turnover/profitability | » New product pipeline and registration<br>» Introducing Combination molecules<br>» Co-marketing arrangements with leading agri input companies<br>» Process changes to comply with regulatory changes in domestic and international markets. |
| Safe manufacturing operations | » Casualty/loss of life<br>» Loss of production | » Strictly adhere to safety protocols.<br>» Practice asset life cycle management |
| **Financial Risks** | | |
| Currency and exchange fluctuation risk | » Impact on profitability | » Closely monitor exchange trends<br>» Forward covers at appropriate time and level |
| Interest rate risk | » Increase in cost of borrowing<br>» Impact on profitability | » Maintain healthy debt-equity and interest cover ratio<br>» Sustain good credit rating |
| Credit risk | » Impact on working capital<br>» Dues becoming bad<br>» Loss of interest | » Review credit evaluation and limits<br>» Closely monitor receivables |
| Liquidity risk | » Impact on working capital<br>» Increase in cost of borrowing | » Closely monitor receivables<br>» Increased working capital facilities |
| **Human Resource and Legal Risks** | | |
| Contractual liability risk | » Disruption of operations<br>» Impact on turnover and profitability | » Established Contract Management Policy<br>» Standardized contract templates<br>» Legal to approve changes in contract clauses if any<br>» Monitor strict adherence to contract terms |
| Attrition of skilled / trained manpower | » Disruption of operations<br>» Knowledge dissipation | » Revised compensation in-line with market<br>» Carry out succession planning<br>» Conduct career planning and training |
| **Cyber Risks** | | |
| Absence of data security, integrity, confidentiality, and timely recovery etc. | » Loss arising out of security and privacy breach.<br>» Business disruption owing to loss of data. | » Conduct periodic IT Vulnerability Assessment and Penetration Testing<br>» Establish robust firewalls.<br>» Restrict access to internet on critical systems<br>» Ensure logical security and periodic reviews<br>» Standardized IT infrastructure across business locations. |

| Risk | Risk Assessment | Mitigation Plan |
|---|---|---|
| **Pandemic Risks** | | |
| Pandemic Risks | » Health and safety of employees - safeguarding the assets of the organization<br>» Stoppage of production and despatch activities<br>» Disruption to business in both demand and supply-side activities | » Regular advisories/communications to all employees<br>» Monitoring employee health status<br>» Strengthen security and safety procedures<br>» Strict compliance to the policies laid down for shutdown and restarting the production activities.<br>» Entered long-term contracts with suppliers to ensure continuous availability of key raw materials.<br>» Identified critical activities and ensuring appropriate actions are taken<br>» Established business continuity plans |

## Internal Control Systems

Coromandel has implemented internal control systems that are suitable for the nature and scale of its operations. These systems provide adequate protection for our assets and ensure the accuracy and reliability of financial transactions through effective checks and balances. They also ensure compliance with relevant statutes, accounting policies, and approval procedures while optimizing the use of available resources.

We regularly review and enhance these internal control systems to maintain their effectiveness. We have also established a comprehensive budgetary control system that continuously monitors revenue and expenses against the approved budget.

To evaluate the adequacy and effectiveness of its internal controls and systems, we maintain a corporate internal audit function, which is ably supported by external firms. This function covers all key processes across various locations, and deviations from established standards are reviewed periodically to ensure compliance.

The Audit Committee reviews significant audit observations, including recommendations and their implementation status, and reports any concerns to the Board. It is important to note that this summary is not exhaustive, and that we continuously strive to improve our internal control systems and practices.

# Corporate Information

## Board of Directors

**A Vellayan** (DIN 00148891)
Chairman

**Arun Alagappan** (DIN 00291361)
Executive Vice Chairman

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

**Dr. Deepali Pant Joshi** (DIN 07139051)
Independent Director (Effective February 1, 2023)

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

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

**Prasad Chandran** (DIN 00200379)
Independent Director (Upto April 20, 2022)

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

**Dr. Raghuram Devarakonda** (DIN 09749805)
Executive Director – CPC, Bio & Retail Businesses
(Effective February 1, 2023)

**Sameer Goel** (DIN 07298938)
Managing Director (Upto January 31, 2023)

**Sankarasubramanian S.** (DIN 01592772)
Executive Director – Nutrient Business
(Effective February 1, 2023)

**Sudarshan Venu** (DIN 03601690)
Independent Director

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

## Management Team

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

**Dr. Amit Rastogi**
Executive Vice President – Technology

**Arun Leslie George**
President & Chief Human Resources Officer
(Effective June 1, 2023)

**Arun Vellayan**
Head of CSPD and Investment Committee

**Avinash Thakur**
Sr. Associate Vice President & Head of SND & Organic Business

**Babu G.**
Vice President & Head Retail Business
(Effective June 1, 2023)

**Jayashree Satagopan**
President - Corporate & Chief Financial Officer

**Madhab Adhikari**
Vice President & Head – Marketing (Fertiliser & SSP)

**Narayanan Vellayan**
Sr. Vice President & Head-Strategic Sourcing

**Dr. Pradeep Kumar K**
Executive Vice President & Head-HR (Upto May 31, 2023)

**Sanjay Sinha**
Executive Vice President & CIO - IT

**Srinivasan K B**
Vice President & Business Head - Bio Products

**Venkatesh Sampath**
Vice President & Head Operations-CPC

**Venkateswaran TS**
Vice President & Head – Internal Audit & Chief Risk Officer

## Company Secretary

Rajesh Mukhija
Sr. Vice President - Legal & Company Secretary

## Bankers

State Bank of India

HDFC Bank Limited

Axis Bank Limited

ICICI Bank Limited

## Auditors

S.R. Batliboi & Associates LLP
Chartered Accountants
The Skyview 10, 18th Floor, North Block
Survey no 83/1 Raidurgam
Hyderabad - 500032, Telangana.

## Cost Auditors

Narasimha Murthy & Co.
Cost Accountants

Jyothi Satish
Practising Cost Accountant

## Secretarial Auditors

R Sridharan & Associates
Company Secretaries

## Registrars & Share Transfer Agents

KFin Technologies 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 / investorsgrievance@coromandel.murugappa.com
Website: www.coromandel.biz

## Corporate Office

Olympia Terraces,
15B SP, SIDCO Industrial Estate,
Guindy, Tamil Nadu, Chennai – 600032.
Tel.: +91 44 42525300 / 5400

# Management Discussion & Analysis

## Global Economy

World economics, in recent years, has faced multiple challenges ranging from the pandemic induced output contraction to volatile commodity prices as a result of Russia-Ukraine conflict and weakening growth due to monetary tightening across nations.

While the economies reopened as COVID-19 subsided, the macroeconomic environment was strongly influenced by the ongoing geopolitical crisis. This caused the prices of critical commodities like crude oil, natural gas, and fertilisers to surge during first half of the financial year. However, declining energy and food prices in early 2023, though still at elevated levels compared to pre-war, is improving the purchasing power of households and organizations. Sooner-than-anticipated reopening in China is also expected to support global trade activity by easing supply chain pressures.

Headline inflation figures across global economies continue to remain elevated and above the threshold levels despite recent moderation. Hawkish sentiments have prevailed across most of the advanced as well as emerging market economies during the year. Rate hikes by US Federal Reserve resulted in significant capital outflow from other nations causing deepening current account deficits and significant inflationary pressures in net importing countries.

As a result of the synchronized monetary tightening measures adopted by the countries, global inflation is expected to substantially reduce from 8.8% in 2022 to 6.6% and 4.3% in 2023 and 2024 respectively. IMF predicts average annual inflation of 4.6% and 8.1% for advanced and emerging market economies respectively in 2023.

World GDP growth rate is projected to be ~3.0% over the next five years on an average which is relatively lower than historical annual average of 3.8% (2000 – 2019). Advanced economies are projected to see growth at 1.2% while emerging markets and developing economies could see a modest rise in growth to 4.0% in 2023.

Amidst geo-political tensions, global players are working towards diversifying their supply chains of strategic products and there has been a shift towards South Asian countries including India. With the container supply expected to outpace demand significantly, freight prices are expected to adjust and decline in 2023.

The world saw the highest-ever levels of carbon dioxide emissions in 2022 (36.8 $GTCO_2$) owing to fierce rebound from pandemic times with travel opening up and heightened dependence on coal. Substantial investments across renewable energy technologies, electric mobility and carbon capture capabilities could be seen as the need of the hour.

Going forward, with persisting inflation across advanced economies, defiant labour market scenario and the hawkish tone set by majority of the central banks, global economic outlook is likely to experience a slowdown.

## Indian Economy

India growth story has seen substantial rebound from the pandemic era and continues to exhibit immense confidence. As per World Bank estimates, GDP growth is expected to be 6.9% during FY2023 supported by an uptick in private consumption and government capital expenditure.

During the year, calibrated rate hikes by RBI (290 basis points) and moderating global commodity prices towards latter half of the financial year have successfully tamed the inflation within tolerance levels. India's exports witnessed continued momentum and during the year have grown by 14% to USD 770 billion. However, the trade balance has widened due to currency depreciation and higher energy and commodity prices. Overall, India's external sector indicators have improved significantly with foreign exchange reserves rebounding from USD 524 billion levels in October 2022 to close to USD 600 billion now.

To improve its manufacturing competitiveness, Government has introduced schemes like PM GatiShakti and National Logistics Policy. In the last three years, Production-Linked Incentives (PLI) schemes have given the required impetus to sectors like Auto, Aviation, Chemicals, Electronics, Food Processing, Medical & Pharma, Renewable Energy, Telecom and Textiles. PM-Kisan and PM-Garib Kalyan Yojana have been endorsed by United Nations Development Programme for their positive impact in ensuring India's food security goals are met.

As part of its sustainability commitments, India pledged to reach net-zero emissions by 2070 and reduce emissions intensity of its GDP by 45% by 2030. The country is expected to see renewed focus on climate finance, energy security and green hydrogen. As a positive stride in this direction, the latest budget has allocated ~INR 19,000 crores to incentivize the private sector under the National Green Hydrogen Mission.

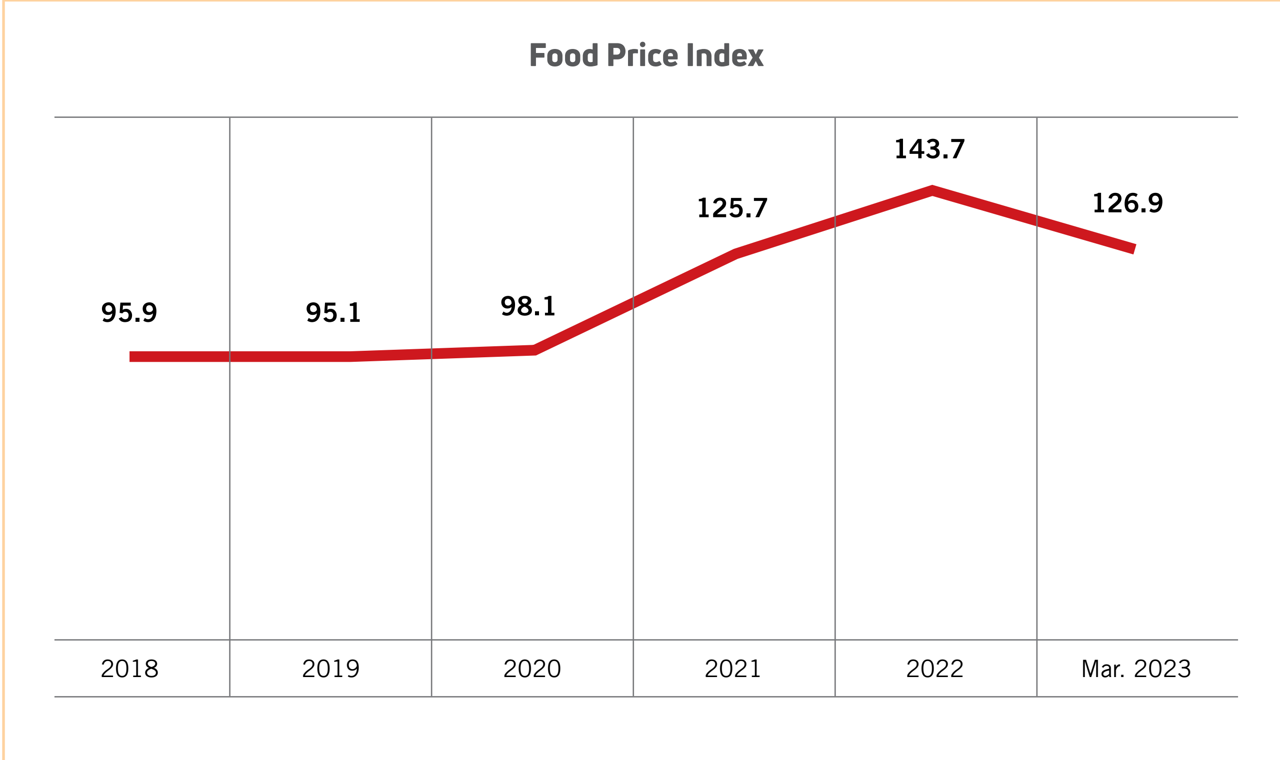
With resilient domestic demand, capital investment, strengthening corporate and banking balance sheets, World Bank projects India's GDP to grow at 6.3% in FY2024, with nearly 17% of the global growth to be contributed by it (IMF).



## Global Agriculture

2022 was the third consecutive year of unprecedented disruptions in the global supply chain - the outbreak of the COVID-19 pandemic, followed by the Russia-Ukraine war, impacted the commodity flow across the markets. This led to sharp rise in food prices, but thanks to robust and well-integrated global agrifood system, global trade in food and agricultural products proved to be remarkably resilient to the disruptions.

The Food Price Index, which tracks the movement of key agricultural commodities, experienced twelfth consecutive monthly decline since reaching its peak in March 2022, dropping by 21% over this period, with sharp falls across vegetable oil and cereals.




***Source:*** *FAO – Food Price Index (Base: 2014-16)*

Though the global cereal production in 2022 is estimated to drop by 1.3% (at 2,774 million MT) with marginal drop in world cereal stocks-to-use ratio, the overall supply-demand interrelationship is seen to be at comfortable levels.

OECD-FAO Agricultural Outlook 2022-2031 has projected global agricultural production to increase by 1.1% p.a., over next decade with the additional output to be predominantly produced in middle- and low-income countries. This would be driven by wider access to inputs as well as increased productivity-enhancing investments in technology, infrastructure, and training.

Since the early 2000s, demand for biofuels (ethanol and biodiesel) increased significantly following the implementation of policies to support national commitments to reduce carbon dioxide ($CO_2$) emissions and reduce the dependency on imported fossil fuels. Over the next decade, biofuel demand is expected to slow-down with India accounting for half of additional consumption. India has taken an ambitious target of achieving 20% ethanol blending by 2025 and was able to achieve 10% in 2022.

# Indian Agriculture

Indian agriculture has come a long way since the advent of the Green Revolution. Today, India is amongst the largest producers of major food commodities globally, not only addressing the nutritional needs of the nation but feeding the world as well.

Agriculture and allied sector accounts for a sizeable 18.3% in Gross Value Added (GVA) of the country and contributes to 47% of India's employment. Over the last six years, agriculture sector in India has grown at average annual growth rate of 4.6% supported by Government's reformative measures to augment productivity, ensuring price support for farmers, crop diversification initiatives and boosting investment in infrastructure facilities.

During the year, favourable agroclimatic conditions, timely availability of agri inputs and improved crop realizations led to higher kharif and rabi crop sowings. The country recorded annual rainfall equalling ~108% of its Long-Period Average during calendar year 2022 (IMD) with major part of the country experiencing above normal southwest monsoon. As per 2nd Advance Estimates for 2022-23, total foodgrain production in the country is estimated at record 323 million MT, higher by 2.5% over last year. The sector is projected to grow at 3.5% during 2022-23, with ~USD 50 billion worth of agri and livestock produce export.

On the reforms front, Direct Income Support schemes from Centre and various state governments continued to improve liquidity at the farm level. National Agriculture Market (e-NAM), pan-India electronic trading platform, has supported farmers in providing much needed access to trade, better price discovery and thereby, obtaining good returns for their produce. As part of Cluster Development Programme implemented by National Horticulture Board, the Government has permitted a few private organizations to pilot cluster farming of horticulture crops and has offered financial support from the government. This initiative targets to make Indian agricultural produce competitive in the global market and thereby, augmenting its farmers' income. Agriculture Infrastructure Fund (AIF) has been contributing to upgrading agriculture-related infrastructures especially in post-harvest segment and community farm assets.

As part of Government's Pradhan Mantri Kisan Samruddhi Kendras (PMKSKs), ~0.3 million fertiliser retail shops are planned to be converted into model retail outlets. These centers will act as one-stop shop for farmers by providing agri-inputs and services including farm extension and diagnostics, farm mechanization solutions, etc. Government's push for 'Total Approach' for farming sector and adoption of latest technologies in agriculture intend to place farmers at the core of the strategy. India became the first country in the world to start commercial production of Nano Urea and has received the approval for Nano DAP.

Acknowledging India's proposal to create domestic and global demand and to provide nutritional food to the people, United Nations has declared 2023 as the International Year of Millets, emphasizing the potential role of millets in strengthening small farmers, mitigating food security challenges and attaining sustainable development goals. This along with Government's move to hike minimum support price for the crop provides huge impetus to India as the nation accounts for nearly 20% of the global millet production. Additionally, millets are known to have lower carbon and water footprints and have substantial resilience to climate change impacts.

There has been an increased focus on application technologies like drone-based spraying, improving resource utilisation and driving farm efficiencies. To encourage usage of drones in Agriculture and make it affordable to the farmers, the Government has been engaging closely with the drone manufacturers, service providers and agri companies to develop cost effective solutions and improve technology penetration. Subsequently, the drone manufacturing has been brought under the Production Linked Incentive scheme, which is expected to provide thrust to the sector. In the Union Budget 2023-24, an 'Agriculture Accelerator Fund' has been set up which aims at building a start-up ecosystem to boost entrepreneurship among the rural farming community.

While Indian agriculture has shown resilient performance, agriculture and allied sector is taking significant steps towards developing sustainable solutions to meet certain challenges including adverse climate change impacts, sub-par farm mechanization, inefficient agri inputs usage, small-holding or fragmented nature of land ownership, etc. With faster technology adoption and increased infrastructure impetus, the Indian agriculture can go a long way in addressing the global food security and become food bowl of the world.

# Business Performance Summary

Coromandel delivered a robust performance during the year, clocking strong growth in turnover and profitability, with favourable agricultural environment across most of the key operating markets, normal crop sowing and supportive policy measures from the government. This growth comes at a time when volatility dominated raw material pricing as well as availability and the impact originating from geopolitical uncertainty persisted.

Through introduction of new products, enhancing its product development capabilities and investments across key capital projects, the company was able to stay ahead of the industry. With its diverse presence across its agriculture value chain, Coromandel will continue to provide balanced nutrition and integrated pest management solutions to maximize farm productivity.

9 new products were launched in domestic market this year to equip its farmers with advanced technologies. In addition to this, 2 new agrochemical technicals were commercialized by the company during the year. The company is working on building a pipeline comprising of wide range of new as well as combination molecules which shall be commercially launched in the near future. Crop Protection business has started manufacturing Technicals from its multi-purpose plant at Ankleshwar and plans to bolster its manufacturing capabilities via greenfield expansion.

The company continued its focus on developing new products and during the year, developed nanotechnology-based fertiliser, NanoDAP, which aims to improve nutrient uptake, lower water consumption, and minimize environmental losses. It is setting up a plant in Andhra Pradesh and plans to launch the product in the second half of 2023..

During the year, Coromandel strengthened its backward integration capabilities in the Nutrient business by acquiring 45% shareholding in Rock Phosphate project in Senegal. Major capital expenditure projects such as sulphuric acid plant and desalination plants are progressing well and expected to be commissioned in FY2024.

The company is looking at step-out opportunities to drive growth in coming years. As part of this, it intends to leverage its technical expertise and manufacturing infrastructure to foray into adjacencies like CDMO domain, specialty and industrial chemicals. Coromandel also made investments in new age Ag-Tech start-ups with deep technological capabilities.

The organization places a strong emphasis on ensuring safe operations at its manufacturing plants and logged a combined Total Recordable Incident Rate (TRIR) of 0.35 per million manhours. During the year, it undertook structural strengthening initiatives, executed installation projects in order to ensure safe handling of hazardous chemicals, and conducted external audits and studies to ensure compliance with industry standards and regulations.

Company's retail business continues its focus on providing holistic agricultural solutions including products, farm advisory and farm mechanization services. A new ecommerce platform, MyGromor, has been launched in key markets and has received good response from customers. The company continues to promote Ag-Tech solutions for farmers and has started to pilot cold storage solutions from Ecozen through its retail network.

Coromandel has put considerable effort in driving digital transformation across the organization and has taken significant strides in the year through adoption of business intelligence dashboards across functions, Salesforce productivity tools and robotic process automation. It has set up Centre of Excellence at Visakhapatnam to drive digital initiatives across its manufacturing operations.

Coromandel was ranked within the top 10 percentile of global chemical companies in the Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment (2022), a globally recognized benchmark that evaluates companies on their economic, social and environmental performance. This recognition reinforces Coromandel's commitment to sustainability and its efforts to create a positive impact on society and the environment. The Company is in the process of setting ESG targets for FY2025 in line with long term commitments to drive sustainability across its operations.

In terms of financial performance, the Company's consolidated total income grew by 55% to reach INR 29,799 crores, and net profit improved by 32% to reach INR 2,013 crore for the year. Net debt-equity ratio stands at zero as of 31st March 2023.

Coromandel has been declared as winner of Deloitte's 'India's Best Managed Companies 2022', demonstrating the organization's commitment towards business ethics and ability to adapt to changing industry landscape with a keen focus on innovation and technology.

During the year, the company's long-term credit rating by CRISIL has been upgraded from 'CRISIL AA+ (Positive)' to 'CRISIL AAA (Stable)' and short-term debt rating continue to be 'CRISIL A1+'. The Company's long-term credit rating by 'India Ratings & Research' (A Fitch Group Company) has been revised to 'IND AAA (Stable)', and its short-term debt rating stands at 'IND A1+'.

During the Board meeting held on 15th May 2023, the Board has recommended a final dividend of INR 6 per share along with an interim dividend of INR 6 per share which was declared and paid earlier. The total dividend for the year was INR 12 per share in line with the prior year.



# Fertiliser

## Global Fertiliser Scenario

After showing signs of recovery post the Covid 19 induced supply shocks and logistics disruption, Fertiliser industry was impacted by the geopolitical uncertainty in the Baltic region. Sudden export sanctions on Russia and Belarus, which together account for 41% of globally traded potash and 25% of nitrogenous fertilisers, resulted in significant volatility in global markets. Further, natural gas and ammonia markets contributed to record high raw material costs for processed phosphate producers. The sector, which was experiencing lower channel inventory, witnessed export restrictions from China, exacerbating already reduced global availability. The reduced global supplies due to protectionist measures and market disruptions and higher global demand in competing markets led to increase in fertiliser prices, peaking to a record level in mid-2022.

In the second half of the year, fertiliser prices started to decline. Market loosening factors, record output in Russia exceeding initial expectation, shift in trade flows and delayed and reduced buying interest for fertiliser application due to affordability, led to softening of key fertiliser products.

With falling fertiliser prices and easing energy situation in Europe due to healthy stocking and less than expected winter, affordability has been continuously improving. Fertiliser demand is expected to improve in FY2024 to cover up for the application shortfall in the previous year. Supply is set to improve with overall increase in manufacturing capabilities in major producing hubs along with possible easing of export restrictions in China and improving potash supplies.

As per International Fertilizer Association, a 3% recovery in global fertiliser consumption is anticipated in 2023 to 194 million MT of nutrients (+5.9 million MT), returning the consumption levels on par with 2019.

## Indian Fertiliser Scenario

As part of the agricultural value chain, Fertilisers have played a key role in ensuring the improvement in farm output in India. India is the second largest consumer of fertiliser globally after China, servicing over 190 million hectares of gross cropped area and reaching 140 million farmlands. Despite India not being endowed with the major raw materials of fertilisers, it is the third largest producer and meets 70-75% of its nutrient requirements domestically.

As part of 'Atma Nirbhar Bharat' initiative in fertilisers, there has been a renewed focus towards building domestic capacities and backward integration capabilities. In Phosphatics (DAP & NPKs), the focus is towards strengthening the backward supply linkages for key raw material and finished products like DAP through establishing partnerships and long-term contracts with resource rich nations.

There has been an increased thrust on reviving the Single Super Phosphate (SSP) industry, the cheapest source of Phosphate providing multiple nutrients like Sulphur and Calcium. In the current elevated commodity cycle, SSP has emerged as a good substitute especially for oilseeds and pulses for semi-arid & rain-fed regions.

During the year, to ensure the availability of fertilisers at reasonable prices to farmers, the Government stepped up its support in the form of higher subsidies under the Nutrient Based Subsidy (NBS) scheme. This has helped the farming community to carry out the agricultural activities without any disruption by absorbing the price shocks. In FY23, against the budgetary allocation of INR 1.05 lakh crore for Urea and NPK fertilisers, Government released INR 2.5 lakh crores funds towards the fertiliser subsidy. This ensured stable consumption of fertilisers at the farm-gate level.

**India - Fertiliser - Production, Imports and Consumption trends - in lakh MT**

| | Production | | | Imports | | | Consumption - PoS | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY21 | FY22 | FY23 | FY21 | FY22 | FY23 | FY21 | FY22 | FY23 |
| Urea | 246 | 251 | 285 | 98 | 91 | 76 | 350 | 342 | 357 |
| DAP | 38 | 42 | 43 | 49 | 55 | 66 | 119 | 93 | 105 |
| NPK | 93 | 83 | 93 | 14 | 12 | 28 | 118 | 115 | 101 |
| SSP | 49 | 54 | 56 | | | | 45 | 57 | 50 |
| MOP | | | | 42 | 25 | 19 | 34 | 25 | 16 |
| **Total** | **426** | **430** | **478** | **203** | **182** | **188** | **666** | **631** | **630** |

Industry worked closely with the Government to ensure timely availability of fertilisers and its consumption during the year were at previous year levels. The revival of Urea plants and higher utilization by Phosphate players led to higher production by 11% during the year.

To bring focus to balanced nutrition and address the issue of soil health, Industry has been partnering with the Government to promote the use of Organic fertilisers and integrated nutrient management programs. Organic variants like City compost Potash derived from Molasses (PDM) have been brought under the subsidy program to improve its adoption. To improve the nutrient use efficiency of fertilisers, the adoption of new technology solutions like nano, slow-release, coated, liquid and bio-fertilisers is being promoted.

One of the key developments during the year was the launch of the "One Nation One Fertiliser" (ONOF) and the "Pradhan Mantra Kisan Samruddhi Kendra (PMKSK)" initiatives by the Government. With PMKSK, government is working with the industry to convert all agri-input retail shops into model retail shops to strengthen the farm advisory and drive integrated nutrient management practices. In addition to the agri-inputs, these centers will offer farm extension and diagnostics services and can provide farm mechanization solutions.

## Fertilisers – Business Performance

Coromandel is the largest private sector marketer and manufacturer of DAP and NPK fertilisers in the country. The Company enjoys a considerable market presence in Southern, Eastern and Western regions in India and is revered amongst the most trusted brands in the country. Its three manufacturing plants at Visakhapatnam and Kakinada (in Andhra Pradesh) and Ennore (in Tamil Nadu) together account for one-fourth of the domestic phosphatic capacity. Company's Visakhapatnam and Ennore plants are backward integrated and have the flexibility to operate with multiple rock and acid combinations.

Realizing the supply chain vulnerabilities and low availability of fertiliser raw material in India, Coromandel has been working towards strengthening its backward integration capabilities in the last two decades. Its strategic investments in Tunisia and South Africa helps in meeting part of its phosphoric acid requirement.

During the year, Coromandel acquired a 45% stake in Baobab Mining and Chemicals Corporation (BMCC), Senegal to meet its rock phosphate needs, a key raw material for manufacturing Phosphoric acid. BMCC has a mining license to beneficiate rock phosphate and has been producing commercial rock phosphate for use in Visakhapatnam plant.



This investment will help in strengthening Coromandel's backward integration to ensure long-term supply security of the key raw material. At full capacity, BMCC can meet up to one-third of the Company's rock phosphate requirement.

Further, its new 1,650 MT per day sulphuric acid plant commissioning is on track and likely to be completed by first half of the year 2023. With this, company plans to add 5 lakh MT of Sulphuric acid per annum volumes from the current level of 6 lakh MT, thereby resulting in a combined capacity of 11 lakh MT. The investment is in line with Coromandel's long-term objectives to secure key raw materials for its fertiliser production.

On the sourcing side, the company operated with desired agility to ensure availability of key raw materials in a disrupted supply chain scenario. In addition to diversifying its sources, it employed an optimum mix of long-term contracts and spot buying to mitigate price variability and ensuring timely availability of inputs.

On the manufacturing front, the business continued to prioritize safe operations and Total Recordable Incident Rate (TRIR) during the year was 0.41 per million manhours. The complex fertiliser plants operated at 95% capacity utilization, and achieved record production volumes of 3.3 million MT, a growth of 14% over FY2022. The company has also used alternate raw materials to enhance the output. As part of its strategy to reduce dependance on single source of rock, company has carried out debottlenecking of Phosphoric acid plant to use different sources of rock and has achieved record acid production during the year.

The business prioritized its Single Super Phosphate (SSP) operations by enhancing granulation capacity across its various plant locations, besides reviving its Pali (Maharashtra) facility, and adding capacities at Ennore (Tamil Nadu) through tolling arrangement which has resulted in SSP production going up by 19% to 8.6 lakh MT in the FY23. The company has also improved infrastructure facilities across all its plants along with Quality Control labs to ensure quality products are being supplied to the farming community. During the year, the company has also worked on product innovation in SSP and developed Urea SSP which can potentially supplement N and P nutrient needs and can be an alternative to DAP. The company has also developed crop specific SSP grades fortified with micronutrients which helps in better uptake of nutrients in addition to improved yields.

Coromandel registered its highest ever sales volume of 36.5 lakh MT in DAP/ NPK segment, a 10% growth over last year. This was supported by strong consumption with PoS sale of 35.4 lakh MT, with its market share increasing to 17.2%. In SSP, the company has achieved record primary sales of 8.1 lakh MT and retained its position as market leader in the category. Coromandel continues to support the farmers through continuous agronomic services with the thrust on balanced nutrition approach across geographies. In line with the Government's vision to strengthen farm advisory practices, Coromandel has set up multiple Pradhan Mantri Kisan Samruddhi Kendras (PMKSKs) across its key markets and is focusing on offering holistic agri-input solutions which include products and services such as drone spraying, soil testing and advisory.

In a major boost to drive sustainable practices in agriculture, the Company has successfully developed a nano technology-based fertiliser, Nano DAP at its R&D center, IIT Bombay. It will enable high Phosphorous and Nitrogen availability to the plant and is suitable for all crops including cereals, fruits and vegetables, oil seeds, pulses, onion, cotton, Sugarcane, etc. The Company is setting up a plant in Andhra Pradesh and plans to commercialize the product during the second half of 2023. With this innovation Coromandel will be amongst the pioneers in introducing Nano products in the country with patents for all its products. The company has also developed Nano Urea and has applied for FCO inclusion. The company has conducted ~700 field trials and has partnered with leading agricultural universities and research centers to establish efficacy of the product.

The company has embarked on digital transformation journey and initiated various digital products especially at the manufacturing side and as part of its strategy to drive excellence in manufacturing has established state of the art Centre of Excellence at Visakhapatnam. This center will focus on leveraging data and analytics to improve operational efficiencies besides imparting technical training to its operations team. Business is also working on multiple other digital interventions across value chain to leverage data and provide timely inputs for decision making.

## Coromandel - Phosphatic / SSP Fertiliser Sale (in lakh MT)

| Period | Complex | DAP | Complex + DAP | SSP |
|---|---|---|---|---|
| FY2019 | 24.2 | 6.1 | 30.3 | 5.7 |
| FY2020 | 26.1 | 5.4 | 31.3 | 5.7 |
| FY2021 | 28.1 | 5.4 | 33.5 | 6.7 |
| FY2022 | 28.3 | 4.9 | 33.2 | 7.6 |
| FY2023 | 31.2 | 5.3 | 36.5 | 8.1 |

# Specialty Nutrients

In Indian agriculture, the use of specialty nutrients has become increasingly important in recent years as farmers seek to improve crop yield and quality. Coromandel's Specialty Nutrients business has continued to dedicate its efforts to addressing key concerns faced by the farming community. The business' product portfolio facilitates in ensuring balanced nutrition to plant, improving soil health and providing stage-specific nutrition to select cash crops, fruits, and vegetables.

The business deals with high performance products like bentonite sulphur, water-soluble fertilisers, micronutrients, liquid fertilisers, organic soil health restoring agents, organic manures, organic Potash, etc. During the financial year, the key focus of the business was on improving capacities through creation of infrastructure facilities at its plants. An integrated storage and automatic packing facility was set up in Kakinada to improve production efficiency. An automatic packing line was set up in the state-of-the-art liquid fertiliser manufacturing plant at Visakhapatnam. It enriched its product offering through the introduction of 'AcuMist Calcium'. The business introduced products catering to the urban gardening segment under the umbrella brand "Gardina" that provides a range of holistic organic nourishment products for indoor and outdoor plants.

The business continues to leverage its strength in smart sourcing and has been making conscious effort in diversifying its procurement of key raw materials and finished products. During FY23, the focus premium category of the business achieved a growth of 19%, with a strong emphasis on promoting balanced plant nutrition and enhancing farm productivity.

During the year, the business sharpened its sourcing efficiencies and quality assurance protocols to offer superior quality organic products, while offering distinct services to farmers like organic carbon (OC) tests. Specialty Nutrients business was able to complete 50,000+ OC tests and contribute towards better soil health.

Aligning with the objective of serving farmers and bringing the best technology to their fields, the business commissioned the drone project, named as "Gromor Drive", that would ensure farmers access to efficient nutrient spraying and through its chain of Nutri-Clinics, business aims to provide infrastructure for soil, water, and leaf testing, and provide consultation service in key addressable markets to benefit the farming community through improvement in yield and quality as well as optimization of cultivation cost.

With its superior quality products and services, the business ensures to continue its growth story while resolving the concerns of the farming community and contributing towards a sustainable agrarian economy.






# Crop Protection Chemicals

## Global Crop Protection Industry Outlook

The global Crop Protection industry is estimated to grow by 6% to USD 69 billion in 2022, led by improved sales across Latin America and North America regions. Improved crop prices in 2022 supported higher consumption of Agrochemicals during the year.

| Region | 2021 | 2022 | % Change |
|---|---|---|---|
| Asia Pacific | 21 | 22 | 4% |
| Latin America | 16 | 19 | 17% |
| EMEA | 16 | 16 | -4% |
| North America | 11 | 13 | 9% |
| **Total** | **65** | **69** | **6%** |

*Global Crop Protection Industry ($ billion) [Source: IHS Markit]*

The movement surrounding the growing sustainability and environmental awareness is resulting in an increasingly strict regulatory environment, particularly in Europe. This is becoming a major influence on the global crop protection market and is resulting in the promotion of usage of biologicals and integrated pest management systems.

During the year, weather patterns in key countries, especially Africa and APAC regions, were unfavourable. Latin American region, however, performed relatively well owing to conducive weather conditions across its key producing geographies.

The manufacturing sector saw heightened restrictions as a result of Chinese government's carbon neutrality initiatives aimed at improving energy efficiency. Additionally, higher prices of key commodities such as natural gas, sulphur, ammonia, etc. contributed to an increase in product prices across the globe.

In India, Crop Protection sector was seen to be impacted by varied factors. Continuous rains across several parts of the country resulted in lesser pest infestation leading to lower demand for key agrochemical molecules. Higher end customer prices and per-acre cost to the farmer as a result of increase in input prices impacted the demand for agrochemical products.

During the year, the industry worked through the technical task force and presented its observations to the Expert Committee on the draft notification relating to the proposed ban of 27 pesticides.

The industry players started trials for Drone Application of Pesticides with a push from Central Insecticides Board & Registration Committee (CIB&RC). CIB&RC has permitted the usage of 507 registered Crop Protection products with drones for an interim period of 2 years. This is likely to encourage extensive adoption of new technology which is observed to be more efficient and safer.

With the supply chain disruptions post the COVID-19, the global agrochemical companies are looking at diversifying their sourcing, and India is well positioned as a strong manufacturing alternative. With its rich know-how of complex chemistry, fast-evolving agrochemical ecosystem, sound regulatory compliances, and deep relationship with global innovators based on ethical IPR protocol and cost-efficient manufacturing, India offers a very competitive manufacturing destination to the global CPC industry.

### Crop Protection Chemicals Business Performance

Coromandel's Crop Protection business registered modest growth of 5% versus last year driven by growth in domestic formulations and B2B segments.

The manufacturing plants continued to operate safely with increased emphasis on safety protocols. In addition to this, major thrust was given to improving instrumentation and revamping infrastructure at all plants. The business has improved the cost position for its key molecules and is expected to reap the benefits of cost reduction initiatives in the coming years through the implementation of manufacturing excellence initiatives within technical plants.

The business undertook the 'War-on-Waste' initiative in this regard and successfully achieved significant reduction in specific raw material and utility consumption.

The business has successfully commissioned a "Multi Product Facility" at Ankleshwar plant during Q4. This will help in diversifying company's portfolio to newer molecules and improve its operational flexibility.

On the domestic formulations side, the Business introduced five new products (including three novel combinations) spanning herbicides, insecticides, and fungicides. The new launches have received an encouraging response from the market. During the year, the share of speciality and new products stood at 56%. The marketing team introduced several digital initiatives to improve engagement with the farming community.

The product development and regulatory teams have been fortified, conducting several high-quality in-house trials using world-class monitoring and analytics tools and receiving a high number of registrations across domestic and overseas markets. The business carried out its long-term strategy exercise and intends to strengthen its product portfolio in the coming years. It is leveraging its Japan desk to explore partnerships with innovator companies. The business announced its plans to expand into CDMO and Specialty & Industrial chemical segments to seize potential growth opportunities.


*Pradhan Mantri Kisan Samruddhi Kendra, Eluru*

## Bioproducts

The Business offers a range of biopesticides containing Azadirachtin for safeguarding crops and other biostimulants derived from plant extracts besides anti-transpirants and non-ionic spreaders. The cutting edge Azadirachtin manufacturing facility situated in Cuddalore, Tamil Nadu, is the largest in the world.

During the year, the Bioproducts business faced raw material shortage with respect to its Azadirachtin production and registered significant volume contraction. The other products in the portfolio registered stable performance. The business has carried out cost-intensive interventions to manufacture best-in class pure Azadirachtin, to ensure neem seed supply and overcome quality related challenges.

Despite facing a challenging raw material situation, the unit has successfully produced Azadirachtin with superior technical purity through continuous improvement and innovation related to extraction process.

As a diversification strategy, business plans to strengthen its focus on expanding its non-Azadirachtin portfolio. The R&D team of Bioproducts is undertaking multiple initiatives in the areas of microbial development, plant extract-based bio-stimulants and continues to collaborate with Tamil Nadu Agricultural University (TNAU) as the CRO. The business' proactive investment in establishing neem plantations is expected to yield results in the upcoming year, which shall further support in ensuring raw material availability.

## Retail

Coromandel, with a network of around 751 rural retail outlets across Andhra Pradesh, Telangana, and Karnataka, has successfully pioneered the rural retail model in India. Supported by a 2,000-member strong team, the Retail business is the face of the organization deepening its connect and engagement with farming community.

The Retail business continued to develop solutions to leverage technology in nutrient management, delivery mechanisms and farm advisory. Crop stress mapping using satellite imagery is one of the key solutions offered by the business facilitating the promotion and adoption of precision farming. Advanced pest and weather prediction technologies, boom sprayer services, cold storage solution and personalized programmes offered by the business differentiate it from competition and augment farmer loyalty.

The business adopted a Crop focused approach by providing customized crop based recommendations and advisory services. Scientifically developed Crop specific packages aligning with growth stage were promoted along with expert advice through scientists with the "Scientist at Store" initiative. This initiative received positive feedback from the farming community and helped in improving the crop productivity.

Retail business' diversified products and services portfolio combined with its focus on integrated farming solutions continues to deliver enhanced farm yields and profitability for farmers. The business is also looking at solving certain challenges faced by farmers through accelerated digital capabilities and strategic partnership avenues.

# Opportunities & Strengths

## Opportunities

1. India is emerging as a low-cost manufacturing destination with all the government measures and private investments. This is applicable to Agrochemical industry wherein Coromandel has established itself and is currently focusing on growth in market share. Expanded capacities could serve as a major sourcing avenue for global players and thereby tap the exports potential.
2. Likelihood of Production Linked Incentive Scheme for Agrochemicals can further bolster expansion in production capacities to meet global as well as domestic demand.
3. 'Atma Nirbhar Bharat' initiative in the fertiliser industry can support capacity expansion.
4. PM Program for Restoration, Awareness, Nourishment and Amelioration of Mother Earth (PM PRANAM) aims to promote usage of alternative fertilisers through incentivization of States and Union Territories. Coromandel, with its strong presence in Organic fertilisers segment, is capable of tapping this potential.
5. Central and State Governments' income support schemes for farmers ensure disposable income in the hands of farmers which can support their agri-inputs purchase.
6. Government's continued support in promoting farm mechanisation through Custom Hiring Centres can further improve adoption and enhance farm productivity
7. Certain agrochemical molecules have faced stringent regulatory pressure in recent years, especially in Europe. This is leading to increased adoption of biological products in these regions, which can be leveraged by Coromandel.
8. Irrigation projects within Coromandel's key operating markets, Telangana and Andhra Pradesh, will augment the area under assured irrigation further supporting the farming community
9. Acceleration of Ag-Tech like drones, precision farming, etc. are expected to improve crop yield, diagnostics and application capabilities which provides organizations with avenues for step-out growth
10. Adoption of Nano, slow-release, coated, and water-soluble fertilisers by farmers shall improve nutrient use efficiency. Coromandel is only one of the few players who has obtained approval for its NanoDAP product, which is expected to be a game-changer in Indian agriculture.
11. Due to cost competitiveness and technical capabilities, there exists an increased opportunity within CDMO and Specialty & Industrial Chemicals segment in India.

## Strengths

1. Coromandel has strong presence across the agricultural value chain offering integrated crop management solutions from sowing to harvesting stage.
2. It has an extensive network of 751 rural retail stores across Andhra Pradesh, Telangana and Karnataka. Through direct engagement with farmers, Coromandel can leverage the information as well as feedback and incorporate the same across other areas of its business.
3. The company has a strong distributor / dealer network through which its products reach the farmers.
4. Brand equity and trust gained from the farmers in key agri-input consumption markets gives Coromandel an advantage over competition
5. Backward integration through investment in Baobab Mining & Chemicals Corporation (Senegal) shall ensure cost advantage and availability of raw materials.
6. Diversified portfolio of crop-specific, unique and differentiated products enables the company in meeting the farmers' needs.
7. Investments in expansion of multi-product plants within its Crop Protection Chemicals business shall provide the much-needed flexibility in operations and ensure agile operations.
8. Business' expansion into Specialty & Industrial chemical and CDMO domains offer additional growth avenues by leveraging existing manufacturing and research infrastructure.
9. Coromandel has substantial captive manufacturing infrastructure for Phosphatic fertilisers, Secondary, Micronutrients, water-soluble fertilisers, crop protection chemicals and bio-products. Integrated manufacturing operations in Fertilisers business and Technical and formulation manufacturing capabilities in Crop Protection Chemicals business ensure significant advantages in terms of cost, efficiency and time-to-market.
10. The organization possesses 7 state-of-the-art R&D facilities for new product development across all our business units. It has a rich pipeline of products and partners with leading research organizations.
11. Coromandel has strategic partnerships for technology and sourcing - strategic investment in Tifert (in Tunisia) and Foskor (in South Africa) for upstream integration for Phosphoric Acid sourcing, partnerships with global Crop Protection organizations for new product development, manufacturing technology and marketing and joint venture with Yanmar and Mitsui in farm mechanisation segment.
12. The company has a fundamentally strong balance sheet with cash surplus
13. Company's credit rating has seen recent upgrades: 'CRISIL AAA (Stable)' by CRISIL and 'IND AAA (Stable)' by India Ratings & Research (Ind-Ra)


*Rice Harvester - JV with Yanmar and Mitsui*

# Financial Review

The Company registered a good performance in FY 2022-23 with total standalone revenue at INR 29,610 crores compared to INR 19,088 crores in the previous year. The Company's PBT was at INR 2,722 crores compared to INR 1,931 crores in the previous year. PAT was at INR 2,035 crores compared to INR 1,412 Crores in the previous year. Net cash from operating activities before working capital changes is INR 2,938 Crores compared to INR 2,178 Crores in the previous year.

# Risk Management

The Risk Management is covered under the Section: 'Risk Management' of the Integrated Report.

# Human Resource Development

The organization constantly invests in the capability development of its talent and the process of learning & development enables its employees in realizing 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. Human Resource policies are made contextual and contemporary from time to time.

**Talent Development:** The Company nurtures talent and leadership through various capability management programmes to hone technical and behavioural skills and meet business-specific requirements. The learning and development initiatives cater to a wide variety of employee profiles addressing sales and marketing, manufacturing, operations and leadership domains. In line with Company's long-term business plan, several talent management upskilling and reskilling programs have been rolled out for the workforce. The Company's flagship digital learning platform, VidhyaOnline, is being used extensively by the employees for their learning and development needs. Saksham in Crop Protection Chemicals business unit, Outbound Training in Nutrient business unit and Agri Capability Enhancement (ACE) program in Retail business unit are few of the key programs initiated as part of Learning and Development.

Following are salient people development initiatives:

**Coromandel Knowledge Centre (CKC):** CKC endeavors to enrich manufacturing capability with an integrated model of knowledge, best practices sharing for Safety, Manufacturing, Production, Operations, Engineering, Technology, 5S, TQM, TPM, etc. CKC strengthens Functional and Safety capabilities across all Nutrient Businesses' manufacturing locations with training programs such as Energy Management Techniques, Manufacturing Excellence, Simulation Training, Behavioral Safety, On the Job Safety Trainings, etc.

**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 Fertilisers Sales and Marketing team. Three programs: NEAT (New Entrant Assimilation Training), MORE (Marketing Officer Resurgence and Excellence) and ZEAL (ZMs Excellence for Agri Leadership) and Agronomy Training are organized regularly to cater to the training needs of Marketing team.

**VidhyaOnline:** This initiative has helped in enabling seamless access to E- Learning Platform across domains. 12 modules were launched during FY2023. This includes governance modules on POSH and Whistle-blower. VidhyaOnline was also launched on the dealer portal for enriching knowledge of the stakeholders.

**Leadership Development:** Coromandel has a well-structured process to identify and nurture High Potentials (HiPos) and to develop a strong Leadership pipeline across all SBUs. These programs include Excel-30, STAR (Set to Augment Results), LEAD (Leadership Excellence for Acceleration and Development) and ASPIRE (Accelerate Successful Performance in Retail Excellence) programs for long-term development of high-performing employees. Select HiPos were nominated to business relevant programmes across various IIMs.

**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 implementation of the program.

**Partnering with Academic Institutions:** Coromandel collaborated 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. These programs include Excel-30, Coromandel Finance Academy, Sales Force Training Academy, STAR and LEAD Programmes for long-term development of high-performing employees, Branding and Communication & Corporate Knowledge Centre. The Company has strengthened its talent review and succession management processes which include a regular review by the Leadership team, leading to recalibrated offerings that help in developing and nurturing future leaders.

**Campus to Coromandel Career:** In the year 2022-23, Coromandel rolled out its campus hiring initiative through 4C - College, Campus, Coromandel, Careers. Employees' children were given opportunity during the campus drive.

**Employee Engagement:** Coromandel initiated the Employee Engagement Survey for all its employees through 'Great Place to Work'. To have maximum outreach, the survey was launched in 6 Languages. 95% of employees participated in the survey. Coromandel is now certified as "Great Place to Work" through Great Employers Private Limited. Company remains focused on delivering an employee experience wherein they feel strongly connected to the brand, the business, and the overarching guiding principles of Murugappa Group. During the year, the Company rolled out various employee engagement initiatives including Family Connect, Wellness sessions, festival celebrations, unit level rewards and recognition programs, etc. The leadership team at Coromandel continues to review the key engagement agenda for the organization through specific action plans.

**Drone Pilot Certification & Training:** Drone project was initiated by business during FY2023 with field tests conducted successfully at R&D farm and pilot project undertaken across farms in Andhra Pradesh, Telangana, and Maharashtra. For the certification and training of the pilots, the company collaborated with "The Centre for A.P. Sensors and Smart Applications Research in Agriculture (APSARA)", a DGCA (Director General of Civil Aviation) Authorized Remote Pilot Training Organization (RPTO), at Acharya N.G. Ranga Agricultural University (ANGRAU) Lam, Guntur, Andhra Pradesh.

**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 as per company's zero tolerance policy. To ensure that all employees are made aware of policy and various aspects of act, the company organised POSH campaigns across locations, covering all employee groups (Management, Non-management and Contract) through workshops. Workshops were conducted for Leadership as well as members of Internal Committee (IC) for understanding the Act of 2013 and the process for dealing with cases of harassment. As per the requirement of the Sexual Harassment of Women at Workplace Act, Coromandel has constituted the IC. During the year 2022-23, three cases were reported on sexual harassment out of which two have been investigated and actions have been taken by the Management in line with IC recommendations and one is currently under investigation.

**Motivational Rewards Program:** I-CARE Success Story Drive in Crop Protection Chemicals business unit (Initiative, Communication, Action, Responsibility, Execution Excellence), BIG BULL program and GEM (Going the Extra Mile) in Retail business unit, Achievers Awards in Nutrient business unit, etc. are few of programs aimed at recognizing achievements of the workforce. Shine Awards are awarded to employees who go above and beyond the call of duty in consistently upholding Coromandel Values despite several challenges. The award is a fitting recognition for their commitment to the Five Lights – Integrity, Passion, Quality, Respect and Responsibility. This year, 8 employees were awarded and commended for upholding the Five Lights.

# Industrial Relations

Industrial relations across all Coromandel plants continued to remain cordial during FY2023. Long-term settlements were concluded at Udaipur, Nandesari and Ranipet. For Plant operative employees, Performance Linked Incentive Scheme (PLIS) were factored with key parameters - Production, Operational Efficiency, Quality, Safety, Behavioural/ TQM Efficiency and Periodicity. Adequate control measures have been deployed for engagement of contractual staff across Coromandel. Statutory compliances were monitored and tracked for closure of any significant observations. Workers' education and training as per unit requirements has been well deployed across the organization. STEP UP initiatives to metamorphose Non-Management Staff to Management Staff is well underway. Annual Communications Meetings, and other structured social gatherings as part of Employee Engagement and work-life balance across Coromandel have received great support and appreciation from all the employees.

# Corporate Social Responsibility

An integral part of Coromandel's growth story has been its endeavour for holistic socio-economic development. The very existence of an enterprise depends upon the welfare of the community and its ecosystem. The philosophy of Coromandel to plough back profits for creating a better tomorrow for lives has always remained paramount. The organisation has continued its commitment to give back to its communities through a range of projects from education and healthcare to skill development and nutrition, from sanitation and hygiene to women empowerment. The Corporate Social Responsibility of Coromandel has touched over a million lives and has worked towards creating new opportunities to build a better tomorrow for societies around it.

Coromandel has evolved a focused location-centric approach to develop programs through close co-ordination & consultations with the society around its plants. The Impact Assessment Report of the CSR programme by a third-party agency on the COVID initiatives, indicate that the CSR projects have met the project objectives and have impacted the community in improving their awareness and captured positive feedback about the program. Coromandel has received the highest rating and acceptance of its communities in undertaking the COVID initiatives.

The CSR programmes have won several appreciation, laurels, and awards in public domain by the Civil Society and by prominent development organisations at the national level.

## Education

Through its education initiatives, the company focuses on ensuring children have the right access, equity, and quality of education, especially in government schools.

The Coromandel Girl Child Education Scheme, ensuring equal opportunities for girl children, has continued its aim of supporting girls in standards IX - XII. Through the scheme, the company has provided scholarships and career counselling to 2,201 girls. Udbhav School, which provides quality education to the economically weaker sections and supported by Coromandel, continued to deliver strong results and recorded 98% pass percentage in class X board exams conducted by Telangana State Board of Secondary Education.

To combat the learning gaps and to address the slow learners resulting from covid lock down in the years the schools were closed, Learning Enrichment Programme was introduced and supplementary classes in subjects like Math, Chemistry and Physics were provided for 3,292 students across 12 government schools of Visakhapatnam, Ennore, Kakinada and Sarigam. A total of 685 students from 8 government schools benefitted through this initiative.

To promote sports and extracurricular activities at schools, Sports Day was conducted in 121 Government Schools in which 4,226 students participated. Infrastructure support was provided to 63 schools, with assistance ranging across classroom renovation, toilet construction, science lab, PA systems, etc. 43 RO plants were installed at various Government Schools benefitting 18,073 students.

Coromandel has continued its support towards the education for the children born with a hearing impairment by partnering with Signing Hands Foundation to produce 20 videos in sign language for children to understand basics and Balavidyalaya, the school for young deaf children. 51 children have been studying in the school and 3 children have been integrated to mainstream education.

## Health

Coromandel has been able to implement preventive programs, supporting the government-driven health programs, which has commanded credibility and appreciation of the community and the respective district administration. The paediatric ward in Kakinada has enhanced the outreach of the hospital by at least ten times, through appropriate technology and collaboration. 9,195 children got treated in the ward during the year, ensuring they were healthier and better.

The Coromandel Medical Centres reached out to 45,988 patients in 2022-23. The out-patient facility caters to the not-so privileged and the hospital offers services of senior doctors, dentists and physiotherapists along with state-of-the-art diagnostic laboratory and pharmacy services. Total of 1,29,462 people got benefited through the services of the hospital.

Coromandel Hospital at Kakinada has offered accessible health services to 82,841 outpatients in which 33,930 were new patient walk-in. Till date, Coromandel Hospital at Kakinada has reached 2,48,523 beneficiaries. Coromandel continued its support to a health centre in Ankleshwar through installing oxygen plant and dialysis machine and played a vital role in ensuring institutional deliveries. A total number of 10,301 people benefitted through the centre with the support and 83 deliveries took place in 2022-23.

89 Medical Camps were conducted at all major CSR locations, including dental, eye, general health, anaemia screening, sickle screening and ANC mother check-up benefiting 20,613 patients directly. Coromandel has supported children with congenital and acquired heart diseases with a total number of 43 surgeries have taken place and the children have received a new lease of life.






## Community Development

Coromandel continues to support the local communities for augmenting the rural infrastructure under the segment of community development projects. Its primary areas of infrastructure-based CSR activity include construction and renovation of community buildings, partnering development of infrastructure building for promoting micro enterprises associated with necessary capacity building and market linkages.

Coromandel has continued implementing several programmes towards promotion of livelihood and empowerment of women through skill-based trainings, capacity building, backward and forward linkages to sustain the income generation activities. The programme aims to promote and strengthen SHGs inculcating a habit of savings and enforcing credit discipline. 481 women were trained on tailoring, beautician, housekeeping, etc.

Boat engines, ice boxes and fishing equipments like nets and other items were given to fisherman community at Ennore and Dahej benefiting 413 families. During the year, the company has built 4 community halls benefitting 6,800 people and installed 21 Reverse Osmosis plants benefitting 40,880 people. Other Community Infrastructures like Anganwadi centres, social welfare hostel, hand bore wells, safety barricades, open gyms, etc. were constructed and / or renovated, thereby, reaching 4,11,097 people.

## Employee Volunteer Engagement

During this FY 22-23, 593 employees of Coromandel International Limited across various locations volunteered effectively in various CSR activities and have approximately contributed 1,501 hours to various noble causes implemented through the organization's CSR initiatives.

# Sustainability

Coromandel has tightly interconnected business activities aimed at promoting sustainability throughout its entire value chain. The organization is making consistent advancements towards achieving its environmental, social, and governance objectives. It has implemented new initiatives and innovations targeting reduction of emissions from across its value chain.

Corporate Social Responsibility & Sustainability Committee of the Board of Directors of Coromandel has been constituted to provide strategic direction to guide and implement sustainability roadmap, ensure effective management of stakeholders through collaborative approach and assure alignment of social and environmental aspects with business objectives.

Promoting biodiversity in the areas surrounding its factories is a matter of great significance to Coromandel. Over the years, it has executed a series of initiatives aimed at enhancing greenbelt coverage including projects such as land reclamation (Harithavanam at Visakhapatnam), expansion of Neem plantation, Birds Paradise (at Kakinada) and Green Visakha (at Visakhapatnam). The organization has also implemented TERI's Mycorrhiza Technology to cultivate plants on recycled waste materials at its Visakhapatnam location.

Coromandel has planted around 3.86 lakh saplings till date covering an area of 918 acres across its Nutrient business unit locations with ~17,000 saplings being planted this year. Miyawaki dense plantation methodology was adopted at Visakhapatnam, Kakinada and Ennore. Third party assessment of Green Visakha program comprising of a detailed study of its qualitative and quantitative impact, with respect to ecology, carbon sequestration, ambient air, ground water, noise, soil and social aspects, was conducted. Company's Bioproducts division has planted ~1 lakh neem trees at Thyagavalli, Pathamadai and Sivaganga. Organic farming method and drip irrigation systems have been adopted in these plantations. During the year, 2,500+ saplings, covering an expanse of ~17,800 sqm., were planted across Crop Protection Chemicals business unit locations. This includes an external greenbelt area of ~15,600 sqm. at Ankleshwar.

To guarantee full adherence to the relevant waste and emission regulations, the organization utilizes multiple methods. It has set up Continuous Emission Monitoring Systems (CEMS) at all its stacks to monitor the required parameters online. At its plant locations, the organization has set up Continuous Ambient Air Quality Monitoring Systems (CAAQMS) to ensure that emissions comply with the standards established by CPCB & SPCB.

The Company is placing significant focus on improving energy efficiency and renewable energy mix and is identifying possible waste reduction mechanisms.

*Birds' Paradise, Kakinada*

In FY2023, Coromandel successfully recycled 9,953 MT worth of plastic waste at an organizational level. At Kakinada unit, the business unlocked additional capacity through process and feedstock optimization and infrastructure debottlenecking which minimized the complexity involved in hazardous chemical handling. At few of its Crop Protection Chemical plants, significant portion of incinerate waste disposal mode was changed to co-processing and reduction in effluent generation at source was achieved for key products as part of the business' 3R philosophy (Reduce – Reuse – Recycle). Certain projects such as tote bin installations aimed at enabling safe handling of hazardous chemicals were undertaken during the year. 'War-on-Waste (WoW)' initiatives driven by Crop Protection Chemicals business, as part of its journey towards Operational Excellence, have yielded several benefits including reduction in specific gas consumption.

During FY2023, the company carried out external water audits at Visakhapatnam, Kakinada, Ennore and Ranipet units. British Safety Council Five-Star Safety Audit was conducted at Visakhapatnam unit. Third-party Energy, Environment and Sustainability audits were conducted across its Crop Protection Chemicals business units reiterating the business' commitment towards sustainable operations. Additional studies were carried out across Coromandel manufacturing plants in multiple areas to assess and ensure safe operations with some of these covering ammonia safety systems, fire adequacy, process safety, new product powder safety, fugitive emissions, corrosion, etc.

During the financial year, Coromandel voluntarily participated in Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment (2022) and attained a score of 50 which is a substantial improvement over previously assigned score. This further demonstrates Coromandel's commitment to sustainable business practices.

# Notice of the 61st Annual General Meeting of the Company

To the Members of
**Coromandel International Limited**

Notice is hereby given that the **Sixty First (61st) Annual General Meeting (AGM)** of the Members of Coromandel International Limited will be held on **Thursday, July 27, 2023, at 3.30 p.m.** IST through Video Conferencing (VC)/Other Audio-Visual Means (OAVM), to transact the following businesses:

## Ordinary Business

1. **To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, the Report of the Auditors' thereon and the Report of the Board of Directors**

   **To consider, and if deemed fit, 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, 2023, the Report of the Auditors' thereon and the Report of the Board of Directors placed before the 61st Annual General Meeting be and are hereby received, considered and adopted."

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, the Report of the Auditors' thereon**

   **To consider, and if deemed fit, 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, 2023, and the Report of the Auditors thereon placed before the 61st Annual General Meeting be and are hereby received, considered and adopted."

3. **To declare final dividend for the financial year ended March 31, 2023, and confirm the interim dividend paid during the year**

   **To consider and, if deemed fit, pass the following Resolution as an Ordinary Resolution:**

   **"RESOLVED THAT** a final dividend of Rs. 6/- per equity share, representing 600% of face value of equity share of Re. 1/- each, be declared for the financial year ended March 31, 2023 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 14, 2023 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on July 14, 2023 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 Rs. 6/- per equity share of face value of Re. 1/- each, as approved by the Board of Directors and paid by the Company during the financial year ended March 31, 2023, 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**

   **To consider, and if deemed fit, pass the following Resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and 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."

## Special Business

5. **To appoint Mr. Aditya Himatsingka (DIN: 00138970) as Independent Director of the Company**

   **To consider, and if deemed fit, pass the following resolution as a Special Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, and Regulations 16(1)(b), 17, 25 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Aditya Himatsingka (DIN: 00138970), who has been appointed as an Additional Director and designated as "Non-Executive and Independent Director" of the Company by the Board of Directors with effect from October 1, 2023 pursuant to Section 161 of the Act and Article 17.2 of the Articles of Association of the Company and in respect of whom a notice under Section 160 of the Act has been received and who has submitted a declaration that he meets the criteria of Independence as provided under the Act and the Listing Regulations, be and is hereby appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years with effect from October 1, 2023 to September 30, 2028."

6. **To appoint Mr. Adnan Wajhat Ahmad (DIN: 00046742) as Independent Director of the Company**

   **To consider, and if deemed fit, pass the following resolution as a Special Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Sections 149,150 and 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act, and Regulations 16(1)(b), 17, 25 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Adnan Wajhat Ahmad (DIN: 00046742), who has been appointed as an Additional Director and designated as "Non-Executive and Independent Director" of the Company by the Board of Directors with effect from October 1, 2023 pursuant to Section 161 of the Act and Article 17.2 of the Articles of Association of the Company and in respect of whom a notice under Section 160 of the Act has been received and who has submitted a declaration that he meets the criteria of Independence as provided under the Act and the Listing Regulations, be and is hereby appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years with effect from October 1, 2023 to September 30, 2028."

7. **To approve payment of commission to Mr. A Vellayan (DIN: 00148891), Chairman of the Company**

   **To consider, and if deemed fit, pass the following resolution as a Special Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 17(6)(ca) and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. A. Vellayan (DIN: 00148891), Non-Executive Director and Chairman of the Company, be paid a commission of Rs. 200 Lakhs for the financial year 2022-23."

   **"RESOLVED FURTHER THAT** the Board of Directors or the Key Managerial Personnel of the Company be and 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."

8. **To ratify the remuneration of the Cost Auditors for the financial year 2023-24**

   **To consider, and if deemed fit, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3)and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the remuneration of the Cost Auditors of the Company, as set out hereunder and approved by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year2023-24, be and is hereby ratified and confirmed."

| Name of the Cost Auditor | Unit / Area of the Audit | Audit Fees payable* (₹) |
|---|---|---|
| M/s. Narasimha Murthy & Co. | For all the products manufactured at units of the Company at Visakhapatnam, Kakinada and Ennore | 9.10 Lakhs |
| Mrs. Jyothi Satish | For all the products manufactured at SSP (Single Super Phosphate) units at Ranipet, Udaipur, Hospet, Nandesari – Baroda, Kota, Raigad, Raebareili and Nimrani, SND units at Vizag and Kakinada, Pesticides units at Sarigam, Dahej, Ranipet, Ankleshwar and Jammu and Bio Pesticides Plant at Thyagavalli, Cuddalore | 6.00 Lakhs |

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

**RESOLVED FURTHER** THAT the Board of Directors or the Key Managerial Personnel of the Company be and 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."

**9. To approve 'Coromandel International Limited – Employee Stock Option Plan 2023'**

**To consider, and if deemed fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (hereinafter referred as "**SBEB Regulations**"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re -enactment of the said Act or the Regulations, and all other applicable statutes, rules, regulations and guidelines and subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the members be and is hereby accorded to the introduction and implementation of 'Coromandel International Limited – Employee Stock Option Plan 2023' (**"ESOP 2023" / "Scheme"**), the salient features of which are furnished in the Explanatory Statement annexed to this notice, and authorizing the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted), to create, offer, issue, grant and allot from time to time, in one or more tranches, Employee Stock Options (**"Options"**) not exceeding 58,80,900 (Fifty Eight Lakhs Eighty Thousand Nine Hundred only) to or for the benefit of the eligible employees of the Company, group company including subsidiary company or its associate company or of a holding company of the Company, exclusively working in India or outside, as determined by the Board in terms of the Scheme, exercisable into not more than 58,80,900 (Fifty Eight Lakhs Eighty Thousand Nine Hundred only) Equity Shares (**"Shares"**) of face value of Re. 1/- (Rupee One) each fully paid-up, to be sourced from secondary acquisition, from time to time, through an employee welfare trust (**"Trust"**) to be set-up and constituted by the Company, where one Option upon exercise shall convert into one Share subject to payment/ recovery of requisite exercise price and applicable taxes, on such terms, condition and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

**RESOLVED FURTHER THAT** the Shares as specified hereinabove shall be transferred by the Trust to the Option grantees upon exercise of Options in accordance with the terms of the grant and provisions of the Scheme.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division(s) of the Company or other similar events, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the Options granted earlier, and the ceiling on the number of Options and Shares mentioned in the resolution above, shall be deemed to be increased accordingly.

**RESOLVED FURTHER THAT** in case the Shares of the Company are consolidated then the number of Shares to be transferred and the exercise price payable by the Option grantees under the ESOP 2023 shall automatically stand augmented in the same proportion as the present face value of Re. 1/- per Share bears to the revised face value of the Shares of the Company after such consolidation, without affecting any other rights or obligations of the said grantees.

**"RESOLVED FURTHER THAT** the trustee(s) of the Trust shall not vote in respect of the Shares subscribed, acquired and held by such Trust."

**"RESOLVED FURTHER THAT** for the purposes of disclosures to the stock exchange(s), the shareholding of the Trust shall be shown as 'non-promoter and non-public shareholding."

**"RESOLVED FURTHER THAT** the trustees of the Trust shall ensure compliance of the provisions of the SBEB Regulations, Rules made under the Companies Act, 2013 and all other applicable laws at all times in connection with acquisition, holding and dealing in the Shares of the Company including but not limited to maintenance of proper books of account, records and documents with appropriate disclosures as prescribed."

**"RESOLVED FURTHER THAT** the Company and the Trust shall conform to the accounting policies prescribed from time to time under the applicable laws including the SBEB Regulations to the extent applicable to the Scheme."

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion, deem necessary including authorising or directing to appoint merchant bankers, brokers, solicitors, and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Scheme as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

**RESOLVED FURTHER THAT** the Board be and is hereby authorised at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2023 subject to compliance with all applicable laws and regulations and further subject to consent of the shareholders by way of special resolution to the extent required under SBEB Regulations, and to do all such acts, deeds, and things as it may deem fit in its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and / or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2023 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SBEB Regulations and any other applicable laws in force."

**10. To approve grant of employee stock options to the eligible employees of the Company's group company(ies) including Subsidiary Company(ies) or associate company(ies) or holding Company under 'Coromandel International Limited – Employee Stock Option Plan 2023'**

**To consider, and if deemed fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2014 (hereinafter referred as **"SBEB Regulations"**), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, including any statutory modification(s) or re-enactment of the said Act or the Regulations, and all other applicable statutes, rules, regulations and guidelines and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members of the Company be and is hereby accorded to the Board Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted), to grant from time to time, in one or more tranches, such number of employee stock options (**"Options"**) under the 'Coromandel International Limited – Employee Stock Option Plan 2023' (**"ESOP 2023" / "Scheme"'**), to the eligible employees of group company(ies) including subsidiary company(ies) or associate company(ies) or holding Company who are working on exclusive basis in or outside India, within the ceiling of total number of Options and equity shares, as specified in ESOP 2023 along with such other terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the ESOP 2023."

**11. To approve secondary acquisition of equity shares through Trust route for the implementation of 'Coromandel International Limited – Employee Stock Option Plan 2023'**

**To consider, and if deemed fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (hereinafter referred as **"SBEB Regulations"**), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re -enactment of the said Act or the Regulations, and all other applicable statutes, rules, regulations and guidelines and subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the members be and is hereby accorded to acquire not exceeding 58,89,900 (Fifty Eight Lakhs Eighty Nine Thousand Nine Hundred only) Equity Shares (**"Shares"**) of face value of Re. 1/- (Rupee One Only) each fully paid-up, being within the statutory ceiling as per the SBEB Regulations, by way of secondary acquisition, from time to time, in one or more tranches, through the irrevocable employee welfare trust of the Company to be set-up and constituted by the Company, for the purpose of implementation of the 'Coromandel International Limited – Employee Stock Option Plan 2023' (**"ESOP 2023" / "Scheme"'**) in due compliance with the provisions of the SBEB Regulations and other applicable laws."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, or other re-organization, the ceiling aforesaid in terms of number of Shares intended to be purchased by the Trust from secondary acquisition shall be adjusted with a view to facilitate fair and reasonable adjustment to the eligible employees as per provisions of the SBEB Regulations and such adjusted number of Shares shall be deemed to be the ceiling as originally approved."

**"RESOLVED FURTHER THAT** the Trust shall not deal in derivatives and shall undertake only delivery-based transactions for the purposes of secondary acquisition as permitted under the SBEB Regulations."

**12. To approve provision of money by the Company to purchase of its own equity shares by the Trust under 'Coromandel International Limited – Employee Stock Option Plan 2023'**

**To consider, and if deemed fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of the Section 67(3)(b) of the Companies Act, 2013 read with Rule 16(1)(d) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 3(8) of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and any circulars/notifications/ guidance/frequently asked questions issued thereunder, as amended from time to time (collectively referred as **"SBEB Regulations"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the provisions of relevant regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India, the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the shareholders be and is hereby accorded authorizing the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any committee, to exercise its powers, including the powers, conferred by this resolution) to grant a loan, provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the irrevocable trust of the Company to be set-up and constituted by the Company, by such sum of money not exceeding 5% (Five Percent) of the aggregate of the paid up share capital and free reserves of the Company, with a view to enable the Trust to purchase equity shares of the Company (**"Shares"**) of face value of Re. 1 (Rupee One Only) each fully paid-up, from secondary acquisition for the purposes of 'Coromandel International Limited – Employee Stock Option Plan 2023' (**"ESOP 2023" / "Scheme"'**)."

**"RESOLVED FURTHER THAT** the Trust shall use the loan amount disbursed from time to time only for the purposes of the Scheme strictly in accordance with the provisions of SBEB Regulations."

**"RESOLVED FURTHER THAT** the loan provided by the Company shall be interest free with tenure of such loan based on term of the Scheme and shall be repayable to the Company from realization of proceeds of exercise/ permitted sale/ transfer of Shares and any other eventual income of the Trust."

**"RESOLVED FURTHER THAT** subject to the broad terms above, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may at its absolute discretion, as deemed fit, to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/ or instructions as may be necessary 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: Chennai
Date :May 15, 2023

**Corporate Identification Number:** L24120TG1961PLC000892

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

## ANNEXURE TO NOTICE

**Details of the Director, seeking reappointment at the 61stAnnual General Meeting vide item No. 4 of the Notice dated May 15, 2023, are given below, as per Regulation 36(3) of the Listing Regulations and Secretarial Standards - 2:**

**Mr. M. M. Venkatachalam**

Mr. M M Venkatachalam holds a Master's Degree in Business Administration from George Washington University, USA, and is also a graduate of the University of Agricultural Sciences in Bangalore. With a professional experience spanning over 25 years in the Murugappa Group, he currently serves as the Chairman of E.I.D Parry (India) Limited, Coromandel Engineering Company Limited and Parry Agro Industries Limited and is also part of the board of directors of Ramco Cements Limited and Ramco Systems Limited. Mr. Venkatachalam's role as a Director in the Company emphasizes his expertise and experience to provide valuable insights to drive the organization towards success.

Profile of Mr. Venkatachalam, and his attendance and remuneration for the financial year 2022-23 appear in the Annual Report under Directors' Profile and in Corporate Governance Report. Mr. Venkatachalam is proposed to be reappointed as a Director liable to retire by rotation at the ensuing Annual General Meeting. Mr. Venkatachalam does not hold any equity shares in the Company and is not related to any other Director on the Board or Key Managerial Personnel of the Company.





**NOTES:**

1. In terms of the General Circular number 20/2020 read with General Circular numbers 14/2020, 17/2020, 02/2021, 19/2021, 21/2021, 2/2022 and 10/2022 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, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4issued 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 61stAGM 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 e-AGM is given below and will also be available at the Company's website www.coromandel.biz.

2. In compliance with the aforesaid Circulars, this e-AGM Notice, together with the Annual Report for the financial year 2022-23, is being sent only through electronic mode to those Members whose E-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. The e-AGM Notice and Annual Report of the Company are also available on the Company's website at www.coromandel.biz and on the website of the Stock Exchanges where the shares of the Company are listed viz., BSE Limited - www. bseindia.com and National Stock Exchange of India Limited - www. nseindia.com. Members who have not registered their email address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

3. As this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with and they can attend the meeting through login credentials provided to them. Accordingly, the facility for appointment of proxies by the Members will not be available and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

4. Corporate / Institutional Members (i.e., other than Individuals, HUF, NRI, etc.,) are required to send scanned certified true copy (preferably PDF Format) of the Board Resolution/ Authority Letter, etc., pursuant to Section 113 of the Companies Act, 2013 ("the Act"), together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser through email ID: rsaevoting@gmail.com with a copy marked to evoting@kfintech.com. The file name of the scanned copy of the above-mentioned documents should be named as "Coromandel – 61st AGM".

5. Pursuant to Section 102(1) of the Act, an Explanatory Statement in respect of the Special Business to be transacted at the AGM is annexed hereto.

6. As required by Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Mr. M. M. Venkatachalam, Director seeking re-appointment at this AGM are provided as annexure to the Notice and in the Report on Corporate Governance, forming part of the Annual Report. The relevant details of Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmed, to be appointed as Independent Directors with effect from October 1, 2023 are provided in the respective Explanatory Statement.

7. **Book Closure:** The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, July 15, 2023 to Thursday, July 27, 2023 (both days inclusive).

8. 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 the Notice will be available for inspection in electronic mode. Members can send an email for the purpose to investorsgrievance@coromandel.murugappa.com.

9. **Unclaimed/Unpaid Dividend:** Pursuant to the provisions of Section 124 of the Act, the amounts of dividend declared and remaining unpaid/unclaimed pertaining to the financial year 2013-14, have been transferred to the Investors Education and Protection Fund Authority (IEPF Authority). Details of unpaid/ unclaimed dividends lying with the Company as on March 31, 2023 are available on the website of the Company at www.coromandel. biz/investors/dividend and the Ministry of Corporate Affairs at www.iepf.gov.in. Members are requested to contact KFin Technologies 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 ("RTA/ KFintech") of the Company, to claim the unclaimed /unpaid dividends.

10. **Compulsory transfer of Equity Shares to IEPF Authority:** As per Section 124(5) of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2017 (IEPF Rules)

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 demat account of IEPF Authority. Pursuant thereto, 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 approach the Company for issue of Entitlement Letter. Upon receipt of Entitlement Letter, Members / claimants shall have to file an application with IEPF Authority in webform IEPF 5 (available on www.iepf.gov.in). The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

11. **Final Dividend:** The final dividend of Rs. 6/- per share (representing 600 % on face value of equity share of Re.1/- per share), as recommended by the Board of Directors of the Company, if declared at the AGM, will be paid on or after August 16, 2023, but within 30 days from the declaration of dividend at the AGM, as provided in the Act, to those Members whose names appear on the Register of Members of the Company or in the books of National Securities Depository Ltd. / Central Depository Services (India) Ltd. as beneficiaries in respect of dematerialised shares, on July 14, 2023 being the Record Date fixed for this purpose.

12. **Tax Deducted at Source (TDS) on Dividend:**

    i. Shareholders may note that in terms of the Income Tax Act, 1961 ('the Act'), 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, as provided in the Finance Act, 2020 and as further amended by Finance Act, 2023. Shareholders are requested to update their valid PAN, i.e., PAN linked with Aadhaar with KFintech (in case of shares held in physical mode) and with their respective depository participants (in case of shares held in demat mode).

    ii. 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 14, 2023. Shareholders are requested to note that in case their PAN is not valid, the tax will be deducted at a higher rate of 20%.

    iii. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to uploading the mandatory documents, i.e., No Permanent Establishment, Beneficial Ownership Declaration, Tax Residency Certificate, copy of online furnished Form 10F, and any other document which may be required to avail the tax treaty benefits, on the link https://ris.kfintech.com/form15/ on or before July 14, 2023.

    iv. Dividend 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 Rs. 5,000/- (collectively for all folios with the same PAN) for the entire financial year, 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. TDS Certificates will be available at and can be downloaded from https://ris.kfintech.com/clientservices/tds/certificate.aspx

    v. Shareholders who have not furnished return with Income Tax Authority for the immediately preceding previous year for which the due date of filing has expired and aggregate of TDS is Rs. 50,000/- or more in such preceding previous year, the TDS will be deducted at twice the applicable rate for such shareholder considering its residential status as per the provisions of section 206AB of the Act.

    vi. 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.

13. 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, KFintech 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 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 to KFintech.

14. Mandatory furnishing of PAN, bank account details, KYC details and nomination by shareholders holding shares in physical mode:

    a. Members holding shares in physical mode are requested to note that SEBI vide its circular SEBI/HO/MIRSDMIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, has made it mandatory for holders of physical securities to furnish PAN, bank account details, email address, mobile number, postal address (KYC details), and to register their nomination or opt-out of nomination. SEBI has notified forms for the purpose, as detailed below:

| Form | Description |
|---|---|
| FormISR-1 | Request for registering PAN, bank ac- count details, KYC details or changes / up-dation thereof |
| FormISR-2 | Confirmation of Signature of securities holder by the Banker |
| Form-SH-13 | Nomination form |
| FormISR-3 | Declaration for Nomination opt-out |
| Form-SH-14 | Change in Nomination |

    The above forms can be downloaded from the following weblinks: https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrdor www.coromandel.biz/investors/investors-information.

    Members holding shares in physical mode are requested to send the duly filled forms i.e., Form ISR-1, Form ISR-2, Form SH-13 or Form ISR-3 and along with requisite documents as mentioned in the respective forms to the address of KFintech (RTA).

    b. Compulsory linking of PAN and Aadhaar:

    The Central Board of Direct Taxes (CBDT) mandated linking PAN with Aadhaar number on or before June 30, 2023. PAN linked with Aadhaar numbers shall only be considered as valid PAN. All shareholders holding shares in physical form are requested to submit valid PAN to RTA and RTA shall accept valid PAN only.

    c. Freezing of Folios:

        i. Folios in which PAN is/are not valid, i.e., PAN not linked to Aadhar as on June 30, 2023 or any other date as may be specified by Central Board of Direct Taxes, shall be frozen thereafter.

        ii. Such Folios wherein any one of the referred documents mentioned in (a) above/ details are not available on or after July 1, 2023, shall be frozen and shareholders shall be eligible for receipt of dividend through electronic mode only after submission of the complete documents / details as referred in (a) above.

        iii. After December 31, 2025, the frozen folios shall be referred by RTA/ Company to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.

    Shareholders are also requested to ensure that their PAN is linked to Aadhar by June 30, 2023, or any other date as may be specified by the CBDT and also update the bank account details, KYC details, i.e., email address, mobile number, postal address, etc., as referred to in (a) above to avoid freezing of their folio.

15. Issuance of securities only in demat mode: As per the Regulation 39 and 40 of the Listing Regulations, the Company shall issue securities in dematerialized form only while processing any requests from shareholders holding shares in physical mode in respect of i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub- division / Splitting of securities certificate; vi. Consolidation of securities certificates/ folios; vii. Transmission and viii. Transposition ("service requests").

    The shareholders shall submit duly filled up Form ISR-4 along with requisite documents to RTA. The form ISR-4 is available on the website of the Company atwww.coromandel.biz/investors/investors-information.

    The RTA/ Company shall verify and process the service requests and thereafter issue a "Letter of Confirmation" to the shareholders in lieu of the physical share certificates. The "Letter of Confirmation" shall be valid for 120 days from the date of its issuance within which shareholders shall make a request to the Depository Participant for dematerializing the said shares. In case the shareholder fails to submit the demat request within the aforesaid period, RTA / Company shall credit the securities to Suspense Escrow Demat Account of the Company.

**16. Mandatory furnishing of Valid PAN, KYC details and Nomination etc. by shareholders**

**Shares held in demat form.**

SEBI has mandated updation of valid PAN, i.e., linking of PAN with Aadhaar, Nomination or opt out of nomination and updation of KYC details, i.e., Name, Address, Valid PAN, Valid mobile number, Valid email-id and Income Range in the demat account of shareholders holding shares in demat mode.

The demat accounts wherein the above details have not updated for all the 6 KYC attributes, such demat accounts would have been frozen for debits. Shareholders holding shares in demat mode are requested to approach their Depository participants and update the details at the earliest.

**Shares held in physical form:**

SEBI vide its Circular dated March 16, 2023 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant. In terms of the above Circular, folios of physical shareholders wherein any one of the above said details such as PAN, email address, mobile number, bank account details and nomination are not available, are required to be frozen with effect from October 1, 2023 and such physical shareholders will not be eligible to lodge grievance or avail service request from the RTA of the Company and will not be eligible for receipt of dividend in physical mode. Further, Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, after December 31, 2025. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company at www.coromandel.biz/investors/investors-informationand furnish the requisite details.

**17. 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 e-Voting services of KFintech to the members to exercise their right to vote on all the resolutions set forth in this Notice.

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 in- crease the efficiency of the voting process. The details of the process and manner for remote e-Voting are explained herein below:

I. Individual Members 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 Members 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 "KFintech" and you will be re-directed to the e-Voting page of KFintech 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 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 "KFintech" to cast your vote without any further authentication.

B. Individual Members 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 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.

   iv. Click on the e-Voting link available against Coromandel International Limited or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech 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: https://evoting.cdslindia.com/Evoting/EvotingLogin.

    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 "KFintech" and you will be re-directed to the e-Voting page of KFintech.

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

    i. Individual Members 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.

    ii. An option for "e-Voting" will be available once they have successfully logged-in through their respective logins.

    iii. 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 "KFintech" and you will be redirected to the e-Voting page of KFinTech to cast your vote without any further authentication.

    iv. 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.

    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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022- 23058542-43.

II. Information about remote e-Voting by Members, other than those holding shares of the Company in demat mode, and all Members holding shares in physical mode:

A. In case a shareholder 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: 6665 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): 7356 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 with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Coromandel – 61st AGM".

B. In case whose email address is not registered with the Company / Depository Participants. kindly follow the instruction in Note No. 14 & 16 to the Notice.

    Any Member who has forgotten the User ID and Password, may obtain/ generate/retrieve the same from KFintech in the manner as mentioned below:

    i. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS:

    MYEPWD E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

    1. Example for NSDL: MYEPWD XXXXIN12345612345678

    2. Example for CDSL: MYEPWD XXXX1402345612345678

    3. Example for Physical: MYEPWD XXXX1234567890

    ii. If e-mail address and mobile number of the Member is registered against Folio

No./DP ID Client ID, then on the home page of https:// evoting.kfintech.com/ the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call on KFintech's toll-free numbers 1800-309-4001 [from 9:00 A.M. (IST) to 6:00 P.M.(IST) on all working days].

iv. Member may send an e-mail request to evoting@kfintech.com. After due verification of the request, User ID and password will be sent to the Member.

v. If the Member is already registered with KFintech's e-voting platform, then he/she/it can use his/her/its existing password for logging-in.

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 KFintech asper the details given below.

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

Mr. Suresh Babu D, Manager – Corporate Registry
KFin Technologies Limited
"Selenium Tower-B", Plot No. 31 & 32,
Financial District,
Nanakramguda,
Serilingampally,
Hyderabad - 500032, Telangana.
Toll-free No.: 1800 3094 001 Email: einward.ris@kfintech.com

**Voting at the e-AGM:**

i. Members, who cast their votes by e-voting prior to AGM may attend the AGM, but will not be entitled to cast their votes again. 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 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, such Members 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. Members 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. Members may contact Mr. Suresh Babu D , Manager - Corporate Registry at KFintech for any grievances relating to Insta Poll.

18. Procedure for attending the e-AGM through VC/ OAVM are as under:

Detailed procedure and manner for participating in e-AGM 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 KFintech. 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 or 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 Members may post their questions from Monday, July 17, 2023 at 9.00 a.m. to Friday, July 21, 2023. 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 Monday, July 17, 2023 at 9.00 a.m. and shall close on Friday, July 21, 2023 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

**Other Instructions:**

i. The Members may update their mobile number and e-mail id in the user profile details of the folio which can be used for sending future communication(s).

ii. The remote e-Voting period commences on Sunday, July 23, 2023 (9.00 a.m. IST) and ends on Wednesday, July 26, 2023 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Thursday, July 20, 2023, may cast their vote electronically in the manner as 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 AGM but on or before Thursday, July 20, 2023 (cut- off date) may write to KFintech at evoting@kfintech.com or to the Company at 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.

iv. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e., Thursday, July 20, 2023.

v. The Board of Directors has appointed Mr. R. Sridharan (Membership No. F4775 and CP No. 3239), Practicing Company Secretary of M/s R Sridharan & Associates, Company Secretaries, as the Scrutiniser to scrutinise the e-Voting process in a fair and transparent manner.

vi. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the

AGM and votes cast through remote e-voting) and will submit a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.

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 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 and on the website of KFintech 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.

## 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 & 6

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad as Additional Directors, designated as Non-Executive Independent Directors, of the Company with effect from October 1, 2023 in terms of and in accordance with the provisions of Sections 149, 150 and 161 of the Act read with Schedule IV thereto and Article 17.2 of the Articles of Association.

In terms of Section 161 of the Act, Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad hold office up to the date of the ensuing Annual General Meeting of the Company. Accordingly, appointment of Mr. Aditya Himatsingkaand Mr. Adnan Wajhat Ahmad is being proposed for the approval of the Members at the ensuing AGM.

The Company has received notices in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad for the office of Director and Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad :

a) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014;

b) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub-sections (1) and (2) of Section 164 of the Act; and

c) Declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of Listing Regulations.

In the opinion of the Board of Directors, Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad, proposed to be appointed as Independent Directors, meet the requirements of an Independent Directors, as specified in the Act, the Rules made thereunder, and the Listing Regulations. Mr. Himatsingka and Mr. Ahmad are are independent of the Management. They do not hold any share in the Company in their individual capacity or on a beneficial basis for any other person. Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad are not debarred from holding the office of director by virtue of any order of SEBI or any other such authority.

Copies of the draft letters of appointment of Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad as Independent Directors, setting out the terms and conditions of their appointment including entitlement to sitting fees, commission, etc., shall be available for inspection by the Members electronically. Members seeking to inspect the same can send an email to investorsgrievance@coromandel.murugappa.com

Approval of the shareholders is being sought by way of special resolution for the proposed appointment of Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad as Independent Directors of the Company to hold office for a term of five (5) consecutive years commencing with effect from October 1, 2023, to September 30, 2028, not liable to retire by rotation.

The Board and Nomination and Remuneration Committee have reviewed and evaluated the balance of skills, knowledge and experience on the board and identified the role and capabilities required of independent directors, and consider that appointment of Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad will be of immense value to the Company. As required pursuant to the Regulation 36 (3) of the Listing Regulations and Secretarial Standards-2, brief resume of Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad, giving the requsite information, , is appended as Annexure as under.

The Board, accordingly, commends the Special Resolutions set out in the Notice for approval by the Shareholders.

#### Memorandum of Interest.

Except Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmed, being the appointees, 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 Special Resolutions. Mr. Aditya Himatsingka and Mr. Adnan Wajhat Ahmad are not related to any other director of the Company.

#### Annexure

**Mr. Aditya Himatsingka**

Mr. Aditya Himatsingka, aged about 59 years, holds Bachelor Degree in Commerce, and Post Graduate Diploma in Textile Technology, Philadelphia College of Textiles, USA. He also completed Owners / President Management Programme from Harvard Business School, USA.

Mr. Himatsingka is a business leader with an illustrious and distinguished career spanning over 35 years in the Indian and global textiles space.

Mr. Himatsingka has been a Director at Everfast Inc., USA since 2017.

He is also on the Board of Lakshmi Machine Works Ltd., managing partner at Satin and Reed LLP, Seiden House LLP, and a Director in An Vivaar LLC. USA.

As part of the promoter family at Himatsingka Group, Mr. Himatsingka held the position of Executive Director at Himatsingka Seide Limited during 1994 - 2017.

Subject to approval of the Members, Mr. Aditya Himatsingka was appointed as Additional Director, designated as "Non-Executive Independent Director", of the Company with effect from October 1, 2023 and shall hold office for a term of five (5) consecutive years from October 1, 2023 to September 30, 2028, not being liable to retire by rotation. He shall be entitled to sitting fees for attending meetings of the Board and its Committee(s), and commission as approved.

Details of the Directorships / Memberships of Committees, as held by Mr. Aditya Himatsingka, are given below:

| Name of the Company | Chairmanship/ Director | Committee | Chairman/ Member |
|---|---|---|---|
| Lakshmi Machine Works Limited | Independent Director | 1) Corporate Social Responsibility Committee | Chairman |
| | | 2) Risk Management Committee | Chairman |

**Mr. Adnan Wajhat Ahmad**

Mr. Adnan Wajhat Ahmad, aged about 62 years is a Chemical Engineer with 4 decades of industry experience in leading companies such as BP and ICI, and Clariant. Mr. Ahmad started his career at ICI India, after completing his Masters in Chemical Engineering from Queens University, Canada. In a career spanning 19 years with ICI he worked in their explosives, specialty chemicals and paints businesses in a variety of manufacturing, supply chain and business roles across India. In 2004 he moved to BP Castrol Plc as Executive Director on the Board of Castrol India Limited. In 2008 he moved to Singapore as Regional Supply Chain Director Asia Pacific and in 2010 he relocated to the UK as Regional Supply Chain Director for Europe & Africa. Mr. Ahmad joined Clariant Chemicals (India) Limited in 2017 as Vice Chairman and Managing Director. Adnan was appointed is the Adjunct Professor, Dept of Specialty Chemicals, Institute of Chemical Technology, Mumbai in 2022.

Mr. Ahmad was a Member of the Confederation of Indian Industry's (CII) National Committee on Chemicals & Petrochemicals as well as the Committee on Multi- National Corporations. He was also the Chairman of the Sub-Committee on Biocides for CII's C&PC committee. Mr. Ahmad was also a Member of the Executive Committee at the Indian Chemical Council (ICC) from 2017 till 2021.

Subject to approval of the Members, Mr. Adnan Wajhat Ahmed was appointed as Additional Director, designated as "Non-Executive Independent Director", of the Company with effect from October 1, 2023 and shall hold office for a term of five (5) consecutive years from October 1, 2023 to September 30, 2028, not being liable to retire by rotation. He shall be entitled to sitting fees for attending meetings of the Board and its Committee(s), and commission as approved.

Dr. Adnan Wajhat Ahmed ceased to be the Managing Director of a listed entity i.e. Heubach Colorants India Limited in the past three years.

Details of the Directorships / Memberships of Committees, as held by Mr. Adnan Wajhat Ahmed, are given below:

| Name of the Company | Chairmanship/ Director | Committee | Chairman/ Member |
|---|---|---|---|
| DIC India Limited | Independent Director | Corporate Social Responsibility Committee | Member |
| | | Risk Management Committee | Chairman |
| | | Audit Committee | Chairman |
| | | Stake Holders Relationship Committee | Member |
| | | Audit Committee | |

## Item No.7

**Payment of commission to Mr. A Vellayan, Chairman of the Company**

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

The Company had been making payment of differential remuneration to the Chairman as per the approval given by the shareholders in the past, considering the valuable contribution being made to the Company. Accordingly, on the recommendation of the Nomination and Remuneration Committee, the Board has approved payment of commission of Rs. 200 Lakhs to Mr. A Vellayan, Chairman for the financial year 2022-23, subject to the approval of the Shareholders of the Company, as required in terms of Regulation 17(6) (a) of the Listing Regulations.

The overall commission proposed for all the Non-Executive Directors is Rs. 252.16 Lakhs, which is well within the limits of 1% of net profits of the Company for financial year 2022-23 as computed in the manner laid down in Section 198 of the Act.

Accordingly, approval of the Shareholders is being sought for payment of the proposed commission to Mr. A Vellayan, Chairman, as it exceeds fifty per cent of the total remuneration payable to other Non-Executive Directors of the Company for the financial year 2022-23.

Mr. A Vellayan, Chairman and his relatives are interested in Item No. 7 to the extent of their shareholding. None of the other Directors and Key Managerial Personnel of the Company, including their relatives, are concerned with or interested in, financially or otherwise, in the Resolution as set out at Item no. 7.

The Board recommends the Special Resolution as set out at Item No.7 for approval by Shareholders.

## Item No. 8

**Ratification of remuneration to Cost Auditors**

On the recommendation of the Audit Committee, the Board of Directors approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants and Mrs. Jyothi Satish, Cost Accountant as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-24 on the remuneration payable to them as per details furnished in item no. 8 of the Notice of the Annual General Meeting.

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 is required 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 2023-24.

None of the Directors and Key Managerial Personnel of the Company, including their relatives are concerned with or interested in, financially or otherwise, in the resolution as set out at item no. 8.

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

## Item No. 9, 10, 11 & 12

**Employee Stock Option Plan 2023 ('ESOP 2023')**

Equity based compensation is an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organisational objectives. The Company believes in rewarding the talents working with the Company and/or group company(ies) including subsidiary company(ies) or associate company(ies) or holding company for their continuous hard work, dedication and support, which has led the organization on the growth path. The Company intends to implement an Employee Stock Option Plan with a view to attract and retain key talent working with the Company, and/or group company(ies) including subsidiary company(ies) or associate company(ies) or holding company, by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability. The Company views employee stock option plan as a long-term incentive tool that would assist in aligning employees' interest with that of the shareholders and enable the employees not only to become co-owners, but also to create wealth out of such ownership in future. The initiative is being introduced to link the employee's performance in the Company along with other initiatives would contribute to improve the performance of the Company.

With this objective in mind, the Company intends to introduce and implement 'Coromandel International Limited – Employees Stock Option Plan 2023' (**"ESOP 2023" / "Scheme"**) for the eligible employees of the Company and/or group company(ies) including subsidiary company(ies) or associate company(ies) or holding company, both existing and future.

The Company had in the past approved the ESOP 2007 and ESOP 2016 schemes under which employees were granted employee stock options (**"Options"**). The Company granted Options under the ESOP 2007 and ESOP 2016 schemes until 2011 and 2022 respectively. ESOP 2007 scheme was closed in 2011. ESOP 2016 scheme is currently operational and the number of Options outstanding as on date under the ESOP Scheme 2016 are 6,34,700. However, there will not be any further grant of Options to the employees under the ESOP 2016.

The equity shares of face value of Re. 1 (Rupee One only) each of the Company required for the implementation of the proposed Scheme shall be sourced from secondary acquisition. The Scheme shall be administered through an irrevocable employee welfare trust of the Company (**"Trust"**) to be set-up and constituted by the Company. The contemplated secondary acquisition which shall be done through Trust is well within the ceiling prescribed under the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (**"SBEB Regulations"**).

For purchase of Shares from secondary acquisition, the Trust shall seek loan from the Company. The loan sought in this regard shall be within the statutory limit.

Accordingly, the Nomination and Remuneration Committee (**'Committee'**) at its meeting held on March 22, 2023, formulated the detailed terms and conditions of the Scheme which was duly approved by the Board of Directors(**"Board"**) at its meeting held on even date, subject to approval of the Members.

The key features of the ESOP 2023 and the disclosure, as required under SBEB Regulations, are given below:

**a) Brief description of the Scheme:**

The Company proposes to introduce the ESOP 2023 primarily with a view to attract, retain, incentivize and motivate the Employees of the Company and/or group company(ies) including subsidiary company(ies) or associate company(ies) or holding company that would lead to higher corporate growth. ESOP 2023 contemplates grant of Options to the eligible employees, including managing director and whole-time directors, as may be determined under the terms of ESOP 2023. After vesting of Options, the eligible employees shall have a right, but not obligation, to exercise the vested Options within the exercise period and obtain Equity Shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Committee shall supervise the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme. Whereas the Trust shall administer the Scheme.

The Scheme shall be deemed to have come into force on the date of receipt of shareholders' approval. It shall continue in effect till all the Options granted under the Plan are exercised or have been extinguished or unless the Scheme is terminated in accordance with the regulations.

**b) Total number of options to be granted:**

The total number of Options to be granted under the ESOP 2023 shall not exceed 58,80,900 (Fifty Eight Lakhs Eighty Thousand Nine Hundred only). Each Option when exercised would be converted into one Equity Share of Re. 1/- each fully paid-up. The source of equity shares shall be from secondary acquisition through the Trust up to 58,80,900 (Fifty Eight Lakhs Eighty Thousand Nine Hundred only).

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, split, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, the abovementioned limit of maximum number of Options to be granted under the Scheme shall automatically include within its ambit, such expansion or reduction as taken place on account of corporate action(s) including issue of bonus shares, split, rights issue, buy-back or scheme of arrangement.

**c) Identification of Employees entitled to participate in ESOP 2023:**

Following classes of employees are eligible being:

a) an employee as designated by the Company, who is exclusively working in India or outside India; or

b) a Director of the Company, whether a whole-time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group; or

c) an employee as defined in sub-clauses (a) or (b), of a Group Company including Subsidiary Company or its Associate Company, in India or outside India or of a Holding Company of the Company;

but does not include

i. an employee who is a Promoter or belongs to the Promoter Group; or

ii. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; or

ii. an Independent Director.

**d) Requirements of vesting, period of vesting**

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 4 (Four) years from the date of grant of options as may be determined by the Committee.

Options shall vest essentially based on continuation of employment, and apart from that, the vesting will be subject to achievement of certain performance parameters as may be specified by the Committee. A Grantee who has tendered his/her resignation and is serving the notice period after resignation, such notice period shall not be considered for Vesting and all the Unvested Options as on date of resignation shall be cancelled forthwith.

In the event of death or permanent incapacity of an Employee, the minimum vesting period shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the death or permanent incapacity.

In case of retirement, all the unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing applicable laws.

**e) Maximum period within which options shall be vested:**

All the options granted on any date shall vest not later than a maximum of 4 (Four) years from the date of grant of Options as may be determined by the Committee.

**f) Exercise Price or Pricing formula:**

The exercise price per Option shall be the latest available closing market price of the Share of the Company prior to the date of grant. However, the exercise price per Option shall not be less than the face value of the Share of the Company.

Market price for this purpose shall mean the latest available closing price of equity shares on the stock exchange having higher trading volume on the date immediately preceding the grant date.

**g) Exercise Period and the process of Exercise:**

The exercise period would commence from the date of vesting and will expire on completion of 5 (five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time. The vested Options shall be exercisable by the Employees by a written application to the Company expressing their desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The employees can exercise all or part of the vested Options within the exercise period. The Options shall lapse if not exercised within the specified exercise period.

**h) Appraisal Process for determining the eligibility of the employees to ESOP 2023**

The appraisal process for determining the eligibility of the employees shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

**i) Maximum number of options to be issued per Employee and in aggregate:**

The maximum number of options that may be granted to each Employee shall vary depending upon the grade, which however shall not exceed 2,01,000 (Two Lakhs One Thousand Only) Options per eligible employee. The total number of Options that may be granted to the eligible Employee per grant and in aggregate under the ESOP 2023 shall not exceed 2,01,000 (Two Lakhs One Thousand Only) Options.

**j) Maximum quantum of benefits to be provided per Employee under the ESOP 2023:**

The maximum quantum of benefits that will be provided to any eligible Employee under the Scheme will be the difference between the market value of Company's Shares on the stock exchanges as on the date of exercise of Options and the exercise price paid by the employee.

Apart from grant of Options as stated above, no other benefits are contemplated under the Plan.

**k) Implementation and administration of ESOP 2023**

The ESOP 2023 shall be implemented and administered by the Trust of the Company.

**l) Secondary acquisition of Shares by the Trust**

The Scheme contemplates acquisition of Shares not exceeding 58,80,900 (Fifty Eight Lakhs Eighty Thousand Nine Hundred only) from the secondary acquisition through the Trust.

**m) Loan to be provided by the Company to the Trust implementation of ESOP 2023 and relevant particulars thereof**

The Company will provide loan to the Trust in one or more tranches for purchase shares of the Company by the Trust from secondary market. The tenure of the loan, repayment schedule and other terms of the loan shall be finalized by the Board, considering the relevant factors. The funds so procured by the Trust will be utilized by the Trust, exclusively for acquisition of shares of the Company from the secondary market.

**n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s)**

Secondary acquisition of shares of the Company by the Trust shall be subject to the following requirements:

(i) Secondary acquisition in a financial year by the Trust shall not exceed two per cent of the paid-up equity capital of the Company as at the end of the previous financial year; and

(ii) The total number of shares under secondary acquisition held by the Trust shall at no time exceed five per cent of the paid up equity capital of the Company as at the end of the financial year immediately prior to the year in which the shareholders' approval is obtained for such secondary acquisition shall not become a mechanism for trading in shares and hence shall not sell the shares in secondary market except under the circumstances set out in Regulations, as amended from time to time.

**o) Accounting Policies specified in Regulation 15 of SEBI SBEB Regulations**

The Company shall follow the requirements including the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance Note on Accounting for employee share-based Payments', as issued and applicable from time to time.

**p) Valuation of options**

The Company shall adopt 'fair value method' for valuation of options, as prescribed under guidance note or relevant Accounting Standards notified by appropriate authorities from time to time.

**q) Declaration**

In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report'.

The said Statement is not applicable to the Company since the Company is opting for the Fair Value Method.

**r) Period of lock-in of shares**

There will be no lock-in for the shares transferred pursuant to exercise of Options under ESOP 2023.

**s) Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the Plan:**

Subject to the provisions of the then prevailing applicable laws, the Board/Committee shall determine the procedure for buy-back of the specified securities/ Options if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

As per the Companies Act, 2013, SBEB Regulations, the Company seeks members' approval by way of a special resolution for:

(i) Approval of the Scheme seeking to cover eligible employees of the Company and/or group company(ies) including subsidiary company(ies) or associate company(ies) or holding company (item no. 9);

(ii) Grant of Options to the eligible employees of the group company(ies) including subsidiary company(ies) or associate company(ies) or holding company (item no. 10); and

(iii) Secondary acquisition of equity shares (item no. 11).

A copy of the draft Scheme is available for inspection at the Registered Office of the Company on all working days, between 11.00 a.m. to 5.00 p.m. up to July 26, 2023.

None of the Directors and Key Managerial Personnel of the Company are in any way, concerned or interested in Items 9 and 10, except to the extent of the options exercisable into Equity Shares of the Company that may be offered to them as per the terms of ESOP 2023.

The Board, accordingly, recommends passing of the special resolutions set out under item No. 9,10 and 11 of the Notice.

As stated above, the Company proposes to implement ESOP 2023 through Trust. Upon approval of the shareholders and after complying with the procedural and statutory formalities, the Trust will acquire shares from the secondary market. In this regard, the Company proposes to give loan to the Trust on such terms, as may be finalized and approved by the Board, to acquire equity shares of the Company from the secondary market and utilize such shares against exercise of options granted/to be granted under ESOP 2023 to the eligible employees of the Company, and/or group company(ies) including subsidiary company(ies) or associate company(ies) or holding company. . As per Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014, the amount of loan shall not exceed 5% of the aggregate of paid-up share capital and free reserves of the Company.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the Scheme and shall be repayable to the Company upon realization of proceeds on permitted sale/ transfer of Shares including realization of exercise price and any other eventual income of the Trust.



In this regard, the disclosure required as per Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 are given below:

**a) Class of employees for whose benefit the Scheme is being implemented and money is being provided for acquisition of shares by the Trust:**

Following classes of employees are eligible being:

d) an employee as designated by the Company, who is exclusively working in India or outside India; or

e) a Director of the Company, whether a whole-time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group; or

f) an employee as defined in sub-clauses (a) or (b), of a Group Company including Subsidiary Company or its Associate Company, in India or outside India or of a Holding Company of the Company;

but does not include

iv. an employee who is a Promoter or belongs to the Promoter Group; or

v. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; or

vi. an Independent Director.

**b) Particulars of the trustee in whose favour such shares are to be registered**

It is contemplated that designated trustee shall acquire and hold the Shares of the Company in due compliance of the SBEB Regulations and Companies Act, 2013. An Employee shall be a registered owner of Shares pursuant to exercise of vested Options and transfer of corresponding number of Shares by the trustee.

**c) Particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel:**

The Trust is proposed to be set-up and constituted under the name as may be decided by the Board of Directors of the Company, would have its registered office at Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad – 500 003. The nature of the Trust will be irrevocable.

Particulars of the Trustees are given below:

| S. No. | Name | Address | Occupation | Nationality |
|---|---|---|---|---|
| 1 | Mr. Arun Leslie George | 5 Tamarai Street, Ambal Nagar, Porur, Chennai -600116 | Company Executive | Indian |
| 2 | Mr. R Ram Praveen | Jains Ashraya Phase 3, A2 Block 1199 Arcot Road, Virugambakkam, Chennai 600092 | Company Executive | Indian |
| 3 | Mr. Satya Narayan Nayak | Flat B 17, Block OAK B Ben Foundation Maple Orchard, Padi Kuppam Road, Anna Nagar West, Chennai 600040 | Company Executive | Indian |

The Trustee has no relationship with the promoters, directors, or key managerial personnel of the Company.

The Board shall have the power to change the Trustees as deemed necessary from time to time. The Trustees shall discharge their responsibilities as per the terms of the Trust Deed.

All the above Trustees are presently employees of the Company. None of the above Trustees and their respective relatives is related to Promoters, Directors or Key Managerial Personnel of the Company.

**d) Interest of Key Managerial Personnel, Directors or Promoters in such Scheme or Trust and effect thereof**

None of the Key Managerial Personnel, Directors or Promoters of the Company are in any way, concerned or interested in the scheme or trust, except to the extent of the options exercisable into Equity Shares of the Company that may be offered to them as per the terms of ESOP 2023.

**e) Particulars of benefits which will accrue to the employees from the implementation of the Scheme**

The maximum benefits that will be provided to any eligible Employee under the Plan will be the difference between the market value of Company's Shares on the stock exchanges as on the date of exercise of Options and the exercise price paid by the employee.

Apart from grant of Options as stated above, no other benefits are contemplated under the Plan.

f) **Details about voting rights in respect of the shares to be purchased under the Scheme**
The trustee of the Trust shall not vote in respect of Shares held in the Trust as per extant SBEB Regulations. In this circumstance, the voting rights can be exercised by an eligible employee only when the Shares are transferred by the Trust to him/her upon exercise.

Consent of the Members is being sought for implementation of the ESOP 2023 through the Trust and for giving of loan to the Trust for acquisition of equity shares of the Company from secondary market, as required in terms the provisions of Section 67 of the Companies Act, Regulation 3 and 6 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable laws and regulations, if any.

The Board, accordingly, recommends passing of the special resolutions set out under item No. 12 of the Notice.

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

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

Place: Chennai
Date: May 15, 2023



# Board's Report

**Dear Members,**

The Board of Directors of your Company has pleasure in presenting the 61st 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, 2023.

## 1. Standalone Financial Highlights

Rs. in Crores

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Revenue** | | |
| From Operations | 29,609.55 | 19,088.26 |
| Other Income | 174.76 | 143.17 |
| **Total Revenue** | **29,784.31** | **19,231.43** |
| **Profit** | | |
| **Profit before Interest, Depreciation and Taxation** | **3,092.52** | **2,178.86** |
| Less: Interest | 189.28 | 75.43 |
| Less: Depreciation | 181.20 | 172.02 |
| **Profit Before Tax** | **2,722.04** | **1,931.41** |
| Less: Provision for Tax (including deferred tax) | 687.37 | 518.96 |
| **Profit After Tax** | **2,034.67** | **1,412.45** |

Your Company's Revenue from Operations for the year was Rs. 29,609.55 Crores as against Rs. 19,088.26 Crores last year. The Profit before Interest, Depreciation, and Taxation grew to Rs. 3,092.52 from Rs. 2,178.86 Crores in the previous year registering a growth of 42% year-on-year (YoY). The Net Profit for the year grew to Rs. 2,034.67 Crores from Rs. 1,412.45 in the previous year, i.e., recording an increase of 44% YoY. The EBITDA margin decreased 81 basis points to 9.85%, and the PAT margin decreased 53 basis points to 6.87% in FY 2022-23 over the previous reporting period. The Earnings Per Share (EPS) for the year stood at Rs. 69.25 per share compared to Rs. 48.14 per share for the previous year.

Your Company proposes to retain Rs. 2,034.67 in the Statement of Profit and Loss, and not transfer it to the General Reserve.

## 2. Business Environment

### Global & Indian Economy

The worldwide economic system has managed to make significant positive strides despite the difficulties posed by the pandemic, but it faced headwinds arising out of ongoing geopolitical rift in Europe, volatility in commodity prices, and a slowing growth scenario across nations. World Bank estimates that the global economy has grown by 3.4% in 2022. Outlook for world economy is signalling weakness with persisting inflationary pressure and hawkish monetary policies adopted by the central banks.

India growth story remains intact as against the prevailing global macroeconomic environment with World Bank estimates suggesting GDP growth to be 6.9% during FY2023. Even though inflation breached the threshold in the first half of the year, the Reserve Bank of India's careful strategy, combined with a reduction in global commodity prices, brought it down to comfortable levels by year-end. Major economic indicators including exports, gross GST collections, etc. have improved in comparison to last year. Foreign exchange reserves continue to remain healthy, touching ~USD 580 bn as on 31st March 2023. India took on the G20 Presidency for the first time during the year, reiterating its significant stature in the global economy. With favourable government policies, substantial capital investments, and economic resilience, India is expected to have a dominant position in the global economy in the coming years.

### Agriculture

Indian agriculture has grown at average growth rate of 4.6% per annum during the last six years, ably supported by government measures and enhanced investments in infrastructure. The country also experienced strong Kharif and Rabi seasons with above normal monsoon. As a result, total foodgrain production is expected to touch 323 million MT during FY2023 (2.5% growth over previous year).

Income support schemes by Central and State governments, expansion of pan-India electronic trading system for agri produce, implementation of Cluster Development Programme, establishment of Agriculture Infrastructure Fund and other similar measures boosted farm income and enhanced India's agricultural competitiveness. In addition to these, government is also promoting the adoption of latest technology in agricultural practices such as drone-based spraying which has significant potential in improving farm productivity and offering minimal environmental footprint.

India has the capability to become the major supplier of food for the world with its immense agricultural resources and growth potential. However, this will require continued investments towards faster adoption of technology, infrastructure enhancement, development of sustainable solutions, as well as effective policies and support for farming community to ensure long-term success.

## 3. Performance Review

Coromandel delivered a robust performance during FY2023 registering good growth in terms of revenue and profitability. The manufacturing plants maintained high levels of efficiency while prioritizing the safety of their operations. With a view to strengthen its upstream integration capabilities and operational flexibility, the company undertook strategic investments in Nutrients and Crop Protection businesses. It also prioritized technology & sustainability led investments and during the year, acquired stakes in three Ag-tech startups. The company continued its integrated crop management approach and worked closely with the value chain players to ensure timely availability of agri inputs and services to the farming community.

### Fertiliser

Coromandel's fertiliser business posted a strong performance during FY2023, strengthening its sales & marketing presence, manufacturing infrastructure, supply chain agility and new product development capabilities. The company continued to strengthen its existing business through backward integration, thus ensuring long-term raw material supply security. Coromandel acquired 45% stake in Baobab Mining and Chemicals Corporation (BMCC), Senegal, which is likely to support the company's rock phosphate requirement. In addition to this, the commissioning of Sulphuric Acid plant is progressing and shall be completed in FY2024.

The fertiliser manufacturing plants operated at more than 90% capacity utilization and achieved a growth of 14% over previous year to post production volume of ~3.3 million MT. Single Super Phosphate (SSP) production volume grew by 19% to 8.6 lakh MT by resuming operations in Pali (Maharashtra) and capacity enhancement at Ennore (Tamil Nadu) via tolling arrangement. The company also continued its unwavering focus on ensuring safe operations and Total Recordable Incident Rate (TRIR) for the year was 0.41 per million manhours.

In FY2023, primary sales volume of DAP & Complex fertilisers and SSP equalling 36.5 lakh MT and 8.1 lakh MT respectively was achieved by the business. Coromandel also supported the government by establishing Pradhan Mantri Kisan Samruddhi Kendras (PMKSKs) within its key geographies. These shall serve as one-stop shop for farmers by offering varied agri-inputs and farm advisory solutions. The company developed a nanotechnology-based fertiliser product, Nano DAP, which provides the farmers a sustainable solution in increasing nutrient uptake. Integrated nutrient marketing structure supported by the agronomist team and Nutriclinics continue to support the business in promoting its balanced nutrition approach and market development initiatives.

The sourcing team was able to ensure on-time availability of critical raw materials and overcome prevailing pricing pressures in the market through implementation of optimal buying strategy and diversification of sources. The company was also able to unlock additional capacity through process and feedstock optimization.

A Centre of Excellence (CoE) for manufacturing was set up at Visakhapatnam that focuses on real-time monitoring of production parameters and identifying efficiency improvement initiatives. This, along with multiple digital interventions across varied functions, reiterates Coromandel's focus on 'Digital' at the core of its operations.

### Specialty Nutrients

Speciality Nutrients business promotes balanced nutrition, offering a product portfolio comprising of bentonite sulphur, water-soluble fertilisers, micronutrients, liquid fertilisers, organic soil health restoring agents, plant-based biostimulants, organic manures, organic Potash, etc. During the year, the business focused on capacity building initiatives and was able to register robust growth.

3 new products were launched in FY2023 – 'AcuMist Calcium', 'Gardina – Soil Conditioner' and 'Gardina – Growth Booster', the latter two catering to urban gardening segment. With the aim of empowering farmers by providing access to the latest technologies available in the market, the business piloted the drone project 'Gromor Drive' and offers soil, water & leaf testing services via Nutri-Clinics.

Infrastructure enhancement projects were carried out in its liquid fertiliser plant at Visakhapatnam and at the same time, the business has been making continuous effort in de-risking procurement through diversifying its sources.

### Crop Protection

Crop Protection Chemicals business clocked a modest growth of 5% this year. Domestic B2B and formulations business, especially new and speciality products, have exhibited good performance.

A Multi-Product facility was set up at Ankleshwar during the year, which aids the business in diversifying its product portfolio. This year also saw the introduction of 5 new formulation products (including 3 novel combinations) and 2 new agrochemical technicals.

In FY2023, the business embarked on a manufacturing excellence program and undertook operational efficiency improvement initiatives across its manufacturing plants yielding significant cost savings and reasonably protecting margins across key products. It maintained a strong emphasis on ensuring safety across its operations, and Total Recordable Incident Rate (TRIR) for the year improved significantly to 0.24 per million manhours.

The business strengthened its sourcing capabilities by developing new vendors and is improving its backward integration capabilities. It is working on a rich pipeline of new molecules and combination products.

As part of its long-term strategy, Crop Protection Chemicals business, has announced its expansion plans of foraying into CDMO and Specialty & Industrial chemical segments, which offer significant growth potential.

### Bioproducts

The Bioproducts business registered lower sales in comparison to previous year owing to poor neem seed season and resulting challenges in procurement. However, business was able to partially pass through the raw material impact resulting in stable profitability during the year.

The business has been able to consistently produce Azadirachtin of superior purity through manufacturing innovation and ensuring adherence to stringent raw material quality norms. The R&D team has undertaken development of microbial products and plant extract-based biostimulants, which forms a key element of the business' diversification strategy.

### Retail

With a network of 751 rural retail stores across Andhra Pradesh, Telangana and Karnataka, the business focuses on providing diverse range of products and services to farmers. The business also offers expert advice to the farming community via its 'Scientist-at-Store' initiative.

During the year, Retail business adopted a crop focused approach to drive customized crop recommendations and farm advisory. It closely partnered with agritech startups and solution providers for promoting adoption of pest and weather prediction technologies, drone-spraying, cold storage, digital farming, etc.

### AgTech Investments

During the year, Coromandel made investments in three ag-tech startups that are dedicated to providing advanced agricultural solutions.

Ecozen Solutions Pvt. Ltd. provides advanced renewable energy-based solutions that can help farmers reduce post-harvest losses, thus empowering the agriculture sector.

String Bio Pvt. Ltd. is a startup in the field of biotechnology that specializes in developing a distinctive array of fermentation-based products for use in various segments such as agriculture, animal nutrition, human nutrition, and personal care.

Dhaksha Unmanned Systems Pvt. Ltd. focuses on drone technology and offers a comprehensive set of solutions for Unmanned Aerial Systems (UAS) in a variety of applications, from agriculture to surveillance.

## 4. Finance

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back-up lines of credit. With higher raw material prices, the Working capital of the Company increased during the year; this was partially offset by improved market collection and higher subsidy receipts. Net Cash from Operations for the year stood at Rs. 560 Crores.

Your Company 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 has been upgraded to 'CRISIL AAA (Stable)' and short-term debt rating stands at 'CRISIL A1+'. The Company's long-term credit rating by India Ratings & Research has been upgraded to 'IND AAA (Stable)' and short-term debt rating stands at 'IND A1+'. This reflects a very strong (highest) degree of safety regarding timely servicing of financial obligations and 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

The Board is pleased to recommend a final dividend of Rs. 6/- per equity share of Re. 1 each. The Board had earlier approved payment of interim dividend of Rs. 6/- per equity share at its meeting held on February 2, 2023, which was paid to the Members of the Company on February 28, 2023. The total dividend for the financial year ended March 31, 2023 would, accordingly, be Rs. 12/- per equity share of Re.1 each. The total outgo on account of the dividend for the year would be Rs. 352.81 crores, 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://www.coromandel.biz/investors/policies/

## 6. Consolidated Financial Results

The consolidated financial statements, which are prepared in accordance with the provisions of the Companies Act, 2013 ('the Act') and the relevant accounting standards, form part of this Annual Report. As required under the provisions of the Act, a statement showing the salient features of the financial statements of the subsidiaries, associates and joint ventures is enclosed as **Annexure A** to this Report.

The financial statements of the subsidiary companies will be made available to the members of the Company 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. Coromandel Chemicals Limited (CCL) [Formerly Parry Chemicals Limited]:

CCL, a wholly owned subsidiary of the Company, earned a total income of Rs. 2.18 crore for the year ended March 31, 2023, and Loss after tax was Rs. 5.57 crore.

During the year under review, CCL acquired 45% equity stake in Baobab Mining and Chemicals Corporation SA, Senegal (BMCC) at a consideration of USD 19.6 million and also extended a loan of USD 7 million to BMCC for capital projects and expansion. This strategic investment in mining operation is being made by the Company through CCL to strengthen its backward integration and secure long-term supply of rock phosphate, which is one of the key raw materials for the Company. The Company infused equity into and advanced loan to CCL to finance the above strategic investment.

### ii. Dare Ventures Limited (DVL) [Formerly Dare Investments Limited]:

DVL, a wholly owned subsidiary of the Company, earned a profit of Rs. 0.04 crores for the year ended March 31, 2023.

DVL is a corporate venture capital arm of the Company with a focus on leading investments in early to growth stage start-up companies engaged in providing technology led solutions for complex and long-term problems in the agriculture and allied sectors.

The details of investments made by DVL in AgTech start-ups Companies during the financial year 2022-23 are as under:

**Ecozen Solutions Private Limited (Ecozen)**– DVL invested Rs. 10 Crores during the financial year 2022-23 in Ecozen.

Ecozen develops climate-smart deeptech solutions and core technology stacks to deliver a sustainable future, including motor controls, IoT, and energy storage.

**String Bio Private Limited (String Bio)** – DVL invested Rs. 16.49 Crores during the financial year 2022-23 in String Bio.

With a vision to build a world where cleaner and better ways of living are enabled by biotechnology, String Bio has developed a set of next generation products across different sectors to deliver such solutions.

In agriculture, String Bio has developed several bio stimulant products targeting horticulture as well as large acreage crops.

**Dhaksha Unmanned Systems Private Limited (Dhaksha)** – DVL invested Rs. 19.99 Crores during the financial year 2022-23 in Dhaksha.

Dhaksha, one of the forerunners in the drone space in India, provides a complete range of Unmanned Aerial Systems (UAS) technology solutions for different applications covering agriculture, defence, surveillance and delivery, among others.

### iii. Coromandel Technology Limited (CTL)

CTL was incorporated on December 27, 2022 as a wholly owned subsidiary of the Company. CTL did not have any operation during the financial year 2022-23.

### iv. CFL Mauritius Limited:

CFL Mauritius Limited, a wholly owned subsidiary, incurred a loss of USD 0.04 million (equivalent to Rs.0.32 crore) during the year ended March 31, 2023. The primary source of income for this subsidiary is dividend income from Foskor (Pty) Ltd. and the subsidiary did not receive any dividend from Foskor during the financial year 2022-23.

### 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 loss of Brazilian Reals 0.32 million (equivalent to Rs.0.49 crore) for the year ended March 31,2023.

### vi. Coromandel Australia Pty Ltd (CAPL) [Formerly Sabero Australia Pty Ltd]:

CAPL did not have any significant operation during the year ended March 31,2023. It earned a loss of Australian Dollar 0.01 million (equivalent to Rs.0.07 crore) for the year ended March 31,2023.

### vii. 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 0.34 million (equivalent to Rs.0.52 crore) for the year ended March 31, 2023.

### viii. Sabero Europe BV (SEBV):

SEBV was liquidated voluntarily during the year, as it was not undertaking any business operations and had no plans for the future. Voluntary liquidation of SEBV was approved by the Chamber of Commerce, Netherlands with effect from May 25, 2022 and, accordingly, SEBV ceased to be a wholly owned subsidiary of the Company from that date.

### ix. 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 0.09 million (equivalent to Rs. 0.04 crore) for the year ended March 31, 2023.

### x. Sabero Argentina SA (Sabero Argentina):

Sabero Argentina is primarily engaged in getting product registrations in Argentina and procuring orders for supplies from India. It did not have significant operation during the year ended March 31, 2023.

### 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 1.18 million (equivalent to Rs.9.45 crore) for the year ended March 31, 2023.

### xii. Coromandel International (Nigeria) Limited (CINL):

CINL is engaged in getting product registrations in Nigeria and procuring orders for supplies from India. It made a net profit of Naira 2.27 million (equivalent to Rs.0.04 crore) for the year ended March 31, 2023.

### 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.

#### Associate Company

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

SOPA, an associate company based in Philippines, did not have any significant operation during the year ended March 31, 2023.

**(ii) Baobab Mining and Chemicals Corporation SA, Senegal (BMCC)**

During the financial year 2022-23, your Company made a strategic investment in BMCC through its wholly owned subsidiary, Coromandel Chemicals Limited. (CCL) by way of acquisition of equity shares in BMCC, and infusing loan in it. CCL currently holds 45% equity in BMCC.

BMCC is a registered corporate entity in Dakar, Republic of Senegal (West Africa) and has been engaged in the business of mining, production and sale of Rock Phosphate, one of the key raw materials used in manufacturing of phosphoric acid, which in turn is used in manufacturing of complex fertilizers.

The Company has made this strategic investment in BMCC to secure supply of Rock Phosphate, on a long-term and sustainable basis.

#### Joint Venture Company

Brief details of the performance of the Yanmar Coromandel Agrisolutions Private Limited (YCAPL), Joint Venture (JV) company is given below:

YCAPL, a Joint Venture company between the Company, Yanmar & Co. Ltd, Japan, and Mitsui & Co. Ltd, Japan, is into sales and service of agri-tech equipment focussed on farm mechanization in India. YCAPL has been consolidating its position as amongst the market leaders in India in the Combine Harvester and Rice Transplanter segments. The total income for the year was Rs. 127.74 crore and the net profit was Rs. 3.22 crore.

**Strategic Investment(s):**
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 supply of phosphoric acid for the Company's operations at Kakinada and Visakhapatnam. During the year, TIFERT operations were impacted by the 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):** The Company, along with CFL Mauritius Limited, holds 14% equity in Foskor. Foskor supplies high-quality phosphoric acid and rock phosphate, which is used for phosphatic fertiliser manufacturing at Kakinada and Ennore plants of your company. The financial performance of Foskor improved during the year with efficient mining operations resulting in higher rock production. The 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, as per the details set out in the Corporate Governance Report. The Company has formulated a Risk Management Policy to ensure risks associated with the business operations are identified and risk mitigation plans put in place. Details of the key risk associated with the business are given 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 statues, 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 on an arm’s length basis. 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. There are no materially significant related party transactions during the year which may have a potential conflict with the interest of the Company at large.

Related party transactions as required under the Indian Accounting Standards are disclosed in Notes to the financial statements of the Company for the financial year ended March 31, 2023. The Policy on Related Party Transaction is available on the Company's website at https://www.coromandel.biz/investors/policies/

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, commission and reimbursement of expenses, if any.

## 11. Auditors

### i. Statutory Auditors and their report

M/s. S.R. Batliboi & Associates LLP (Reg. No. FRN 101049W/E300004) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 59th Annual General Meeting until the conclusion of the 64th Annual General Meeting of the Company.

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

The Auditor's Report given by M/s. S.R. Batliboi & Associates LLP on the financial statements of the Company for the year ended March 31,2023, 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 did not report any matter under Section 143(12) of the Act. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### ii. 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 and accordingly such accounts and records are made and maintained in the prescribed manner. The cost accounting records maintained by the Company are required to be audited and accordingly M/s. Narasimha Murthy & Co., and Mrs. Jyothi Satish were appointed as Cost Auditors for the financial year 2022-23.

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 2023-24. The Act mandates that the remuneration payable to the Cost Auditor is ratified by the shareholders. Accordingly, a resolution seeking ratification of the shareholders for the remuneration payable to the Cost Auditors for the financial year 2023-24 is included in the Notice convening the 61st Annual General Meeting.

During the year, the Company filed the Cost Audit Report for the financial year 2021-22 with the Ministry of Corporate Affairs within the prescribed time limit.

### iii. 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 2022-23.

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 the said 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. Board, Committees of the Board and other information

### i. Directors

Your Company is managed and governed by a Board comprising an optimum blend of Executive and Non-Executive Directors. As on March 31, 2023, the Board of Directors comprised of eleven (11) Directors, consisting of Executive Vice Chairman, two (2) Whole-time Directors and eight (8) Non-Executive Directors, out of which six (6) Directors were Independent Directors, including two Woman Directors. The composition of the Board is in conformity with Regulation 17 of the 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.

Mr. Sameer Goel superannuated from the services of the Company and, consequently, ceased to be the Managing Director of the Company with effect from close of business hours on January 31, 2023. The Board placed on record its appreciation of the significant contribution made and valuable services rendered by Mr. Sameer Goel during his tenure.

During the year, Dr. Deepali Pant Joshi (DIN:07139051) was appointed as Additional Director and designated as Non-Executive Independent Director. Mr. Sankarasubramanian S. (DIN: 01592772) was appointed as Additional Director, and designated as Executive Director – Nutrient Business. Dr. Raghuram Devarakonda (DIN:09749805) was appointed as Additional Director and designated as Executive Director – CPC, Bio and Retail Business of the Company. The above appointments were made effective from February 1, 2023, for a term of five (5) years, subject to approval of shareholders of the Company.

Subsequently, the shareholders through postal ballot on December 29, 2022, approved the appointment of Dr. Deepali Pant Joshi as Independent Director, Mr. Sankarasubramanian S. as Executive Director – Nutrient Business, and Dr. Raghuram Devarakonda as Executive Director – CPC, Bio and Retail Business of the Company for a term of five years, effective from February 1, 2023.

In accordance with Article 17.29 of the Company's Articles of Association, read with Section 152 of the Act, Mr. M. M. Venkatachalam, Director (DIN: 00152619) retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

**ii. Board Meetings**

The annual calendar of the board meetings is prepared and circulated to the Directors in advance. During the financial year 2022-23, seven (7) Board Meetings were held, the details of which are given in the Corporate Governance Report.

**iii. Independent Directors and their declaration of Independence**

As on March 31, 2023, the Independent Directors of the Company included Mr. Sumit Bose, Ms. Aruna B. Advani, Mr. K V Parameshwar, Dr. R Nagarajan, Mr. Sudarshan Venu and Dr. Deepali Pant Joshi. All the Independent Directors of the Company have furnished necessary declaration in terms of Section149(7) of the Act and Regulation 25(8) of Listing Regulations affirming that they meet the criteria of independence as stipulated under the Act and Listing Regulations. All the Independent Directors of the Company have registered on the Independent Directors Databank as required under the Act and the applicable Rules in the said regard. In the opinion of the Board, all the Independent Directors have the integrity, expertise and experience including the proficiency required to effectively discharge their roles and responsibilities in directing and guiding the affairs of the Company.

**iv. Familiarization Programmes for Independent Directors**

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

The Company has an ongoing familiarization programme 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 made familiar 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, Executive Vice Chairman and the Managing Director / Executive Directors 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 familiarization 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 familiarization programme are also disclosed on the Company's website at https://www.coromandel.biz/investors/policies/

**v. 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://www.coromandel.biz/investors/policies/[55]

**vi. Evaluation of the Board's performance, its Committees and Directors**

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, performance of Committees of the Board, namely, Audit Committee, Corporate Social Responsibility and Sustainability 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.

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**vii. Audit Committee**

The Audit Committee comprises of Mr. Sumit Bose, Chairman, Ms. Aruna B. Advani, Member, Mr. K V Parameshwar, Member, Mr. Arun Alagappan, Member and Dr. Deepali Pant Joshi, Member. During the year, six (6) 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.

**viii. 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.

## 13. Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Arun Alagappan, Executive Vice Chairman, Mr. Sankarasubramanian S., Executive Director – Nutrient Business, Dr. Raghuram Devarakonda, Executive Director – CPC, Bio and Retail Business, Mrs. Jayashree Satagopan, President – Corporate & Chief Financial Officer and Mr. Rajesh Mukhija, Sr. Vice President-Legal & Company Secretary are the Key Managerial Personnel of the Company.

## 14. Policy on prevention, prohibition and redressal of Sexual Harassment at workplace

The Company has put in place the 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 constituted in compliance with the requirements of said Act to redress complaints received regarding sexual harassment. All employees are covered under this Policy. Employees at all levels are being sensitized about the Policy and the remedies available thereunder.

During the financial year 2022-23, three complaints were received by the ICC and two complaints were disposed off during the year under review, with its recommendations. One complaint was pending investigation as at the end of the year.

## 15. Employee Stock Option Plans

**Employee Stock Option Scheme 2007**

The Company had in the past approved the 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. There will be no further grants issued under the ESOP Scheme 2007.

**Employee Stock Option Plan 2016**

The Employee Stock Option Plan 2016 (ESOP 2016), as approved by the Shareholders through Postal Ballot on January 11, 2017, was operational during the year. The Board / Nomination and Remuneration Committee has been authorised to issue to the employees such number of Options under ESOP 2016 as would be exercisable into not exceeding 1,45,81,000 fully paid- up equity shares of Re. 1/- each in the Company. Pursuant thereto, the Nomination and Remuneration Committee has formulated detailed terms and conditions of the ESOP 2016.

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 4,13,700 options to the employees during the year under the ESOP 2016. The number of Options vested and outstanding as at the year-end were 14,04,370. The disclosure required to be made under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the website of the Company at https://www.coromandel.biz/investors/annual-general-meetings/

**Employee Stock Option Plan 2023**

The Board at its meeting held on March 22, 2023 approved the Employee Stock Option Plan 2023 (ESOP 2023), as per the recommendation made by the Nomination & Remuneration Committee, subject to its approval by the Shareholders of the Company.

The Company is seeking approval of the Shareholders for the ESOP 2023 at the forthcoming Annual General Meeting, which is scheduled to be held on July 27, 2023.

The disclosure required to be made under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the website of the Company at https://www.coromandel.biz/investors/annual-general-meetings/

## 16. 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 hosted at https://www.coromandel.biz/investors/policies/

## 17. 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 D** to this Report. The requisite certificate from M/s. R Sridharan & Associates, Company Secretaries confirming compliance with the conditions of Corporate Governance by the Company is also attached to the Report on Corporate Governance.

## 18. 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.

## 19. Business Responsibility and Sustainability Report

Pursuant to Regulation 34 of Listing Regulations, the Company has prepared the Business Responsibility and Sustainability Report in line with the business principles as provided in the Business Responsibility Policy adopted by the Company. The Business Responsibility and Sustainability Report is enclosed as **Annexure E** to this Report and the same is also available on the website of the Company.

## 20. Corporate Social Responsibility and Sustainability

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 and Sustainability (CSRS) activities for many years now even before it was mandated under the Act. The Company has put in place a CSRS policy, which is available on the website of the Company at https://www.coromandel.biz/sustainability/

As per the provisions of Section 135 the Act and the Rules made thereunder, the Company is required to spend Rs. 33.45 crores for the financial year 2022-23 i.e. 2% of the average net profits of the Company made during the three immediately preceding financial years. The Company, however, spent an amount of Rs. 25.54 crores towards CSR activities during the financial year 2022-23. The unspent amount of Rs. 7.92 crores on the ongoing projects has been transferred in April 2023 to a separate bank account titled Coromandel International Limited - Unspent CSR Account -2022-23 and shall be spent within the time limits specified in the Act and the Rules made thereunder.

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

## 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. It has put in robust processes and established safety performance indicators to track its HSE performance. A participative approach is adopted where employees are consistently encouraged to raise safety concerns, and these inputs are periodically monitored and actioned.

During the year, the Total Recordable Incident Rate (TRIR) for the company stands at 0.35 per million manhours.

Taking a major leap towards ESG, the company has voluntarily participated in DJSI Corporate Sustainability Assessment 2022 and obtained score of 50 which is substantial improvement from previous year. Company has started publishing its Integrated Reports and the first Report was published for the financial year 2021-22.

### Nutrition Business

During the year, the Total Recordable Incident Rate (TRIR) for the company stands at 0.41 per million manhours.

The Company participated in the external survey and benchmarking studies on health and safety. As per recent UK-HSL health and safety survey, Coromandel achieved an overall score of 4.25 against the Global benchmarking of 3.48.

The Company has initiated many studies to assess and improve the overall environment, health and safety. Water audit was carried out at Fertilizers plants located at Vizag, Kakinada and Ennore and at Crop Protection Chemical plant located at Ranipet. Fugitive emission study was carried out at Vizag plant.

Under the Asset Integrity program, the Corrosion study was completed at Vizag, Ennore and Kakinada plants. To improve safety culture at the sites, the company through its e-learning platform 'Vidhya Online' introduced safety related digital modules.

All facilities of Fertilizer & Single Super Phosphate (SSP) business and three facilities (Sarigam, Dahej, and Ankleshwar) of Crop Protection Chemical Plants (CPC) were successfully audited by accredited third party and re-certified for Integrated Management Systems (ISO-45001, ISO 14001 and ISO 9001) during the financial year 2022-23.

The Ennore plant was Certified with ISO: 50001 Certification, which is the energy management certification, during the financial year 2022-23.

To enhance emergency preparedness, projects on fire protection systems upgradation were taken up at fertilizer facilities and fire water systems have been installed and commissioned at SSP plants at Udaipur, Nandesari, Kota and Nimrani.

On environment front, Vizag plant undertook massive plantation under the "Miyawaki Plantation" program and a total of 23000 saplings were planted. Similarly at Kakinada and Ennore, 3000 saplings in the "Miyawaki Plantation methodology were planted. All the plants are operating with Zero Liquid Discharge (ZLD) concept.

During the year, the Company received many accolades for the excellence in Health, Safety and Environment. Five plants of the Company, namely Kakinada. The Company's Vizag plant has achieved the prestigious 5 Star Rating under the British Safety Council 5 Star rating audit during the year 2022-23. (Platinum Award), Ranipet & Kota (Gold Award) and Nimrani & Udaipur (Silver Award) received Kalinga Safety Excellence Award-2022 by Institute of Quality & Environment Management Services (IQEMS). Vizag plant was adjudged in five star categories in Kalinga Environmental Excellence Award. Ennore plant bagged silver award and Hospet & Ranipet plants received Bronze award in CII Southern Reason EHS Excellent Award 2022.Vizag plant received 2nd prize for Green Visakha plantation under sustainability report from Public Relations Society of India for the year 2022.

### Crop Protection Chemicals Business (CPC)

During the year 2022-23, CPC business has focused on the EHS initiatives and engagement of the employee in the safety culture enhancement. With consistent efforts by making safety as a value, the business has achieved Total Recordable Injury Rate (TRIR) of 0.24 for the year 2022-23. The Company's CPC plants have achieved zero reportable incident during the year 2022-23. Theme based safety campaigns i.e. Fire Prevention, Confined space entry, Work at Height, Electrical Safety & Material Handling etc were conducted across all CPC units for continuous engagement in the safety excellence journey. The campaign has set safety as a value for business and made everyone demonstrate safety as an integral part of all activities. During the year 2022-23, the plants have received safety accolades. Sarigam plant has won Gold Trophy in QCFI Surat Chapter- One day National Safety Convention for their presentation on "Current Site Safety Management Systems" & Dahej unit has won Gold Trophy in QCFI Vadodara Chapter- One day National Safety Convention for their presentation on "Current Site Safety Management Systems". Various employee engagement and safety awareness i.e. Road Safety Week, National Safety Week, National Fire Service Week, World Environment Day programmes were conducted across CPC plants. The Company has successfully implemented PSM 13 elements with Chola MS Risk Service at Ankleshwar & Dahej plants.

The business commissioned a new 500 KLD Effluent Treatment Plant (ETP) with MBBR technology commissioned at Dahej Plant. Electronic burner, auto blow down, Air compressor HRU system for preheating of boiler feed water, magnet in gas line were installed in boiler to improve boiler efficiency and reduce specific gas consumption in Dahej Plant. At Ankleshwar plant, 1662 trees were planted as a part of "War on Waste Program".

The Company has changed majority of incineration waste disposal mode to coprocessing with 3R concepts. Overall integrated approach towards Environment, Health & Safety is followed at CPC business and accordingly actions are taken to improve the EHS Key Performance Indicators and make it sustainable business. Overall, the company has adopted an integrated EHS Management system, all the EHS indices are tracked, and proactive actions are taken, and the Company is striving to protect the Health Safety & Environment through environmental friendly plant operations.

## 22. Other disclosures

### i. Share Capital

The paid-up equity share capital of the Company as on March 31, 2023 was Rs.29.40 crore. During the year, the Company has allotted 5,17,340 equity shares of Re.1 each under ESOP 2016. No equity shares were allotted under ESOP 2007 during the year.

### ii. Material Subsidiary Policy

The Company has adopted a policy for determining material subsidiary, in line with the requirements of the Listing Regulations and the same is available on the website of the Company at https://www.coromandel.biz/investors/policies/

### iii. Annual Return

In accordance with Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023, is available on the website of the Company at https://www.coromandel.biz/investors/annual-general-meetings/

### iv. 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 G** to this Report and forms part thereof.

### v. Particulars of Employees and 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 H** to this report.

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.

### vi. 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.

### vii. 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.

### viii. Compliance of Secretarial Standards

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

### ix. 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.

### 23. Declaration/Affirmations

During the year under review

- 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.
- there are no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016.
- the Company has not made any onetime settlement with any Bank or Financial Institution as such disclosure or reporting requirements 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 is not required.

## 24. Banks and financial institutions

Your Company is prompt in making the payment of interest and repayment of loans to the financial institutions / banks. Banks and Financial Institutions continue their unstinted support in all aspects and the Board had placed on record its appreciation for the same.

## 25. Acknowledgement

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

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

**On behalf of the Board of Directors**

Place: Chennai
Date :May 15, 2023

**A Vellayan**
Chairman

## Form AOC-1: Statement showing salient features of the financial statements of subsidiaries, joint ventures and associates as per the Companies Act, 2013

### Part "A" : Subsidiaries

(in lakhs)

| Name of entity | Coromandel Chemicals Limited* (Formerly Parry Chemicals Limited) | Dare Ventures Limited* (Formerly Dare Investments Limited) | CFL Mauritius Ltd.** | Coromandel Brasil Ltda** | Coromandel Australia Pty Ltd.** (Formerly Sabero Australia Pty Ltd.) | Sabero Organics America S.A.** | Coromandel Agronegocios de Mexico, S.A de C.V ** | Sabero Argentina S.A.** | Parry America Inc** | Coromandel International (Nigeria) Limited** | Coromandel Mali SASU** | Coromandel Technology Limited** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Date on which subsidiary is acquired | 25 September 2003 | 13 April 2012 | 17 June 2008 | 24 November 2008 | 31 December 2014 | 31 December 2014 | 31 December 2014 | 31 December 2014 | 19 April 2018 | 05 October 2018 | 04 February 2020 | 01 February 2023 |
| Share capital | 3,890 | 3,728 | 10,281 | 471 | 41 | 928 | 29 | 17 | 38 | 23 | 7 | 5 |
| Reserves and surplus | 2,274 | 1,630 | (10,163) | (593) | (40) | (856) | 186 | (18) | 6,536 | (20) | # | - |
| Total liabilities | 16,277 | 25 | 32 | 153 | 5 | 1 | 6 | 1 | 1,062 | 77 | - | - |
| Total assets | 22,441 | 5,384 | 151 | 31 | 6 | 73 | 221 | # | 7,635 | 80 | 7 | 5 |
| Investments (included in Total assets) | 15,660 | 5,374 | 7 | 23 | 1 | - | - | - | - | - | - | - |
| Total income (including other income) | 220 | 5 | # | 437 | 21 | 80 | 188 | - | 7,909 | 88 | - | - |
| Profit/(Loss) before tax | (557) | 4 | (32) | (44) | 7 | (52) | 15 | - | 969 | 14 | # | - |
| Provision for tax | - | 1 | - | 6 | - | - | 11 | - | 24 | 10 | # | - |
| Profit/(Loss) after tax | (557) | 3 | (32) | (49) | 7 | (52) | 4 | - | 945 | 4 | # | - |
| Dividend | - | - | - | - | - | - | - | - | - | - | - | - |
| % of shareholding | 100% | 100% | 100% | 100% | 100% | 99.98% | 100% | 95% | 100% | 99.99% | 100% | 100% |
| Reporting period | 31 March 2023 | 31 March 2023 | 31 March 2023 | 31 March 2023 | 31 March 2023 | 31 March 2023 | 31 March 2023 | 31 March 2023 | 31 March 2023 | 31 March 2023 | 31 March 2023 | 31 March 2023 |
| Reporting currency | Indian Rupee | Indian Rupee | USD | Brazilian Real | Australian Dollar | Brazilian Real | Mexican Peso | Argentina Peso | USD | Naira | West African CFA | Indian Rupee |
| Closing exchange rate | - | - | 82.18 | 15.66 | 54.97 | 15.66 | 4.56 | 0.39 | 82.18 | 0.18 | 0.14 | - |

#Less than ₹1 lakh

**Notes:**

1. There are no subsidiaries except Coromandel Technology Limited and Coromandel Mali SASU which are yet to commence operations.
2. Sabero Europe B.V. was liquidated during the financial year.

*Audited

**Unaudited

## Statement showing salient features of the financial statements of subsidiaries, joint ventures and associates as per Companies Act, 2013 (*Contd.*)

### Part "B" : Joint ventures/ Associates

| Name of entity | Yanmar Coromandel Agrisolutions Private Limited** | Sabero Organics Philippines Asia Inc.** | Baobob Mining and Chemicals Corporation SA.** |
|---|---|---|---|
| Relationship | Joint venture | Associate | Associate |
| Latest audited/unaudited balance sheet date | 31 March 2023 | 31 March 2023 | 31 March 2023 |
| Date on which the associate or Joint venture was associated or acquired | 14 January 2014 | 31 December 2014 | 05 September 2022 |
| Number of shares held by the Company | 1,60,00,000 | 320 | 2,25,000 |
| Amount of investment (₹ in lakh) | 160 | # | 15,660 |
| % of shareholding | 40% | 40% | 45% |
| Networth attributable to the Company (₹ in lakh) | 1,729 | 10 | 13,072 |
| Profit/ (loss) for the year | | | |
| i. Considered in consolidation(₹ in lakh) | 129 | (5) | (2,573) |
| ii. Not considered in consolidation(₹ in lakh) | 193 | (20) | (2,746) |

#less than ₹1 lakh

**Notes:**

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

*Audited

**Unaudited

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

Arun Alagappan
Executive Vice Chairman

A Vellayan
Chairman

Jayashree Satagopan
Chief Financial Officer

Rajesh Mukhija
Company Secretary

**Annexure B to Board's Report**

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

**[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 C**oromandel International Limited [Corporate Identification Number: L24120TG1961PLC000892]** (hereinafter called "the Company") for the financial year ended 31st March, 2023. 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 31st March, 2023 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 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(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 thereunder;

(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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable during the year under review);

e) The Employee Stock Option Plan, 2016 approved under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (not applicable during the year under review);

g) 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 (Not applicable as the company is not registered as Registrar to an Issue and Share transfer Agent during the year under review);

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (not applicable during the year under review) ; and

i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (not applicable during the year 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.

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) (Revised effective from October 1, 2017) and the Guidance Note on Meetings of the Board of Directors and General Meetings (revised) 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. (hereinafter referred to as "Listing Regulations")

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 Directors 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 and the Listing Regulations.

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. Meetings which are convened at shorter notice and agenda/ notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Meeting of the Board of Directors are complied with.

During the year under review, Directors/ Members have participated in the Board/ Committees 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 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 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 / Members of the Committee dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the number of votes cast against the resolution(s) by the members have been recorded.

**We further report that** based on the review of compliance mechanism established by the Company and on the basis of our review and audit of the records and books, 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 this report is also issued pursuant to Regulation 24A of the Listing Regulations as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8th 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 the Listing Regulations during the year under review.

**We further report that** during the audit period, the Company had

1. obtained approval from the Board of Directors at their meeting held on 28th April, 2022 and 21st July, 2022 for investment in the equity capital of its wholly owned subsidiary, Dare Ventures Limited, by way of subscription of equity shares for an amount not exceeding Rs. 25 Crores and 16.10 Crores respectively.

2. obtained the order dated 26th April, 2022 from Hon'ble National Company Law Tribunal, Hyderabad (NCLT) for sanction of the Scheme of amalgamation of its wholly owned subsidiaries viz. (a) Liberty Pesticides and Fertilizers Limited and (b) Coromandel SQM (India) Private Limited.

3. obtained approval from the Board and Chamber of Commerce, Netherlands for voluntary liquidation of Sabero Europe B.V., a wholly owned foreign subsidiary with effect from 25th May, 2022.

4. redeemed Commercial Paper (10000 units) amounting to Rs. 500 Crores on 8th September, 2022.

5. obtained approval from the Board of Directors at their meeting held on 3rd November, 2022 for formation of a wholly owned subsidiary under the name of "Coromandel Technology Limited".

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

**CS R.SRIDHARAN**
**CP No. 3239**
**FCS No. 4775**
**PR NO.657/2020**
**UIN : S2003TN063400**
**UDIN: F004775E000289334**

Place: Chennai
Date: 15th May, 2023



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

***Annexure -A***

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 as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. 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 as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the Company under the specified laws.

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 procedures 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**
**PR NO.657/2020**
**UIN: S2003TN063400**
**UDIN: F004775E000289334**

Place: Chennai
Date: 15th May, 2023

**Annexure C to Board's Report**

## 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, 2023, the applicable accounting standards have been followed and there have been no material departures there from.

2) That the accounting policies mentioned in Note 3 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, 2023 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 :May 15, 2023

**A Vellayan**
Chairman





**Annexure D to Board's Report**

# Report on Corporate Governance

Pursuant to Regulation 34, read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '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 cornerstone for sustained superior financial performance, serving all its stakeholders and 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 eminent professionals and experts serving as Independent Directors and represented in various Board Committees. Systematic attempts are 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, 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 and mechanisms for this purpose.

## 2. Board of Directors

i. As on March 31, 2023, the Board comprised of Mr. A Vellayan, Chairman (Non-Executive & Promoter), Mr. Arun Alagappan, Executive Vice Chairman (Executive & Promoter), Mr. Sankarasubramanaian S., Whole-time Director (Executive Director– Nutrient Business), Dr. Raghuram Devarakonda, Whole-time Director (Executive Director – Crop Protection, Bio Products & Retail), and Mr. M. M. Venkatachalam (Non-Executive & Promoter), who were the Non-Independent Directors of the Company in terms of Listing Regulations. Mr. Sumit Bose, Ms. Aruna B. Advani, Mr. K V Parameshwar, Dr. R Nagarajan, Mr. Sudarshan Venu and Dr. Deepali Pant Joshi were the Non-Executive Independent Directors of the Company in terms of Listing Regulations. None of the Directors of the Company are, inter-se, related to each other.

ii. All the Independent Directors of the Company are eminent professionals with vast experience in the fields of their expertise. 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 (the 'Act'), 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.

iii. Seven (7) Board meetings were held during the year and the maximum gap between any of two consecutive meetings was not more than 120 days. The dates on which the meetings were held are as follows:

| Date of Board meeting | Board Strength | No. of Directors present |
|---|---|---|
| April 28, 2022 | 9 | 8 |
| May 6, 2022 | 9 | 9 |
| July 27, 2022 | 9 | 9 |
| September 6, 2022 | 9 | 8 |
| November 3, 2022 | 9 | 9 |
| February 2, 2023 | 11 | 11 |
| March 22, 2023 | 11 | 11 |

iv. The details relating to attendance of each Director at the Board Meetings held during the year ended March 31, 2023, the last Annual General Meeting (AGM), and the number of Directorship, Membership and Chairmanship in Committees, as reckoned in line with Regulation 26 of Listing Regulations and the Act, are given below:

| Name of the Director | No. of Board meetings attended (No. of meetings held) | Attendance at last Annual General Meeting | No. of Directorships held including the Company* (out of which as Chairperson) | No. of Board Committee membership including the Company** (out of which as Chairperson) |
|---|---|---|---|---|
| Mr. A Vellayan | 7(7) | Present | 4(1) | 0(0) |
| Mr. Arun Alagappan | 7(7) | Present | 4(1) | 2(0) |
| Mr. Sameer Goel[@] | 5(5) | Present | 1(0)[@] | 1(0) |
| Mr. Sankarasubramanian S[$] | 2(2) | N.A. | 3(0) | 1(0) |
| Dr. Raghuram Devarakonda[$] | 2(2) | N.A. | 2(0) | 1(0) |
| Mr. M M Venkatachalam | 7(7) | Present | 8(4) | 6(3) |
| Mr. Sumit Bose | 7(7) | Present | 6(0) | 7(4) |
| Ms. Aruna B Advani | 7(7) | Present | 1(0) | 3(1) |
| Dr. R Nagarajan | 7(7) | Present | 0(0) | 0(0) |
| Mr. K V Parameshwar | 7(7) | Present | 1(0) | 2(0) |
| Mr. Sudarshan Venu | 7(5) | Present | 4(0) | 2(1) |
| Dr. Deepali Pant Joshi[#] | 2(2) | N.A. | 3(0) | 4(2) |

*Excludes foreign companies, private limited companies (not being subsidiary or holding company of a public company), alternate Directorship and companies registered under Section 8 of the Companies Act, 2013.

**Includes only membership in Audit and Stakeholders' Relationship Committees of public limited companies.

[@] Mr. Sameer Goel superannuated as a Managing director of the Company with effect from close of business hours on January 31, 2023, on completion of his term as Managing Director and consequently ceased to be member of Stakeholders Relationship, Corporate Social Responsibility, Risk Management and Banking and Borrowing Committee(s) of the Board. He also ceased to be the Director of the Company with effect from January 31, 2023.

[$] Mr. Sankarasubramanian S. and Dr. Raghuram Devarakonda were appointed as Whole-time Directors of the Company, designated as Executive Director – Nutrient Business and Executive Director – Crop Protection, Bio-products & Retail respectively, with effect from February 1, 2023. They became members of Stakeholders Relationship, Corporate Social Responsibility & Sustainability, Risk Management and Banking and Borrowing Committee(s) of the Board, with effect from February 2, 2023.

[#] Dr. Deepali Pant Joshi was appointed as an Independent Director for a term of five years with effect from February 1, 2023. She was also appointed as Member of the Corporate Social Responsibility & Sustainability Committee with effect from March 22, 2023.

v. The details of the listed companies in which the Directors hold directorship, including the Company, as on March 31, 2023, and the category of Directorship are furnished below:

| Name of the Director | Name of the listed company in which directorship held | Category |
|---|---|---|
| Mr. A Vellayan | Coromandel International Limited | Non-Executive & Promoter |
| | Kanoria Chemicals & Industries Limited | Non-Executive & Independent |
| | NOCIL Limited | Non-Executive & Independent |
| Mr. Arun Alagappan | Coromandel International Limited | Executive & Promoter |
| | Lakshmi Machine Works Limited | Non-Executive & Independent |
| | Thirumalai Chemicals Limited | Non-Executive & Independent |
| Mr. Sankarasubramanian S | Coromandel International Limited | Executive |
| Dr. Raghuram Devarakonda | Coromandel International Limited | Executive |
| Mr. M M Venkatachalam | Coromandel Engineering Company Limited | Non-Executive & Promoter |
| | Coromandel International Limited | Non-Executive & Promoter |
| | E.I.D Parry (India) Limited | Non-Executive & Promoter |
| | The Ramco Cements Limited | Non-Executive & Independent |
| | Ramco Systems Limited | Non-Executive & Independent |
| Mr. Sumit Bose | Coromandel International Limited | Non-Executive & Independent |
| | J B Chemicals and Pharmaceuticals Limited | Non-Executive & Independent |
| | HDFC Life Insurance Company Limited | Non-Executive & Independent |
| | JM Financial Limited | Non-Executive & Independent |
| Ms. Aruna B Advani | Coromandel International Limited | Non-Executive & Independent |
| | Metro Brands Limited | Non-Executive & Independent |
| Dr. R Nagarajan | Coromandel International Limited | Non-Executive & Independent |
| Mr. K V Parameshwar | Coromandel International Limited | Non-Executive & Independent |
| Mr. Sudarshan Venu | Coromandel International Limited | Non-Executive & Independent |
| | TVS Motor Company Limited | Executive |
| | Sundaram-Clayton Limited | Non-Executive & Non-Independent |
| Dr. Deepali Pant Joshi | Coromandel International Limited | Non-Executive & Independent |

vi. 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 of Director | Financial Management | Governance Practices | Corporate Strategy | Business Strategy | General Management |
|---|---|---|---|---|---|
| Mr. A Vellayan | √ | √ | √ | √ | √ |
| Mr. Arun Alagappan | √ | √ | √ | √ | √ |
| Mr. Sameer Goel | √ | √ | √ | √ | √ |
| Mr. Sankarasubramanian S | √ | √ | √ | √ | √ |
| Dr. Raghuram Devarakonda | √ | √ | √ | √ | √ |
| Mr. M M Venkatachalam | √ | √ | √ | √ | √ |
| Mr. Sumit Bose | √ | √ | √ | | √ |
| Ms. Aruna B Advani | √ | √ | √ | √ | √ |
| Dr. R Nagarajan | √ | √ | √ | √ | √ |
| Mr. K V Parameshwar | √ | √ | √ | √ | √ |
| Mr. Sudarshan Venu | √ | √ | √ | √ | √ |
| Dr. Deepali Pant Joshi | √ | √ | √ | | √ |

vii. A meeting of the Independent Directors, chaired by Mr. Sumit Bose, was held on March 22, 2023, which was attended by all the Independent Directors. The Independent Directors have evaluated performance of the Non-Independent Directors, the Board as a whole, and the Chairman of the Company taking into account the views of executive directors and non-executive directors. The Board was briefed on the deliberations made at the meeting of the Independent Directors.

viii. The details of the Familiarization Program imparted to Independent Directors of the Company are available on website of the Company at https://www.coromandel.biz/investors/policies/

ix. Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out 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 Corporate Social Responsibility & Sustainability Committee. Structured questionnaires were prepared after taking into consideration the 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.

x. None of the Executive Directors of the Company have served or serve as Independent Director in more than three listed companies. None of the Independent Directors of the Company served or serve as Independent Director in more than seven listed companies. None of the Directors of the Company was a member of more than ten public companies, ten board level committees or a chairman of more than five such committees across all companies, in which he/she was a director.

xi. The Company has received the requisite declarations from its Independent Directors confirming that they meet the criteria of independence prescribed both under the Act and the Listing Regulations. The Board at its meeting held on May 15, 2023, 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.

xii. 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. In terms of Schedule V to the Listing Regulations, a declaration signed by Executive Directors is enclosed to this report as **Annexure D(i)**.

xiii. A certificate from M/s. R Sridharan & Associates, practicing company secretaries certifying that none of the directors on the Board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority and certificate is annexed to this report as **Annexure D(ii)**.

xiv. As per the provisions of Section 152 of the Act, Mr. M M Venkatachalam, Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. His brief profile along with the additional information required as per Regulation 36(3) of the Listing Regulations and Secretarial Standards - 2 is given as annexure to the notice of Annual General Meeting.

## 3. Audit Committee

i. The terms of reference of the Audit Committee are in accordance with and covers all the matters specified under Section 177 of the Act and Regulation 18 of the Listing Regulations read with Part C of Schedule II 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.

ii. The Audit Committee had four (4) directors as of March 31, 2023, of which three (3) directors were Independent Directors. The Company Secretary is the Secretary of the Committee. The Executive Directors, Chief Financial Officer, Heads of Business Units, Head – Internal Audit and Chief Risk Officer, along with the Statutory Auditors are invitees to the Audit Committee meetings. Cost Auditors are invited to the meeting as and when required.

iii. During the year, six (6) meetings of the Committee were held on April 28, 2022, July 27, 2022, September 06, 2022, November 03, 2022, February 02, 2023, and March 22, 2023. The maximum time gap between any of the two consecutive meetings was not more than 120 days. Necessary quorum was present in all the meetings. The composition of the Audit Committee and details of attendance of the members during the financial year 2022-23 are given as follows:

| Name and Designation | Category | No. of meetings attended (No. of meetings held) |
|---|---|---|
| Mr. Sumit Bose, Chairman | Non-Executive & Independent | 6(6) |
| Mr. Arun Alagappan, Member | Executive | 6(6) |
| Ms. Aruna B. Advani, Member | Non-Executive & Independent | 6(6) |
| Mr. K V Parameshwar, Member | Non-Executive & Independent | 6(6) |
| Mr. Prasad Chandran, Member $ | Non-Executive & Independent | N. A. |

$ Mr. Prasad Chandran ceased to a member of Audit Committee on completion of his tenure as Independent Director from the close of business hours of April 20, 2022.

## 4. Nomination & Remuneration Committee[56]

i. The terms of reference of the Nomination & Remuneration Committee are in accordance with and covers all the matters specified under Section 178 of the Act and Regulation 19 of the Listing Regulations read with Part D of Schedule II of the Listing Regulations, and, inter alia, include:

- To formulate the criteria for appointment of Directors/Senior Management including determining qualifications, positive attributes, and independence of Directors.
- Recommend the remuneration and periodic increments of the Managing/Whole-time Director(s) and determine the annual incentive of the Managing/ Whole-time Director(s).
- 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.
- Recommend the Remuneration policy to the Board.
- Recommend to the Board, all remuneration in whatever form, payable to the Senior Management etc.

ii. During the year, five (5) meetings of the Nomination & Remuneration Committee was held on April 28, 2022, July 15, 2022, October 17, 2022, February 2, 2023 and March 22, 2023. The composition of the Nomination & Remuneration Committee and details of attendance of the members during the financial year 2022-23 are given as follows:

| Name and Designation | Category | No. of meetings attended (No. of meetings held) |
|---|---|---|
| Mr. Sumit Bose, Chairman | Non-Executive & Independent | 5(5) |
| Mr. A Vellayan, Member | Non-Executive | 5(5) |
| Ms. Aruna B. Advani, Member | Non-Executive & Independent | 5(5) |

[56]GRI 2-20

## 5. Stakeholders Relationship Committee

i. The terms of reference of the Stakeholders Relationship Committee are in accordance with and covers all the matters specified under Section 178 of the Act and Regulation 20 of the Listing Regulations read with Part D of Schedule II of the Listing Regulations, and *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.

ii. During the year, one (1) meeting of Stakeholders Relationship Committee was held on March 22, 2023. The composition of the Stakeholders Relationship Committee and details of attendance of the members at such meeting are given as follows:

| Name and Designation | Category | No. of meetings attended (No. of meetings held) |
|---|---|---|
| Mr. Sudarshan Venu, Chairman | Non-Executive & Independent | 1(1) |
| Mr. Arun Alagappan, Member# | Executive | 1(1) |
| Mr. Sankarasubramanian S., Member$ | Executive | 1(1) |
| Dr. Raghuram Devarakonda, Member$ | Executive | 1(1) |
| Mr. Sameer Goel* | Executive | N A |

# Mr. Arun Alagappan was appointed as a Member of the Committee at the Board Meeting held on 28th April, 2022.

$ Mr. Sankarasubramanian S and Dr. Raghuram Devarakonda were appointed as Members of the Committee at the Board Meeting held on 2nd February, 2023.

* Mr. Sameer Goel ceased to be a member on his superannuation as Managing Director with effect from the close of the business hours on January 31, 2023.

iii. Mr. Rajesh Mukhija, Sr. Vice President - Legal & Company Secretary is the Compliance Officer and acts as the Secretary of the Committee.

iv. During the year, the Company received 26 complaints from the shareholders and all of them were resolved satisfactorily. There were no complaints pending at the end of the financial year.

v. To facilitate faster redressal of investors' grievances the Company has created an exclusive e-mail id Investorsgrievance@coromandel.murugappa.com. Shareholders may lodge their query/complaints addressed to this e-mail id of the Company or to RTA e-mail id einward.ris@kfintech.com.

## 6. Risk Management Committee

i. The terms of reference of the Risk Management Committee are in accordance with and covers all the matters specified in Regulation 21 of the Listing Regulations and *inter alia*, include:

- To review and evaluate management's identification of all major Risks to the business and 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

ii. During the year, two (2) meetings of Risk Management Committee was held on September 2, 2022, and March 1, 2023. The composition of the Risk Management Committee and details of attendance of the members at such meetings are given as follows:

| Name and Designation | Category | No. of meetings attended (No. of meetings held) |
|---|---|---|
| Mr. K V Parameshwar, Chairman | Non-Executive & Independent | 2(2) |
| Mr. Sameer Goel, Member* | Executive | 1(1) |
| Mr. Arun Alagappan, Member | Executive | 2(2) |
| Mr. Sankarasubramanian S., Member@ | Executive | 1(1) |
| Dr. Raghuram Devarakonda, Member@ | Executive | 1(1) |

* Mr. Sameer Goel ceased to be a member on his superannuation as Managing Director with effect from the close of the business hours on January 31, 2023.

@ Mr. Sankarasubramanian S and Dr. Raghuram Devarakonda were appointed as Members of the Committee at the Board Meeting held on 2nd February, 2023.

## 7. Corporate Social Responsibility & Sustainability Committee

As a part of the strategic initiatives, the Company initiated actions to strengthen sustainability governance structure, and revised the Terms of Reference of the Committee, as given below, and changed the name of the Committee to Corporate Social Responsibility & Sustainability Committee:

i. The terms of reference of the Corporate Social Responsibility & Sustainability Committee includes all the matters specified in Section 135 of Act and inter alia, includes:

a) Formulate and recommend to the Board, a Corporate Social Responsibility and Sustainability Policy, which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII, and the business responsibility and sustainability policies of the Company;

b) Recommend the amount of expenditure to be incurred on the activities referred in clause (a); and

c) Monitor the Corporate Social Responsibility and Sustainability Policy, the business responsibility and sustainability Policy of the company from time to time."

ii. During the year, One (1) meeting of the Committee was held on April 25, 2022.

iii. The composition of the Corporate Social Responsibility & Sustainability Committee and details of attendance of the members at such meeting are given as follows:

| Name and Designation | Category | No. of meetings attended (No. of meetings held) |
|---|---|---|
| Mr. Arun Alagappan, Chairman* | Executive | 1(1) |
| Mr. Sameer Goel, Member* | Executive | 1(1) |
| Dr. R Nagarajan, Member | Non-Executive & Independent | 1(1) |
| Mr. Sankarasubramanian S# | Executive | 0(0) |
| Dr. Raghuram Devarakonda# | Executive | 0(0) |
| Dr. Deepali Pant Joshi# | Non-Executive & Independent | 0(0) |

*Mr. Sameer Goel ceased to be a member on his superannuation as Managing Director with effect from the close of the business hours on January 31, 2023.

# Mr. Sankarasubramanian S and Dr. Raghuram Devarakonda were appointed as Members of the committee with effect from February 02, 2023. Dr. Deepali Pant Joshi was appointed as Member of the committee with effect from March 22, 2023.

iv. Please refer to Annexure F to the Directors Report for the annual report on CSR activities for the financial year 2022-23.

## 8. Banking and Borrowing Committee

The Banking and Borrowing Committee consists of 3 members. Mr. Arun Alagappan is the Chairman, and the other two members of the Committee are Mr. Sankarasubramanian S and Dr. Raghuram Devarakonda who were appointed at the Board Meeting held on February 2, 2023. During the year, no meeting of the Banking and Borrowing Committee was held.

Mr. Sameer Goel ceased to be a member on his superannuation as Managing Director with effect from the close of the business hours on January 31, 2023.

## 9. Remuneration to Directors

### i. Executive Vice Chairman, Managing Director and Executive Directors

The compensation of the Executive Vice Chairman, Managing Director and Executive Directors 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 Executive Vice Chairman, Managing Director and Executive Directors are not paid sitting fees for attending meetings of the Board and Board Committee.

### ii. 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 up to 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 Act 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 and 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 Act, 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.

There were no pecuniary transactions with any of the Non-Executive Directors except for the sitting fee, commission and reimbursement of expenses, if any, paid to them as Directors of the Company.

Mr. Sudarshan Venu, Non-Executive & Independent Director will not receive any commission for the Financial Year 2022-23 and sitting fees for the Financial Year 2023-24, as requested by Mr. Venu and approved by the Board at its meeting held on May 15, 2023.

### iii. Shareholdings

The details of Shareholdings of the Non-Executive Directors in the Company as on March 31, 2023, are as follows:

| Name | No. of Shares |
|---|---|
| Mr. A. Vellayan | 1,18,510 |
| Mr. M M Venkatachalam | Nil |
| Mr. Sumit Bose | Nil |
| Ms. Aruna B. Advani | Nil |
| Dr. R. Nagarajan | Nil |
| Mr. K V Parameshwar | Nil |
| Mr. Sudarshan Venu | Nil |
| Dr. Deepali Pant Joshi | Nil |

### iv. Details of remuneration paid to the Directors for the year:

**a. Mr. Arun Alagappan, Executive Vice Chairman**

The details of remuneration paid/payable to Mr. Arun Alagappan, Executive Vice Chairman for the financial year ended March 31, 2023, are as follows:

| Particulars | (₹ in lakhs) |
|---|---|
| Salary | 498.20 |
| Contribution to Funds | 63.65 |
| Value of Perks | 5.38 |
| Incentives | 172.59 |
| **Total** | **739.82** |

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. The notice period for termination of contract of service is 3 months. No severance pay is payable.

**b. Mr. Sameer Goel, Managing Director**

The details of remuneration paid/payable to the Mr. Sameer Goel, Managing Director for the period April 1, 2022 to January 31, 2023, are as follows:

| Particulars | (₹ in lakhs) |
|---|---|
| Salary | 518.53 |
| Contribution to Funds | 65.53 |
| Value of perks | 10.26 |
| Incentives | 161.36 |
| **Total** | **755.68** |

Mr. Sameer Goel superannuated as a Managing director of the Company with effect from close of business hours on January 31, 2023, on completion of his term as Managing Director.

**c. Mr. Sankarasubramanian S, Executive Director – Nutrient Business**

The details of remuneration paid/payable to Mr. Sankarasubramanian, Executive Director – Nutrient Business for the period from February 1, 2023 to March 31, 2023, are as follows:

| Particulars | (₹ in lakhs) |
|---|---|
| Salary | 33.30 |
| Contribution to Funds | 7.47 |
| Value of Perks | 1.86 |
| **Total** | **42.63** |

Mr. Sankarasubramanian S. was appointed as Executive Director – Nutrient Business of the Company for a period of five years from February 01, 2023, to January 31, 2028. The notice period for termination of contract of service is 3 months. No severance pay is payable.

**d. Dr. Raghuram Devarakonda, Executive Director – Crop Protection, Bio Products & Retail**

The details of remuneration paid/payable to Dr. Raghuram Devarakonda, Executive Director – Crop Protection, Bio Products & Retail for the period from February 1, 2023 to March 31, 2023, are as follows:

| Particulars | (₹ in lakhs) |
|---|---|
| Salary | 28.98 |
| Contribution to Funds | 4.97 |
| Value of Perks | 0.43 |
| **Total** | **34.39** |

Dr. Raghuram Devarakonda was appointed as Executive Director – Crop Protection, Bio Products & Retail of the Company for a period of five years from February 01, 2023, to January 31, 2028. The notice period for termination of contract of service is 3 months. No severance pay is payable.

**Employee Stock Options**

**Mr. Sameer Goel – Managing Director**

During the financial year 2016-17, Mr. Sameer Goel, Managing Director was granted 6,56,900 Options, pursuant to Employee Stock Option Plan 2016, at an exercise price of Rs. 319.65 per equity share. The relevant details in respect of the Options of Mr. Sameer Goel are summarized below:

| Scheme | 2016 |
|---|---|
| Options Granted | 6,56,900 |
| Options Vested | 6,56,900 |
| Options cancelled | Nil |
| Options Lapsed | Nil |
| Options Exercised and allotted | 3,39,830 |
| Options outstanding as on March 31, 2023 | 3,17,070 |

**Mr. Sankarasubramanian S, Executive Director – Nutrient Business**

During the financial year 2007-08, Mr. Sankarasubramanian S, Executive Director – Nutrient Business was granted 1,37,200 Options, pursuant to Employee Stock Option Scheme 2007 at an exercise price of Rs. 44.58 per equity share. Further, During the year 2016-17 and 2017-18 he was granted 89,800 Options and 25,840 Options, pursuant to Employee Stock Option Plan 2016, at an exercise price of Rs. 319.65 and Rs. 528.95 per equity share respectively. The relevant details in respect of the Options of Mr. Sankarasubramanian are as follows:

| Scheme | 2007 | 2016 | 2016 |
|---|---|---|---|
| Options Granted | 1,37,200 | 89,800 | 25,840 |
| Options Vested | 1,37,200 | 89,800 | 25,840 |
| Options cancelled | 15,092 | Nil | Nil |
| Options Lapsed | Nil | Nil | Nil |
| Options Exercised and allotted | 1,22,108 | 89,800 | Nil |
| Options outstanding as on March 31, 2023 | Nil | Nil | 25,840 |

**Dr. Raghuram Devarakonda, Executive Director – Crop Protection, Bio Products & Retail**

During the financial fear 2021-22, Dr. Raghuram Devarakonda, Executive Director – Crop Protection, Bio Products & Retail was granted 1,22,100 Options, pursuant to Employee Stock Option Plan 2016, at an exercise price of Rs. 755.45 per equity share. The relevant details in respect of the Options of Dr. Raghuram Devarakonda are summarized below:

| Scheme | 2016 |
|---|---|
| Options Granted | 1,22,100 |
| Options Vested | 24,420 |
| Options cancelled | Nil |
| Options Lapsed | Nil |
| Options Exercised and allotted | Nil |
| Options outstanding as on March 31, 2023 | 24,420 |

**e. Non-Executive Directors**

The details of sitting fees paid and commission payable to Non-Executive Directors for the financial year ended March 31, 2023, are as under:

| Non-Executive Directors | Sitting Fees@ | Commission@ | Total |
|---|---|---|---|
| Mr. A. Vellayan | 5.00 | 200.00 | 205.00 |
| Mr. M M Venkatachalam | 3.50 | 10.00 | 13.50 |
| Mr. Sumit Bose | 8.00 | 10.00 | 18.00 |
| Ms. Aruna B. Advani | 8.00 | 10.00 | 18.00 |
| Dr. R. Nagarajan | 3.80 | 10.00 | 13.80 |
| Mr. K V Parameshwar | 7.10 | 10.00 | 17.10 |
| Dr. Deepali Pant Joshi* | 1.00 | 1.62 | 2.61 |
| Mr. Prasad Chandran* | - | 0.55 | 54.80 |
| Mr. Sudarshan Venu# | 2.80 | NIL | 2.80 |

@Excludes Goods and Services Tax

*Payment of commission proportionate to the tenure of Directors FY 2022-23

#Mr. Sudarshan Venu, Director requested for waiver of payment of Commission for the financial year 2022-23 and sitting fee during the financial year 2023-24, which was approved by the Board.

## 10. Annual General Meetings

During the year, the Company conducted its 60th General Meeting through video conferencing / other audio-visual means on July 27, 2022, in accordance with the circulars/notifications issued by the MCA and SEBI. All the Directors, Key Managerial Personnel, Statutory Auditors and Scrutinizer joined the AGM through video conferencing. The Chairmen of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee attended the meeting.

## 11. Disclosures

### i. CEO and CFO Certification

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

### ii. 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 were foreseen and repetitive in nature. The related party transactions are reviewed by an independent chartered accountant(s) 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 on quarterly basis. Transactions with the Related Parties as required under Indian Accounting Standard (Ind AS) – 24, Related Party Transactions, are disclosed under Notes to the financial statements, forming part of this Annual Report.

The Policy on Related Party transactions is available on website of the Company at https://www.coromandel.biz/investors/policies/

**iii. Compliance**

The Board reviews at periodic intervals the certificate(s) confirming compliance with all Laws and Regulations as certified by the Executive Directors, Chief Financial Officer and the Company Secretary. The Board also 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.

**iv. Strictures/Penalty**

No strictures or penalties have been 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.

**v. Vigil Mechanism**

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

**vi. Details of compliance with mandatory requirements and adoption of Discretionary Requirement**

The Company has complied with the mandatory requirements of the Corporate Governance norms as per Listing Regulations during the financial year ended March 31, 2023. The Company has complied with the disclosure requirements of sub-paras (2) to (10) of Schedule V of the Listing Regulations. Pursuant to Schedule V of the Listing Regulations, the Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance is annexed to this report as **Annexure D(iii)**.

With regard to the non-mandatory requirements the Company has complied to the extent stated below:

| | |
|---|---|
| The Board | The Company maintains an office for non-executive Chairman at the Company's expense and has also allowed reimbursement of expenses incurred in performance of his duties. |
| Shareholder Rights | Quarterly financial results are published in leading newspapers, viz. The Business Line (all India editions - English) and vernacular – Andhra Prabha (Hyderabad Edition - Telugu). The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers. |
| Modified opinion(s) in audit report | All the financial statements received during the last five (5) years were with unmodified audit opinion |
| Separate posts of Chairperson and the Managing Director or the Chief Executive Officer | The Company has a separate post of Chairman. The Chairman is a non-executive director and is not related to Managing Director or the Whole Time Directors or Chief Executive Officer as per the definition of the term "relative" defined under the Act. |

**vii. 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://www.coromandel.biz/investors/policies/

**viii. 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.

**ix. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

During the year under review, the Company had not raised any money from public by way of , rights issue, preferential issue, or any other issues.

**x. Compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')**

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

**xi. Details of recommendation of any committee of the Board which are not accepted by the Board**

There was no instance of any non-acceptance by the Board of Directors of the recommendations of any Committee of the Board, where it is mandatorily required, during the financial year under review.

**xii. Details of total fees for all services paid/payable by the Company and its Subsidiaries, on consolidated basis to Statutory Auditors of the Company and all their network firms/entities during the financial year 2022-23 are furnished below:**

| Particulars | Amount (Rs. in Lakhs) |
|---|---|
| Fees for audit and related services paid to M/s. S R Batliboi & Associates LLP and all their network firms/entities | 202.00 |
| Fees for non-audit services paid to M/s. S R Batliboi & Associates LLP and all their network firms/entities | 51.00 |

**xiii.** There are no loans and advances in the nature of loans given by the Company and its subsidiaries to firms/companies in which directors are interested during the financial year 2022-23.

**xiv. Disclosure of complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

| Particulars | FY 2022-23 |
|---|---|
| No. of complaints pending as at beginning of the financial year | Nil |
| No. of complaints on sexual harassments received during the year | 3 |
| No. of complaints disposed off during the year | 2 |
| No. of complaints pending as at end of the financial year* | 1 |

*Complaint pending as on 31st March, 2023 is under investigation by the Internal Complaints Committee of the Company.

## 12. Management Discussion and Analysis

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

## 13. General Shareholder Information

A separate section has been annexed to the Annual Report furnishing various details viz., the previous Annual General Meeting, time, and venue thereof, share price movement, distribution of shareholding, location of factories, means of communication etc., for shareholders' reference.

**On behalf of the Board of Directors**

Place: Chennai
Date :May 15, 2023

**A Vellayan**
Chairman

# General Shareholders Information

## 1. Contact Information and Plant Location(s)

| | |
|---|---|
| Registered office and Address for correspondence | : Coromandel International Limited<br>Coromandel House<br>1-2-10, Sardar Patel Road,<br>Secunderabad - 500 003<br>Tel. No. +91 40 6699 7300 / 7500<br>Fax: +91 40 2784 4117 |
| Corporate Office | : Coromandel International Limited<br>Olympia Terraces, #15B(SP), SIDCO Industrial Estate, Guindy,<br>Chennai – 600 032,<br>T +91 44 42525300 / 5400 |
| Corporate Identification Number | : L24120TG1961PLC000892 |
| Website | : www.coromandel.biz |
| E-mail id | : investorsgrievance@coromandel.murugappa.com |
| Plant Location(s) | : The Company's plants are located at<br>a. Malkapuram, Visakhapatnam, A.P.<br>b. Beach Road, Kakinada, A.P.<br>c. Ennore, Chennai, Tamil Nadu (2)<br>d. Ranipet, North Arcot, Tamil Nadu (2)<br>e. Ankleshwar, Gujarat<br>f. Baribrahmana, Jammu & Kashmir<br>g. Hospet, Karnataka<br>h. Udaipur, Rajasthan<br>i. Baroda, Gujarat<br>j. Kota, Rajasthan<br>k. Raigad, Maharashtra<br>l. Khargone, Madhya Pradesh<br>m. Raebareli, Uttar Pradesh<br>n. Sarigam, Gujarat<br>o. Dahej, Gujarat<br>p. Thyagavalli, Tamil Nadu |

## 2. Compliance officer under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Nodal Officer under The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

Mr. Rajesh Mukhija
Compliance Officer/Nodal Officer
Tel. No. +91 40 6699 7000 / 7300 / 7500
Fax: +91 40 2784 4117
E-mail id: investorsgrievance@coromandel.murugappa.com

## 3. Annual General Meeting (AGM), Dividend and related information

| | |
|---|---|
| Day and Date | : Thursday, July 27, 2023 |
| Time | : 3.30 P.M. |
| Venue of AGM | : Video Conferencing/ Other Audio Visual Means |
| Book Closure for AGM | Saturday, July 15, 2023 to Thursday, July 27, 2023 (both days inclusive). |
| Dividend for FY 2022-23 | : **Interim Dividend:** The Company paid an Interim Dividend of Rs. 6.00 per equity share for the financial year 2022-23 on February 28, 2023, to all those members whose names appeared on the Register of Members on February 17, 2023. |
| | **Final Dividend:** The Board recommended a final dividend of Rs. 6/- per equity share of Re. 1 each (representing 600%) subject to approval of the members at the 61st Annual General Meeting. |
| Dividend Payment date | : **Final Dividend:** On or after August 16, 2023 but within 30 days from the date of AGM to all those Members whose names appear on the Register of Members on Friday, July 14, 2023. |

## 4. Financial Calendar

The financial year of the Company is the period ending on 31st day of March every year. The tentative calendar for Board meetings for approving the quarterly financial results is given below:

| | |
|---|---|
| Results for the quarter ending June 30, 2023 | Within 45 days from end of quarter |
| Results for the quarter and half year ending September 30, 2023 | Within 45 days from end of quarter |
| Results for the quarter and nine months year ending December 31, 2023 | Within 45 days from end of quarter |
| Results for the quarter and financial year ended March 31, 2024 | Within 60 days from end of quarter. |

## 5. Listing on stock exchanges and Stock Code

| Details of the stock exchange | Stock/Scrip code |
|---|---|
| **The National Stock Exchange of India Limited (NSE)**<br>Exchange Plaza, C-1, Block – G, Bandra Kurla Complex,<br>Bandra (E), Mumbai 400 051 | COROMANDEL |
| **BSE Limited (BSE)**<br>Phiroze Jeejeebhoy Towers, Dalal Street, Fort,<br>Mumbai 400 001 | 506395 |

The listing fees for the financial year 2023-24 have been paid to both the above Stock Exchanges.

## 6. International Securities Identification Number (ISIN)

ISIN is an unique identification number of a traded scrip. This number must be quoted in each transaction relating to the dematerialized securities of the company. The ISIN of equity shares of Re.1/- each of the Company is INE169A01031.

## 7. Last three Annual General Meeting(s)

The details of date/time and venue and special resolution passed at the last three Annual General Meetings are given below:

| For the financial year | Venue | Day, Date and time | Special Resolution(s) passed |
|---|---|---|---|
| 2021-22 | Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) | Wednesday, July 27, 2022, at 3:30 p.m. IST | • Approval for payment of commission to Mr. A Vellayan, Chairman of the Company, for the financial year 2021-22. |
| 2020-21 | | Monday, July 26, 2021, at 3:30 p.m. IST | • Appointment of Mr. Arun Alagappan as a whole-time director designated as Executive Vice Chairman of the Company. |
| 2019-20 | | Friday, July 24, 2020, at 10:30 a.m. IST | • Approval for payment of remuneration to Mr. M M Murugappan, Non-Executive Chairman, for the financial year 2019-20.<br>• Approval for re-appointment of Mr. Sumit Bose as an Independent Director of the Company for a second term. |

## 8. Postal Ballot during last three years:

**For the Financial Year 2022-23**

The postal ballot was conducted in the month of November - December 2022, to approve the following appointments:

1. Appointment of Dr. Deepali Pant Joshi (DIN: 07139051) as Independent Director of the Company for an initial term of five (5) consecutive years from February 1, 2023 to January 31, 2028.
2. Appointment of Mr. Sankarasubramanian S. (DIN: 01592772) as Additional Director.
3. Appointment of Mr. Sankarasubramanian S., Director (DIN 01592772), as Whole-time Director, to be designated as Executive Director – Nutrient Business, for a term of 5 years from February 1, 2023 till January 31, 2028.
4. Appointment of Dr. Raghuram Devarakonda (DIN: 09749805) as Additional Director.
5. Appointment of Dr. Raghuram Devarakonda, Director (DIN 09749805) as Whole-time Director, to be designated as Executive Director – Crop Protection, Bio Products & Retail, for a term of 5 years from February 1, 2023 till January 31, 2028.

The remote e-voting details on the above postal ballot were as follows:

(1) Appointment of Dr. Deepali Pant Joshi (DIN: 07139051) as an Independent Director

| Particulars | No. | % |
|---|---|---|
| Votes cast in favour | 24,13,42,353 | 99.9782 |
| Votes cast against | 52,673 | 0.0218 |
| **Total Valid votes** | **24,13,95,026** | **100.00** |
| Invalid Votes | - | - |

(2) Appointment of Mr. Sankarasubramanian S. (DIN: 01592772) as Additional Director

| Particulars | No. | % |
|---|---|---|
| Votes cast in favour | 24,09,28,675 | 99.8068 |
| Votes cast against | 4,66,422 | 0.1932 |
| **Total Valid votes** | **24,13,95,097** | **100.00** |
| Invalid Votes | - | - |

(3) Appointment of Mr. Sankarasubramanian S., Director (DIN 01592772), as Whole-time Director, to be designated as Executive Director – Nutrient Business

| Particulars | No. | % |
|---|---|---|
| Votes cast in favour | 22,11,08,708 | 91.5962 |
| Votes cast against | 2,02,86,390 | 8.4038 |
| **Total Valid votes** | **24,13,95,098** | **100.00** |
| Invalid Votes | - | - |

(4) Appointment of Dr. Raghuram Devarakonda (DIN: 09749805) as Additional Director

| Particulars | No. | % |
|---|---|---|
| Votes cast in favour | 24,09,28,668 | 99.8068 |
| Votes cast against | 4,66,418 | 0.1932 |
| **Total Valid votes** | **24,13,95,086** | **100.00** |
| Invalid Votes | - | - |

(5) Appointment of Dr. Raghuram Devarakonda, Director (DIN 09749805) as Whole-time Director, to be designated as Executive Director – Crop Protection, Bio Products & Retail

| Particulars | No. | % |
|---|---|---|
| Votes cast in favour | 22,11,08,706 | 91.5962 |
| Votes cast against | 2,02,86,380 | 8.4038 |
| **Total Valid votes** | **24,13,95,086** | **100.00** |
| Invalid Votes | - | - |

The shareholders approved the above appointments with requisite majority on December 29, 2022, and the results were declared on December 30, 2022.

The postal ballot was conducted, as per the procedure laid down in Section 108 and 110 of the Act, the rules made thereunder read with Circulars No. 14/2020, 17/2020 and 20/2021 dated April 8, 2020, April 17, 2020, and December 8, 2021 respectively issued by the Ministry of Corporate Affairs.

Mr. R. Sridharan (ICSI Membership CP No.3239-FCS No.4775) of M/s. R. Sridharan & Associates, Practicing Company Secretaries was appointed as Scrutinizer for conducting voting through remote e-voting, in a fair and transparent manner.

### For the Financial Year 2021-22

The postal ballot was conducted in the month of February 2022, to approve the appointment of Mr. Sudarshan Venu (DIN: 03601690) as an Independent Director of the Company by way of special resolution. The remote e-voting details on the above postal ballot were as follows:

| Particulars | No. | % |
|---|---|---|
| Votes cast in favour | 23,91,47,469 | 99.9928 |
| Votes cast against | 17,225 | 0.0072 |
| **Total Valid votes** | **23,91,64,694** | **100.00** |
| Invalid Votes | - | - |

The shareholders approved the above appointment with requisite majority on March 17, 2022, and the results were declared on March 21, 2022.

The postal ballot was conducted, as per the procedure laid down in Section 108 and 110 of the Act, the rules made thereunder read with Circulars No. 14/2020, 17/2020 and 20/2021 dated April 8, 2020, April 17, 2020, and December 8, 2021 respectively issued by the Ministry of Corporate Affairs.

Mr. R. Sridharan (ICSI Membership CP No.3239-FCS No.4775) of M/s. R. Sridharan & Associates, Practicing Company Secretaries was appointed as Scrutinizer for conducting voting through remote e-voting, in a fair and transparent manner.

There is no proposal to conduct postal ballot for any matter in the ensuing annual general meeting.

## 9. Registrar and Transfer Agents

KFin Technologies Limited (Formerly known as Kfin Technologies 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: einward.ris@kfintech.com

## 10. Shareholding pattern and Distribution Holdings as on March 31, 2023

The shareholding pattern classified based on category and distribution of ownership, respectively is given below:

### a. Shareholding Pattern as on March 31, 2023

| Category | No. of shares | Percentage |
|---|---|---|
| Promoter | 16,87,85,460 | 57.41 |
| Mutual Funds | 4,66,38,749 | 15.86 |
| Indian Public | 2,84,54,367 | 9.68 |
| Foreign Institutional Investor/Foreign Portfolio Investor | 2,76,33,880 | 9.40 |
| Qualified Institutional Buyer | 75,37,272 | 2.56 |
| Overseas Corporate Bodies | 48,00,000 | 1.63 |
| Insurance Company | 47,952 | 0.02 |
| Non-Resident Indians | 20,17,556 | 0.69 |
| Investor Education and Protection Fund | 37,69,264 | 1.28 |
| Private Bodies Corporates | 21,64,481 | 0.74 |
| Alternate Investment Fund | 12,08,748 | 0.41 |
| Hindu Undivided Family | 6,56,898 | 0.22 |
| Banks, Financial Institutions | 37,806 | 0.01 |
| Clearing Members | 14,306 | 0.00 |
| NBFCs Registered with RBI | 1,07,500 | 0.04 |
| Foreign Nationals | 71,027 | 0.02 |
| Trusts | 42,643 | 0.01 |
| Foreign Companies | 19,500 | 0.01 |
| Societies | 4,500 | 0.00 |
| Foreign Bank | 1,840 | 0.00 |
| **Total** | **29,40,13,749** | **100.00** |

### b. Distribution of Holdings as on March 31, 2023

| No. of equity shares held | No. of Shares | % of Shares | No. of Shareholders | % of Shareholders |
|---|---|---|---|---|
| 1-5000 | 1,34,154 | 99.29 | 2,04,38,051 | 6.95 |
| 5001- 10000 | 385 | 0.28 | 27,45,997 | 0.93 |
| 10001- 20000 | 200 | 0.15 | 28,70,314 | 0.98 |
| 20001- 30000 | 73 | 0.05 | 17,78,885 | 0.61 |
| 30001- 40000 | 46 | 0.04 | 16,14,305 | 0.55 |
| 40001- 50000 | 33 | 0.03 | 14,84,552 | 0.50 |
| 50001- 100000 | 73 | 0.05 | 51,97,203 | 1.77 |
| 100001 & Above | 149 | 0.11 | 25,78,84,442 | 87.71 |
| **Total** | **1,35,113*** | **100.00** | **29,40,13,749** | **100.00** |

### c. Mode of Holding, Dematerialisation of shares and liquidity

| Particulars | No. of Shares | % of Shares | No. of Shareholders | % of Shareholders |
|---|---|---|---|---|
| Demat Mode | 28,82,72,456 | 98.05 | 1,25,922 | 93.20 |
| Physical Mode | 57,41,293 | 1.95 | 9,191 | 6.80 |
| **Total** | **29,40,13,749** | **100.00** | **1,35,113*** | **100.00** |

*on Non-consolidation basis.

As on March 31, 2023, 98.05% of the shares were in dematerialized form.

**11. Means of Communication**

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

**12. Nomination Facility**

Section 72 of the Act provides the facility of nomination to share / debenture / deposit holders. The facility is mainly useful for all those holding the shares / debentures / deposits in single name. In cases where the securities / deposits are held in joint names, the nomination will be effective only in the event of the death of all the holders. Shareholders are advised to avail of this facility, especially investors holding securities in single name.

Shareholders are requested to note that SEBI has mandated registration of nomination or opt out of nomination for all shareholders of the Company either holding shares in physical mode or Demat mode along with valid PAN and KYC details.

Shareholders holding shares in physical mode are requested to refer note no. 14 and 16 to the Notice and submit the prescribed forms along with requisite documents to RTA regarding mandatory submission of Nomination Valid PAN, and KYC details on or before September 30, 2023.

Shareholders holding shares in demat mode are requested to submit the necessary forms to their respective depository participant regarding mandatory submission of Nomination, Valid PAN, and KYC details on or before September 30, 2023.

**13. Share Transfer System**

As per amended Regulation 39 and 40 of Listing Regulations, the Company shall issue securities in dematerialised form only while processing any requests from shareholders holding shares in physical mode in respect of i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub-division / Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission and viii. Transposition ("service requests").

Shareholders holding shares in physical mode are requested to refer note no. 15 to the Notice for details regarding service requests. All queries and requests relating to service requests shall addressed to RTA in prescribed form along with requisite documents.

The Company Secretary has been authorised to approve such service requests consisting of equity shares upto 1,000. The Company Secretary jointly with the Chief Financial Officer or the Managing Director, has been authorised to approve service requests consisting of equity shares upto 5,000 and all such service requests consisting of equity shares in excess of 5,000 shares are required to be approved by Stakeholders Relationship Committee.

**14. 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.

**15. 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.

**16. Credit Ratings**

The Company has obtained the credit rating for its fund-raising programmes from CRISIL Limited (CRISIL) and India Ratings & Research Private Limited (India Ratings & Research).

The Company's long-term credit rating by 'CRISIL' has been revised to 'CRISIL AAA (Stable)' and short-term debt rating reaffirmed to 'CRISIL A1+'. The Company's long-term credit rating by 'India Ratings & Research (A Fitch Group Company)' has been revised to 'IND AAA (Stable)' and short-term debt rating continued 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.

**17. Employee Stock Option Scheme**

**Employee Stock Option Scheme 2007**

The Company had earmarked 1,27,85,976 equity shares of Re. 1/- each under the Employee Stock Option Scheme 2007. Each Option is convertible into an equity share of Re. 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 end of the financial year under the ESOP Scheme 2007 and there will be no grants under the ESOP Scheme 2007.

**Employee Stock Option Plan 2016**

The Company has earmarked 1,45,81,000 equity shares of Re. 1/- each under the Employee Stock Option Scheme 2016. Each Option is convertible into an equity share of Re. 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, 2023, are 6,34,700 . The vested Options are exercisable within a period of 5 years from the date of vesting. The Company has granted 4,13,700 options to the employees during the year under the ESOP Scheme 2016.

**Employee Stock Option Plan 2023**

The Board at its meeting held on March 22, 2023 approved the Employee Stock Option Plan 2023 (ESOP 2023), as per the recommendation made by the Nomination & Remuneration Committee, subject to its approval by the Shareholders of the Company.

The Company is seeking approval of the Shareholders for the ESOP 2023 at the forthcoming Annual General Meeting, which is scheduled to be held on July 27, 2023.

**18. Transfer of Unpaid / Unclaimed Dividend and Shares to Investor Education and Protection Fund**

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

Accordingly, during the year 2022-23, the Company has transferred unpaid/unclaimed dividends pertaining to final dividend for the financial year 2014-15 amounting to Rs. 1,21,65,642 corresponding to 49,271 shares on which the dividends remain unpaid or unclaimed for a consecutive period of 7 years to IEPF.

**19. Unclaimed shares**

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

| Particulars | No. of shareholders | No. of shares |
|---|---|---|
| Aggregate number of equity shareholders and the outstanding shares of Re. 1/- each in the suspense account lying as on April 1, 2022 | 97 | 6,839 |
| Number of equity shareholders who approached the Company for transfer of shares of Re.1/- each from the suspense account | - | - |
| Number of equity shareholders to whom shares were transferred from suspense account during the year | - | - |
| Number of equity shareholders whose shares were transferred to Investor Education and Protection Fund (IEPF) during the year | - | - |
| Aggregate number of equity shareholders and the outstanding shares of Re.1/- each in the suspense account lying as on March 31, 2023 | 97 | 6,839 |

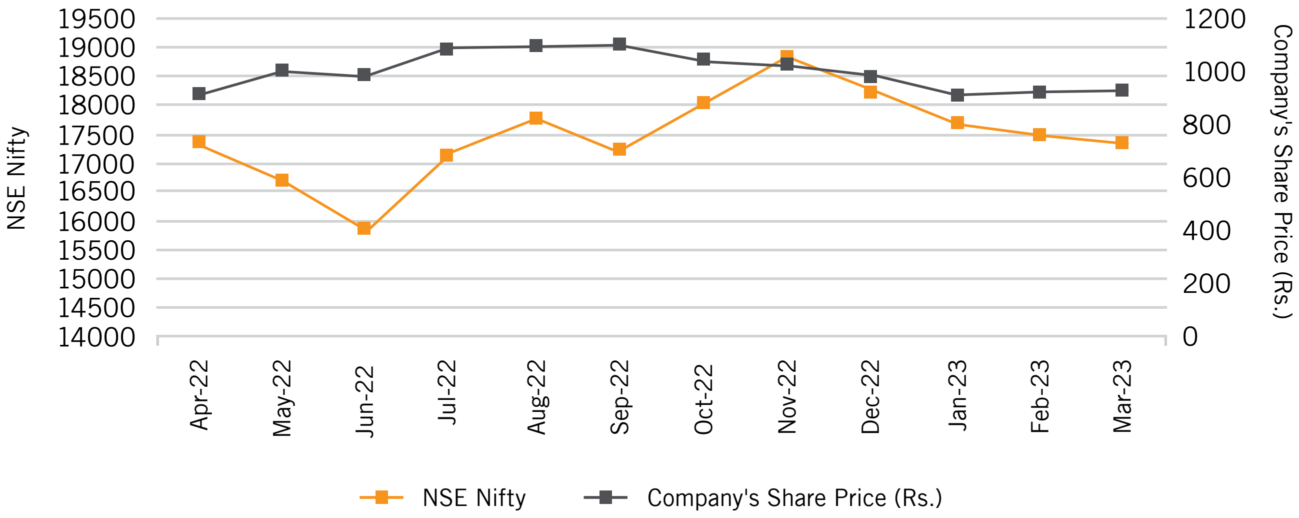
All corporate benefits that accrue on these shares such as bonus shares, split, etc., shall also be credited to the Unclaimed Suspense Account and the voting rights on such shares shall remain frozen till the rightful owner of such shares claim the shares.

**20. Market Price Data: High, Low during each month in last financial year and comparison of performance of Company's share vs NSE Nifty**

**a. Market Price Data: High, Low during each month in financial year 2022-23 is as follows:**

| Month | BSE | | NSE | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April 2022 | 920.90 | 792.80 | 921.00 | 793.00 |
| May 2022 | 1002.50 | 864.40 | 981.00 | 863.80 |
| June 2022 | 984.20 | 887.95 | 983.95 | 887.75 |
| July 2022 | 1077.00 | 933.05 | 1,075.10 | 932.75 |
| August 2022 | 1092.50 | 983.95 | 1,092.95 | 980.00 |
| September 2022 | 1094.40 | 963.70 | 1094 | 963.35 |
| October 2022 | 1025.75 | 951.30 | 1025.75 | 951.00 |
| November 2022 | 1010.00 | 886.05 | 1003 | 902.35 |
| December 2022 | 975.40 | 843.20 | 974.8 | 848.05 |
| January 2023 | 910.00 | 838.95 | 910.6 | 838.00 |
| February 2023 | 932.05 | 862.60 | 922.95 | 862.50 |
| March 2023 | 939.50 | 842.00 | 939.4 | 841.50 |

**b. Comparison of performance of Company's share vs NSE Nifty**




**On behalf of the Board of Directors**

Place: Chennai
Date :May 15, 2023

**A Vellayan**
Chairman

**Annexure D(i)**

## 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, 2023 as envisaged in Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**On behalf of the Board of Directors**

Place: Chennai
Date: May 15, 2023

**Sankarasubramanian S**
Executive Director – Nutrient Business

**Dr. Raghuram Devarakonda**
Executive Director – Crop Protection, Bio Products & Retail

**Annexure D(ii)**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

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) 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, 2023 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 –Non-Independent Chairman | 11/11/2020 |
| 2. | 00291361 | Arun Alagappan | Executive Vice Chairman | 11/11/2020 |
| 3. | 00152619 | M M Venkatachalam | Non-Executive – Non-Independent Director | 23/01/2007 |
| 4. | 03340616 | Sumit Bose | Non-Executive - Independent Director | 21/03/2016 |
| 5. | 00029256 | Aruna B Advani | Non-Executive - Independent Director | 30/08/2018 |
| 6. | 02705175 | R Nagarajan | Non-Executive - Independent Director | 01/10/2018 |
| 7. | 08244973 | K V Parameshwar | Non-Executive - Independent Director | 01/10/2018 |
| 8. | 03601690 | Sudarshan Venu | Non-Executive - Independent Director | 03/02/2022 |
| 9. | 09749805 | Raghuram Devarakonda | Wholetime Director | 01/02/2023 |
| 10. | 01592772 | Sankarasubramanian | Wholetime Director | 01/02/2023 |
| 11. | 07139051 | Deepali Pant Joshi | Non-Executive - Independent Director | 01/02/2023 |

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**
**PR NO.657/2020**
**UIN: S2003TN063400**
**UDIN: F004775E000289411**

Place: Chennai
Date: 15th May, 2023





**Annexure D(iii)**

## CORPORATE GOVERNANCE CERTIFICATE

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

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **COROMANDEL INTERNATIONAL LIMITED, (CIN: L24120TG1961PLC000892)** having its Registered Office at 1-2-10, Sardar Patel Road, Secunderabad, Hyderabad, Telangana – 500 003 for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called "SEBI (LODR) Regulations, 2015") for the financial year ended 31st March, 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of SEBI (LODR) Regulations, 2015 as amended for the financial year ended 31st March, 2023.

This Certificate 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**
**FCS No. 4775**
**CP No. 3239**
**PR No.657/2020**
**UIN: S2003TN063400**
**UDIN: F004775E000289378**

Place: Chennai
Date: 15th May, 2023

**Annexure E to Board's Report**

# Business Responsibility and Sustainability Reporting

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | | |
|---|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | : | L24120TG1961PLC000892 |
| 2. | Name of the Listed Entity | : | COROMANDEL INTERNATIONAL LIMITED |
| 3. | Year of incorporation | : | 1961 |
| 4. | Registered office address | : | Coromandel House', 1-2-10, Sardar Patel Road, Secunderabad - 500 003 |
| 5. | Corporate address | : | Olympia Terraces, #15B(SP), SIDCO Industrial Estate, Guindy, Chennai – 600 032 |
| 6. | E-mail | : | investorsgievance@coromandel.murugappa.com |
| 7. | Telephone | : | 040-66997500/7300 |
| 8. | Website | : | www.coromandel.biz |
| 9. | Financial year for which reporting is being done | : | 2022-23 |
| 10. | Name of the Stock Exchange(s) where shares are listed | : | BSE Limited and National Stock Exchange of India Limited |
| 11. | Paid-up Capital | : | INR 29,40,13,749/- |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | : | Mr. Rajesh Mukhija,<br>Sr. Vice President - Legal & Company Secretary<br>Phone: 040 66997500/7300<br>Email:investorsgievance@coromandel.murugappa.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | : | Standalone |

### II. Products/services:

**14. Details of business activities (*accounting for 90% of the turnover*):**

| S.No | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1. | Manufacturing | Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products | 100% |

**15. Products/Services sold by the entity (*accounting for 90% of the entity's Turnover*):**

| S.No | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1. | Fertilisers & Pesticides | 20122, 20211 | 100% |

### III. Operations:

**16. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 16 | 8 | 24 |
| International | 0 | 8 | 8 |

**17. Markets served by the entity:**

**a. Number of locations**

| Locations | Number |
|---|---|
| National (No. of States) | 23 (including States & UTs) |
| International (No. of Countries) | 69 |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

3.31%

**c. A brief on types of customers**

The Company serves global and domestic agrochemical manufacturers, distributors, dealers, state and central government co-operatives and Farmer Producer Organizations (FPOs). Retail business unit of the company directly serves farmers via a network of 751 rural retail stores.

### IV. Employees:

**18. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 3833 | 3665 | 95.6% | 168 | 4.4% |
| 2. | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| 3. | **Total employees (D + E)** | 3833 | 3665 | 95.6% | 168 | 4.4% |
| **WORKERS** | | | | | | |
| 4. | Permanent (F) | 1231 | 1228 | 99.8% | 3 | 0.2% |
| 5. | Other than Permanent (G) | 7636 | 7557 | 98.9% | 79 | 1% |
| 6. | **Total workers (F + G)** | 8867 | 8785 | 98.8% | 82 | 0.9% |

**Note:**

1. All management people have been considered permanent employees
2. All associates and non-management people have been considered permanent workers
3. All contract workers have been considered other than permanent workers

**b. Differently abled Employees and workers:**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **DIFFERENTLY ABLED EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 11 | 10 | 90.9% | 1 | 9.09% |
| 2. | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| 3. | **Total differently abled employees (D + E)** | 11 | 10 | 90.9% | 1 | 9.09% |
| **DIFFERENTLY ABLED WORKERS** | | | | | | |
| 4. | Permanent (F) | 1 | 1 | 100% | 0 | 0% |
| 5. | Other than permanent (G) | 0 | 0 | 0% | 0 | 0% |
| 6. | **Total differently abled workers (F + G)** | 1 | 1 | 100% | 0 | 0% |

**19. Participation/Inclusion/Representation of women[57]**

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 11 | 2 | 18% |
| Key Management Personnel * | 2 | 1 | 50% |

*Executive Vice Chairman and 2 Executive Directors have been included in Board of Directors segment and hence, excluded from KMP segment.

**20. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

Please refer to page no. 77 of Human Capital

[57]GRI 405-1

## V. Holding, Subsidiary and Associate Companies (including joint ventures):

**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Dare Ventures Limited | Subsidiary | 100 | No |
| 2 | Coromandel Chemicals Limited | Subsidiary | 100 | No |
| 3 | Coromandel Technology Limited | Subsidiary | 100 | No |
| 4 | Coromandel Brasil Limitada | Subsidiary | 100 | No |
| 5 | Coromandel Australia Pty Ltd | Subsidiary | 100 | No |
| 6 | Coromandel Agronegocios de Mexico SA de CV | Subsidiary | 100 | No |
| 7 | Parry America, Inc. | Subsidiary | 100 | No |
| 8 | Coromandel International (Nigeria) Limited | Subsidiary | 99.99 | No |
| 9 | Sabero Organics America S.A | Subsidiary | 99.98 | No |
| 10 | Sabero Argentina S.A | Subsidiary | 95 | No |
| 11 | Coromandel Mali SASU | Subsidiary | 100 | No |
| 12 | CFL Mauritius Limited | Subsidiary | 100 | No |
| 13 | Yanmar Coromandel Agrisolutions Private Limited | Joint Venture | 40 | No |
| 14 | Sabero Organics Philippines Asia Inc. | Associate | 40 | No |
| 15 | Baobab Mining and Chemicals Corporation, SA | Associate | 45 | No |

## VI. CSR Details:

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No):** Yes

**(ii) Turnover (in Rs.):** INR 29,609.55 crores

**(iii) Net worth (in Rs.):** INR 7,867.96 crores

## VII. Transparency and Disclosures Compliances:

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy[58]) | FY 2022-2023 Current Financial Year | | | FY 2021-2022 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Formal grievance redressal policy is not in place. Through CSR activities the company takes care of the concerns and grievances of the communities | 0 | 0 | NA | 0 | 0 | NA |
| Investors (other than shareholders) | Yes<br>To facilitate faster redressal of investors' grievances the Company has created an exclusive e-mail ID: Investorsgrievance@coromandel.murugappa.com. | 0 | 0 | NA | 0 | 0 | NA |
| Shareholders | Yes<br>Shareholders may lodge their query/complaints addressed to this e-mail id or to RTA 's e-mail id einward.ris@kfintech.com. | 26 | 0 | NA | 11 | 0 | NA |
| Employees and workers | Yes https://www.coromandel.biz/wp-content/uploads/2022/08/Whistle-Blower-Policy-F.pdf<br><br>Policy of Prevention of Sexual Harassment (POSH) | 8 | 1 | (This includes only the number of complaints reported by Employees to the Ombudsman as well as POSH related complaints) | 6 | 0 | (This includes only the number of complaints reported by Employees to the Ombudsman as well as POSH related complaints) |
| Customers | Yes<br>The customers are covered as part of Whistle blower Policy<br><br>https://www.coromandel.biz/wp-content/uploads/2022/08/Whistle-Blower-Policy-F.pdf<br><br>The Toll-free - Hello Gromor center phone number are provided in all packs for enabling customers to register their queries and complaints. | 44 | 0 | NA | 54 | 0 | NA |
| Value Chain Partners | Yes<br>https://www.coromandel.biz/wp-content/uploads/2022/08/Whistle-Blower-Policy-F.pdf | 0 | 0 | NA | 0 | 0 | NA |
| Other (please specify) | NA | NA | NA | NA | NA | NA | NA |

[58]GRI 2-25

**24. Overview of the entity's material responsible business conduct issues**

*Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:*

Please refer to page no. 57-59 of Materiality Assessment

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| **1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)** | Y *(Code of Conduct, Code for Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, Coromandel Guide to Business Conduct, Policy on RPT, Whistle-blower Policy)* | Y *(Product Stewardship Policy, Sustainable Procurement Policy)* | Y *(Coromandel Guide to Business Conduct, EHSQ Policy, Prevention of Sexual Harassment Policy)* | Y *(Code for Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, Coromandel Guide to Business Conduct)* | Y *(Human Rights Policy)* | Y *(Environment Policy, EHSQ Policy)* | Y *(Coromandel Guide to Business Conduct)* | Y *(CSR Policy)* | Y *(Coromandel Guide to Business Conduct)* |
| **b. Has the policy been approved by the Board? (Yes/ No)** | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| **c. Web Link of the Policies, if available** | https://www.coromandel.biz/investors/policies/<br>https://www.coromandel.biz/wp-content/uploads/2022/01/CSR-Policy.pdf | | | | | | | | |
| **2. Whether the entity has translated the policy into procedures. (Yes / No)** | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| **3. Do the enlisted policies extend to your value chain partners? (Yes/No)** | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| **4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.** | GRI, Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework | ISO 9001, ISO 14001, ISO 14040/44 | ISO 45001 | GRI, Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework | SA8000* | GRI, ISO 14001 | GRI, Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework | GRI | ISO 9001, ISO 14001, ISO 27001* |
| **5. Specific commitments, goals and targets set by the entity with defined timelines, if any.** | Coromandel commits to conduct its business with highest ethical and governance standards. It has taken proactive quality improvement targets internally to ensure our customers are able to use best-in-class products. The business has also defined initiatives to enhance employee engagement and well-being. Our ESG Framework consists of three interlinked pillars, i.e., Protecting the Planet, Minimising Resource Use, and Inclusive Growth that reflect our commitment to minimizing the adverse impact of our operations on the planet and people. Each pillar encompasses specific themes and focus areas that guide our sustainability roadmap. The company is also in the process of setting ESG targets at organizational level within the defined boundaries. | | | | | | | | |



| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.** | The organization has enforced governing policies enabling it to conduct its operations in compliance with the highest governance standards. Coromandel has been able to offer quality products and services. At the same time, improvement initiatives have also been taken up basis the customer feedback received. It adheres to the product stewardship principles by further improving environmental, health, and safety impacts of products and services. | | | | | | | | |
| **Governance, leadership and oversight** | | | | | | | | | |

**7.Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure[59])**

Coromandel maintains a strong focus on ESG while ensuring uninterrupted operations, highlighting their commitment to sustainability and business continuity. The company has identified key areas for intervention, encompassing three pillars: (i) Protecting the Planet, (ii) Minimizing Resource Use, and (iii) Inclusive Growth, emphasizing their comprehensive approach towards sustainable development. The company is dedicated to addressing a comprehensive set of 10 Sustainable Development Goals (SDGs), working towards the overarching objective of promoting sustainable development and addressing global challenges.

Coromandel has demonstrated a strong commitment to environmental sustainability through its ongoing greenbelt expansion initiatives (Green Visakha, Miyawaki plantations, Neem plantations). Additionally, the company has taken proactive measures within its manufacturing plants to reduce freshwater consumption and mitigate Scope 1 and 2 greenhouse gas emissions, with specific projects currently underway. Recognizing the importance of renewable energy, Coromandel is prioritizing the increase of renewable sources in its energy sourcing mix. Furthermore, the Company is determined to go beyond Extended Producer Responsibility (EPR) compliance in the near future in terms of plastic waste management. The company's research and development team is focused on developing greener and safer products that pose minimal risks to the environment, further exemplifying Coromandel's dedication to sustainability and responsible practices. In FY2022-23, it has innovatively developed Nano DAP, a nanotechnology-based product that offers farmers a more sustainable alternative compared to traditional solutions. Moreover, during the year, Coromandel has strategically invested in 3 Agtech startups that provide cutting-edge, technology-driven sustainable solutions in agriculture domain.

Coromandel places a high priority on the well-being and safety of its employees and workers, constantly upgrading and investing in occupational health and safety measures. The organization also acknowledges the significance of gender diversity and strives to foster an environment that promotes equal opportunities and inclusion. This commitment is reflected in its certification as a 'Great Place to Work' during the year, reaffirming its dedication to creating a positive and inclusive workplace culture. Furthermore, the company has Sustainable Procurement policy in place, underscoring its commitment to responsible sourcing practices that consider environmental, social, and economic factors. Coromandel's CSR initiatives across the areas of Education, Health and Community Development have enhanced and positively impacted the lives of more than ~59000, ~644000 and ~487000 people respectively. Recent setting up of Centre of Excellence (CoE) at Visakhapatnam is aimed at enhancing the employee's capabilities in addition to several other benefits.

This year, Coromandel took a significant step towards reinforcing its commitment to sustainability by establishing a dedicated CSR and Sustainability Committee within the organization. This committee focuses on ensuring robust sustainability governance and practices across the company's operations. The company's commitment and efforts were recognized in the DJSI Corporate Sustainability Assessment (2022), where it achieved a score of 50. The company has embraced the Coromandel Guide to Business Conduct (CGBC) as a framework that governs its engagements with essential stakeholders, ensuring well-defined governance practices are followed. Furthermore, as part of the Murugappa Group, Coromandel adheres to the Five Lights - Integrity, Passion, Responsibility, Respect, and Quality. These values serve as a guiding force, driving the company to conduct its business in an ethical and transparent manner, further enhancing its commitment to sustainability and responsible practices.

| | |
|---|---|
| **8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).** | Mr. Arun Alagappan, Executive Vice Chairman (Also, Chairman of Corporate Social Responsibility & Sustainability Committee) |
| **9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.** | Yes, the Company has a Board level Corporate Social Responsibility & Sustainability Committee. This Committee provides strategic direction to implement sustainability roadmap and advises the management to ensure alignment of social and environmental aspect with business objectives. The committee is comprised of:<br>(i) Mr. Arun Alagappan (Chairman) - Executive Vice Chairman<br>(ii) Dr. Nagarajan (Member) - Non-Executive & Independent Director<br>(iii) Mr. S Sankarasubramanian (Member) - Executive Director<br>(iv) Dr. Raghuram Devarakonda (Member) - Executive Director<br>(v) Dr. Deepali Pant Joshi (Member) - Non-Executive & Independent Director<br>*Position in bracket pertains to the committee responsibility.* |

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) |
|---|---|---|
| **Performance against above policies and follow up action** | Yes, the review is undertaken by the board on quarterly basis | |

[59]GRI 2-22

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Yes, the review is undertaken by the Board of Directors on quarterly basis | | | | | | | | |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | Yes, Third Party Assurance for FY2022-23 has been carried out by TUV India Pvt. Ltd. | | | | | | | | |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

*Internal policies have been developed based on the standard

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

**Essential Indicators:**

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | % age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| **Board of Directors** | 5 | Board of Directors and Key Managerial Personnel (KMP) had dedicated their time throughout the year to stay informed about updates specific to the company, regulations including environment, social and governance aspects. These discussions encompassed valuable insights on various principles. Additionally, Independent Directors are familiarized about the Company's operations and businesses through a curated 'Familiarisation Programme'. | 100% |
| **Key Managerial Personnel*** | 3 | | 100% |
| **Employees other than BoD and KMPs** | 104 (including offline and online modules) | Topics covered include Coromandel Guide to Business Conduct (CGBC), Whistle Blower Policy, Prevention of Sexual Harassment (PoSH) | 84% |
| **Workers (Non-management staff)** | 56(including offline and online modules) | | 100% |

*Executive Vice Chairman and 2 Executive Directors have been included in Board of Directors segment and hence, excluded from KMP segment.

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| | Monetary | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | Nil | | | | |
| Settlement | | | | | |
| Compounding fee | | | | | |

| | Non-Monetary | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | Nil | | | |
| Punishment | | | | |

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| Not Applicable | |

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy[60].**

Yes, the company has an Anti-Corruption and Anti-Bribery Policy in place as part of Coromandel Guide to Business Conduct and the same extends to all the employees across the organization.

The company has also adopted a Whistle-blower Policy and Vigil Mechanism whose objective is to provide Directors, Employees, customers and vendors an avenue to raise concerns, in line with the commitment of Coromandel to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.

Coromandel Guide to Business Conduct is accessible on the company's website at: https://www.coromandel.biz/wp-content/uploads/2023/03/Coromandel-Guide-to-Business-Conduct.pdf

The Whistle-blower Policy as of the Company is available on the Company's website at: https://www.coromandel.biz/wp-content/uploads/2022/08/Whistle-Blower-Policy-F.pdf

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption[61]:**

| | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | | |
| Employees | | |
| Workers | | |

**6. Details of complaints with regard to conflict of interest:**

| | FY 2022-2023 (Current Financial Year) | | FY 2021-2022 (Previous Financial Year) | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| **Number of complaints received in relation to issues of Conflict of Interest of the Directors** | Nil | | Nil | |
| **Number of complaints received in relation to issues of Conflict of Interest of the KMPs** | | | | |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

[60]GRI 205-2
[61]GRI 205-3



## Leadership Indicators:

**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

| Total number of awareness programmes held | Topics / principles covered under the training | % age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| Nil | N/A | N/A |

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, Coromandel has Code of Conduct for the Board and Senior Management in place https://www.coromandel.biz/wp-content/uploads/2021/07/CodeOfConductForDirectors_2019.pdf[62]

## PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE:

### Essential Indicators:

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| | Current Financial Year | Previous Financial Year | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 100% | 100% | All R&D investments are concentrated on sustainable technologies and the advancement of green chemistries. This involves various areas of study, such as the development of products based on Nanotechnology that can enhance nutrient-use efficiency while causing minimal impact on the environment. Coromandel is developing an array of microbial based biopesticides for pest management in agriculture. These biopesticides are eco-friendly, cost effective and integral part of organic and inorganic agriculture. |
| Capex* | 92% | 49% | |

*R&D related capital expenditures have been considered here

**2. a. Does the entity have procedures in place for sustainable sourcing?**

(Yes/No) Yes

**b. If yes, what percentage of inputs were sourced sustainably?**

Please refer to page no 47 of Corporate Governance and 88 of Social and Relationship Capital

[62]GRI 2-15

**3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Gromor Nutri-Clinics have been established to provide farm advisory services and support to growers. These clinics, managed by agronomists, are strategically located near agricultural markets that offer guidance on soil health, cropping practices, nutrition, pest management and safe usage of products. Coromandel reclaims and recycles the plastic packaging material under Extended Producer Responsibility.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Coromandel is registered as Brand Owner and Importer; submitted the waste collection plan in line with the Extended Producer Responsibility (EPR) Plan.

### Leadership Indicators:

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of the Product/ Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|---|---|---|---|---|---|
| 20211 | Select Crop Protection technical products | 3% | Cradle to Grave | Yes | No (report awaited from service providers) |

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| Report associated with Life Cycle Assessment study carried out is awaited. | | |

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry[63]).**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
| Liquid Bromine (at CPC plants) | 0% | 8.7% |

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| | FY 2022-2023 (Current Financial Year) | | | FY 2021-2022 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Re-used | Recycled | Safely disposed | Re-used | Recycled | Safely disposed |
| Plastics (including packaging)* | - | 9,953 | - | - | 5,462.29 | - |
| E-waste | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Hazardous waste | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Other waste | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

*Coromandel is reclaiming and recycling the plastic packaging material as per the Extended Producer Responsibility Plan.

[63]GRI 301-2





**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| The Company's products are designed to be applied in farms and easily absorbed by the soil, resulting in no hazardous waste generation at the consumer end. We reclaim the plastic packaging material of our products as per the Extended Producer Responsibility Plan. The Company reclaimed and recycled 9,953 MT plastic packaging material in FY 2022-23 and 5,462.29 MT in FY 2021-22. | |

## PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS:

### Essential Indicators:

**1. a. Details of measures for the well-being of the employees:**

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health Insurance | | Accident Insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent Employees** | | | | | | | | | | | |
| Male | 3665 | 3665 | 100% | 3665 | 100% | NA | NA | 3665 | 100% | 0 | 0% |
| Female | 168 | 168 | 100% | 168 | 100% | 168 | 100% | NA | NA | 0 | 0% |
| Total | 3833 | 3833 | 100% | 3833 | 100% | 168 | 100% | 3665 | 100% | 0 | 0% |
| **Other than Permanent Employees** | | | | | | | | | | | |
| Male | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |

**b. Details of measures for the well-being of workers:**

| Category | Total (A) | % of Workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health Insurance | | Accident Insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent Workers** | | | | | | | | | | | |
| Male | 1228 | 1228 | 100% | 1228 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 3 | 3 | 100% | 3 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 1231 | 1231 | 100% | 1231 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Other than Permanent Workers** | | | | | | | | | | | |
| Male | 7557 | 7557 | 100% | 7557 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Female | 79 | 79 | 100% | 79 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 7636 | 7636 | 100% | 7636 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |

**2. Details of retirement benefits, for Current FY and Previous Financial Year:**

| Benefits | FY 2022-2023 (Current Financial Year) | | | FY 2021-2022 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the Authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the Authority (Y/N/N.A.) |
| PF | 100% | 100% | Yes | 100% | 100% | Yes |
| Gratuity | 100% | 100% | Yes | 100% | 100% | Yes |
| ESI* | 11% | 10% | Yes | 15% | 8% | Yes |
| Others – please specify | N/A | | | | | |

*All the employees and workers whose monthly gross is less than 21000 are eligible for ESIC benefits.

**3. Accessibility of workplaces**
**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Our Corporate office in Chennai is accessible to differently abled employees and workers. While all of the current facilities may not be fully equipped for differently abled individuals, company is actively working to improve accessibility across the organization.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

No separate policy is in place, but Coromandel believes in fostering an inclusive workplace and does not discriminate based on any factor, including gender, nationality, culture, age, disability, etc.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender | Permanent Employees | | Permanent Workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | N/A | N/A |
| Female | 100% | 38% | N/A | N/A |
| Total | 100% | 97.2% | N/A | N/A |

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | Yes, the grievance mechanism is as per the whistle-blower policy under which Directors, employees, customers, and vendors can register concerns and violations of Coromandel's ethical, moral, and legal business conduct standards. |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Category | FY 2022-2023 (Current Financial Year) | | | FY 2021-2022 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| **Total Permanent Employees** | 3833 | 0 | 0% | 3794 | 0 | 0% |
| -Male | 3665 | 0 | 0% | 3619 | 0 | 0% |
| -Female | 168 | 0 | 0% | 175 | 0 | 0% |
| **Total Permanent Workers** | 1231 | 877 | 71% | 1248 | 900 | 72% |
| -Male | 1228 | 875 | 71% | 1245 | 898 | 72% |
| -Female | 3 | 2 | 67% | 3 | 2 | 67% |

**8. Details of training given to employees and workers:**

| Category | FY 2022-2023 (Current Financial Year) | | | | | FY 2021-2022 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On health and safety measures | | On skill upgradation | | Total (D) | On health and safety measures | | On skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| **Employees** | | | | | | | | | | |
| Male | 3665 | 3282 | 90% | 3337 | 91% | 3619 | 1976 | 55% | 3619 | 100% |
| Female | 168 | 34 | 20% | 115 | 68% | 175 | 34 | 19% | 162 | 92% |
| Total | 3883 | 3316 | 87% | 3452 | 90% | 3794 | 2010 | 53% | 3781 | 99% |
| **Workers** | | | | | | | | | | |
| Male | 8785 | 8785 | 100% | 1228 | 14% | 9235 | 9235 | 100% | 1201 | 13% |
| Female | 82 | 82 | 100% | 3 | 4% | 137 | 137 | 100% | 3 | 2% |
| Total | 8867 | 8867 | 100% | 1231 | 14% | 9372 | 9372 | 100% | 1204 | 13% |

**9. Details of performance and career development reviews of employees and worker:**

| Category | FY 2022-2023 (Current Financial Year) | | | FY 2021-2022 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Permanent Employees** | | | | | | |
| Male | 3665 | 3339 | 91.1% | 3619 | 3036 | 83.89% |
| Female | 168 | 159 | 94.6% | 175 | 147 | 84% |
| Total | 3833 | 3498 | 91.2% | 3794 | 3183 | 83.89% |
| **Permanent Workers** | | | | | | |
| Male | 1228 | 1228 | 100% | 1245 | 1245 | 100% |
| Female | 3 | 3 | 100% | 3 | 3 | 100% |
| Total | 1231 | 1231 | 100% | 1248 | 1248 | 100% |

The permanent workers do not have Appraisal Metrics as permanent employees. They are governed by Long Term Settlements. All permanent workers go through Appraisal, review feedback etc.

**10. Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Please refer to page no 81 of Human Capital

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Please refer to page no 81 of Human Capital

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, the HIRA framework is being utilized by the workers to report the work-related hazards and to remove themselves from such risks.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Please refer to page no 78 of Human Capital

**11. Details of safety related incidents, in the following format:**

Please refer to page no 81 of Human Capital

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The company has taken below mentioned measures to ensure a safe and healthy workplace:

- 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
- Identification of critical activities and ensuring actions are being taken
- Established Business Continuity Plans

**13. Number of Complaints on the following made by employees and workers:**

Please refer to page no 81 of Human Capital

**14. Assessments for the year:**

Please refer to page no 81 of Human Capital

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not applicable

### Leadership Indicators:

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**

Employees: Yes
Workers: Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Coromandel does monthly reconciliation of recording of GST charged by the supplier and availing of input tax credit in its books with the data populated from the supplier in the GST portal on filing of return and remittance of tax by the supplier. Through this mode, it is possible to identify the GST defaulters and accordingly alert the concerned stakeholders as well as SSC to block such GST defaulter's payment. Currently, the business is in the process of automating this process.

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2022- 2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
| Employees | 0 | 2 | 0 | 1* |
| Workers | 6 | 0 | 2** | 0 |

*1 injured employee has resumed the duty in the same role and hence have not been included. The injury was not that significant that it requires rehabilitation.

**2 contract workers have joined in the same role and 2 contract workers who were injured during FY23 are yet to resume duty; hence, these 4 workers have not been included.

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No, there are no structured transition assistance programs in place.

**5. Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | 100% |
| Working Conditions | |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

To avoid any risks related to health and safety practices and working conditions of value chain partners the Company's integrated nutrient marketing structure, backed by a dedicated team of agronomists and Nutri-clinics, provides valuable guidance and advice to farmers, the end-user consumers regarding health and safety practices when using fertilizers. Through this support system, we ensure that farmers receive the necessary information and recommendations to use our products responsibly, safeguarding their health and promoting safe practices in agricultural operations.

## PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

### Essential Indicators:

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The company has identified both internal and external stakeholders who have a direct influence on its operations and activities.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Please refer to page no 53-54 of Stakeholder Engagement

### Leadership Indicators

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Coromandel's management engages with key stakeholders including customers, investors, suppliers, employees, communities, etc. on a regular basis. The company also has a CSR & Sustainability Committee which provides periodic updates to the Board on the status of the actions undertaken. and takes inputs on a quarterly basis.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, through materiality study, the Company engages with its stakeholders to identify and prioritise the issues pertaining to economic, environmental, and social topics.

Coromandel always believes in community participatory approach. We approach the community by recognizing them as a unit of identity and focus on building upon collective strengths. We identify the requisite resources which can empower the community and facilitate the group towards ensuring overall development of the society. Coromandel always supplements Public and Private partnership and facilitates this by building local capacities. As part of community development programs, we ensure that all our projects have direct impact.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Following are some of the instances of engagement aimed at addressing the concerns of vulnerable / marginalize stakeholder groups

- Conducted community mappings
- Developed Public-Private Partnership models
- Partnership in providing drinking water to the community
- Ensured monitoring of programs by community leaders
- Held focus group discussions with the vulnerable / marginalized stakeholder groups to understand the requirements / need
- Involved them in getting permissions to build infrastructure
- Handing over the assets to the community
- Volunteered in conducting medical camps, eye camps, sports and providing coaching for children to identify hidden talents, etc.

## PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### Essential Indicators:

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Please refer to page no 84 of Human Capital

2. **Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2022-2023 Current Financial Year | | | | | FY 2021-2022 Previous Financial Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B /A) | No. (C) | % (C /A) | | No. (E) | % (E /D) | No. (F) | % (F / |
| **Employees** | | | | | | | | | | |
| *Permanent* | 3833 | - | - | 3833 | 100% | 3794 | - | - | 3794 | 100% |
| Male | 3665 | - | - | 3665 | 100% | 3619 | - | - | 3619 | 100% |
| Female | 168 | - | - | 168 | 100% | 175 | - | - | 175 | 100% |
| *Other than Permanent* | 0 | - | - | 0 | 0% | 0 | - | - | 0 | 0% |
| Male | 0 | - | - | 0 | 0% | 0 | - | - | 0 | 0% |
| Female | 0 | - | - | 0 | 0% | 0 | - | - | 0 | 0% |
| **Workers** | | | | | | | | | | |
| *Permanent* | 1231 | - | - | 1231 | 100% | 1245 | - | - | 1245 | 100% |
| Male | 1228 | - | - | 1228 | 100% | 3 | - | - | 3 | 100% |
| Female | 3 | - | - | 3 | 100% | 1248 | - | - | 1248 | 100% |
| *Other than Permanent* | 7636 | - | - | 7636 | 100% | 8124 | - | - | 8124 | 100% |
| Male | 7557 | - | - | 7557 | 100% | 7990 | - | - | 7990 | 100% |
| Female | 79 | - | - | 79 | 100% | 134 | - | - | 134 | 100% |

3. **Details of remuneration/salary/wages, in the following format:**

| | Male | | Female | |
|---|---|---|---|---|
| | Number*** | Median remuneration/ salary/ wages of respective category** | Number*** | Median remuneration/ salary/ wages of respective category** |
| Board of Directors (BoD) | 3 | 334.80 ## | 0 | - |
| Key Managerial Personnel* | 1 | 171.95 | 1 | 318.84 |
| Employees other than BoD and KMP | 3661 | 8.03 | 167 | 9.20 |
| Workers (Permanent) | 1228 | 6.28 | 3 | 10.14 |

*Executive Vice Chairman and 2 Executive Directors have been included in Board of Directors segment and hence, excluded from KMP segment.

** All median remuneration figures are in INR Lakhs

*** Active headcount as of 31st March 2023

## This excludes sitting fees

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Chief Human Resource Officer (CHRO) is the nodal authority responsible for addressing any human rights impacts or issues caused or contributed to by the business. Moreover, Ms. Jayashree Satagopan, a Key Managerial Personnel, is the Chairperson of the Internal Compliance Committee - PoSH.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Please refer to page no 84 of Human Capital

6. **Number of Complaints on the following made by employees and workers:**

| | FY 2022-2023 Current Financial Year | | | FY 2021-2022 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 3 | 1 | N/A | 1 | 0 | N/A |
| Discrimination at workplace | 0 | 0 | N/A | 0 | 0 | N/A |
| Child Labor | 0 | 0 | N/A | 0 | 0 | N/A |
| Forced Labor/ Involuntary Labor | 0 | 0 | N/A | 0 | 0 | N/A |
| Wages | 0 | 0 | N/A | 0 | 0 | N/A |
| Other human Rights related issues | 0 | 0 | N/A | 0 | 0 | N/A |

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

In accordance with the Company's Whistle blower policy, utmost care is taken to ensure the confidentiality of the complainant's identity by all individuals involved in handling the complaint and those who come across any information related to such complaints, while also considering legal obligations and constraints.

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8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes, human rights requirements are part of all our business agreements and contracts.

9. **Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| **Child labor** | 100% |
| **Forced/involuntary labor** | 100% |
| **Sexual harassment** | 100% |
| **Discrimination at workplace** | 100% |
| **Wages** | 100% |
| **Others – please specify** | 100% |

10. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.**

    Internal audit and external audits are in place, and corrective actions are being taken by the inquiry/committee.

**Leadership Indicators:**

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   The company adopted Human Rights Policy during FY 2021-22. There have been no grievances / complaints reported during the period.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   The company does not conduct human rights due diligence.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Company's corporate office in Chennai is accessible to differently abled employees and workers. While all of the current facilities may not be fully equipped for differently abled individuals, company is actively working to improve accessibility across the organization.

## PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

**Essential Indicators:**

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|
| **Total electricity consumption (A)** | 15,34,427 GJ | 14,65,066 GJ |
| **Total fuel consumption (B)** | 21,69,690 GJ | 16,78,806 GJ |
| **Energy consumption through other sources (C)** | 0 | 0 |
| **Total energy consumption (A+B+C)** | 37,04,117 GJ | 31,43,872 GJ |
| **Energy intensity per rupee of turnover** (*GJ/INR Crores*) | 125 | 165 |
| **Energy intensity** (*optional*) **– the relevant metric may be selected by the entity** | - | - |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Third Party Assurance for FY 2022-23 has been carried out by TUV India Pvt. Ltd.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   None of our plants are part of PAT scheme.

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | |
| (i) Surface water | 6,67,139 | 6,26,263 |
| (ii) Groundwater | 3,88,260 | 3,83,767 |
| (iii) Third party water | 48,92,711 | 46,22,650 |
| (iv) Seawater / desalinated water | 83,224 | 1,21,411 |
| (v) Others | - | - |
| ***Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)*** | 60,31,334 | 57,54,091 |
| **Total volume of water consumption (in kilolitres)** | 60,62,201 | 59,91,914 |
| **Water intensity per rupee of turnover** (*kL/INR Crores*) | 205 | 313 |
| **Water intensity** (*optional*) the relevant metric may be selected by the entity | - | - |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Third Party Assurance for FY 2022-23 has been carried out by TUV India Pvt. Ltd.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Yes, Zero Liquid Discharge (ZLD) has been adopted by company. All the SSP plants, the Bio plant and the Kakinada-fertiliser plant have the ZLD. The fertiliser plants- Ennore and Vizag have the provision to discharge during the rainy season.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify Unit | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|---|
| **NOx** | **MT** | 42 | 24 |
| **Sox** | **MT** | 158 | 274 |
| **Particulate matter(PM)** | **MT** | 562 | 568 |
| **Persistent organic pollutants (POP)** | **MT** | - | - |
| **Volatile organic compounds (VOC)** | **MT** | - | - |
| **Hazardous air pollutants (HAP)** | **MT** | - | - |
| **Others** | **MT** | - | - |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Third Party Assurance for FY 2022-23 has been carried out by TUV India Pvt. Ltd.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|---|
| Total Scope 1 emissions (Break-up of the GHG i nto CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available) | Metric tons of CO2 Equivalent | 1,67,017 | 1,21,406 |
| Total Scope 2 emissions (Break-up of the GHG i nto CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available) | Metric tons of CO2 Equivalent | 1,66,243 | 1,33,855 |
| Total Scope 1 and Scope 2 emissions per rupee of Turnover (tCO2e/INR Crores) | | 11 | 13 |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | | - | - |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Third Party Assurance for FY 2022-23 has been carried out by TUV India Pvt. Ltd.

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Please refer to page no 97 of Natural Capital

8. **Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|
| **Total Waste generated (in metric tons)** | | |
| Plastic waste (A) | 122 | 146 |
| E-waste (B) | 12 | 19 |
| Bio-medical waste (C) | 7 | 14 |
| Construction and demolition waste (D) | 0 | 0 |
| Battery waste (E) | 56 | 7 |
| Radioactive waste (F) | 0 | 0 |
| Other Hazardous waste. Please specify, if any. (G) | 61,439 | 46,980 |
| Other Non-hazardous waste generated (H). *Please specify, if any.*(Break-up by composition i.e. by materials relevant to the sector) | 3,838 | 7,697 |
| *Total (A+B + C + D + E + F + G + H)* | 65,474 | 54,863 |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| Category of waste | | |
| (i) Recycled | 11,302 | 10,960 |
| (ii) Re-used | 23,244 | 22,648 |
| (iii) Other recovery operations (Co-Processing, Sold to PCB authorized vendor/Battery buy-back) | 14,335 | 9,002 |
| *Total* | 48,881 | 42,610 |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| Category of waste | | |
| (i) Incineration | 4,624 | 3,278 |
| (ii) Landfilling | 1,461 | 2,032 |
| (iii) Other disposal operations | 7,425 | 6,957 |
| Total | 13,510 | 12,267 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Third Party Assurance for FY 2022-23 has been carried out by TUV India Pvt. Ltd.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Please refer to page no 100 of Natural Capital

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| S.No. | Location of operations/office | Type of Operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and Corrective action taken, if any. |
|---|---|---|---|
| Not Applicable | | | |

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Not Applicable | | | | | |

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| S. No. | Specify the law/ regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines/ penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| Not Applicable | | | | |

## Leadership Indicators:

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

| Parameter | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 21,573 GJ | 22,677 GJ |
| Total fuel consumption (B) | 862 GJ | 422 GJ |
| Energy consumption through other sources (C) | 0 | 0 |
| Total energy consumed from renewable sources (A+B+C) | 22,435 GJ | 23,099 GJ |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 15,12,854 GJ | 14,42,389 GJ |
| Total fuel consumption (E) | 21,68,828 GJ | 16,78,384 GJ |
| Energy consumption through other sources (F) | 0 | 0 |
| Total energy consumed from non-renewable sources (D+E+F) | 36,81,682 GJ | 31,20,773 GJ |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Third Party Assurance for FY 2022-23 has been carried out by TUV India Pvt. Ltd.

**2. Provide the following details related to water discharged:**

| Parameter | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| **(i) To Surface water** | - | - |
| **-No treatment** | - | - |
| **-With treatment – please specify level of Treatment** | - | - |
| **(ii) To Groundwater** | - | - |
| **-No treatment** | - | - |
| **- With treatment – please specify level of Treatment** | - | - |
| **(iii) To Seawater** | - | - |
| **- No treatment** | 47,756 | 50,585 |
| **- With treatment – please specify level of treatment** | - | - |
| **(iv) Sent to third parties** (Common Effluent Treatment Plant and Common Multi-Effect Evaporator) | - | - |
| **- No treatment** | 9,614 | 1,14,115 |
| **- With treatment – please specify level of treatment** | 3,94,145 (After Tertiary treatment) | 4,06,988 (After Tertiary Treatment) |
| **(v) Others** | - | - |
| **- No treatment** | - | - |
| **- With treatment – please specify level of treatment** | - | - |
| **Total water discharged (in kilolitres)** | 4,51,515 | 5,71,688 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Third Party Assurance for FY 2022-23 has been carried out by TUV India Pvt. Ltd.

**3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Udaipur, Block Girwa, Rajasthan

(ii) Nature of operations: Manufacturing of Single Super Phosphate Fertilisers

(iii) Water withdrawal, consumption, and discharge in the following format:

| Parameter | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | |
| **(i) Surface water** | 0 | 0 |
| **(ii) Groundwater** | 59,411 | 52,008 |
| **(iii) Third party water** | 0 | 0 |
| **(iv) Seawater / desalinated water** | 0 | 0 |
| **(v) Others** | 0 | 0 |
| ***Total volume of water withdrawal (in kiloliters)*** | 59,411 | 52,008 |
| **Total volume of water consumption (*in kiloliters*)** | 59,411 | 52,008 |
| **Water intensity per rupee of turnover** (*kL/INR Crores*) | 2 | 3 |
| **Water intensity (*optional*) – the relevant metric may be selected by the Entity** | - | - |
| **Water discharge by destination and level of treatment (*in kiloliters*)** | | |

| Parameter | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|
| **(i) Into Surface water** | No Discharge | |
| **-No treatment** | | |
| **-With treatment – please specify level of treatment** | | |
| **(ii) Into Groundwater** | | |
| **-No treatment** | | |
| **-With treatment – please specify level of treatment** | | |
| **(iii) Into Seawater** | | |
| **-No treatment** | | |
| **-With treatment – please specify level of treatment** | | |
| **(iv) Sent to third parties** | | |
| **-No treatment** | | |
| **-With treatment – please specify level of treatment** | | |
| **(v) Others** | | |
| **-No treatment** | | |
| **- With treatment – please specify level of treatment** | | |
| **Total water discharged (*in kiloliters*)** | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, Third Party Assurance for FY 2022-23 has been carried out by TUV India Pvt. Ltd.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2022-2023 (Current Financial Year) | FY 2021-2022 (Previous Financial Year) |
|---|---|---|---|
| **Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)** | Metric tons of CO2 Equivalent | The company is planning to conduct the scope 3 emission inventorization in the coming year | |
| **Total Scope 3 emissions per rupee of turnover** | | | |
| **Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity** | | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

N/A

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sr. No | Initiative undertaken | Details of the initiative *(Web-link, if any, may be provided along-with summary)* | Outcome of the initiative |
|---|---|---|---|
| 1 | Solar Street lighting (Visakhapatnam Plant) | Installation of solar street lighting within plant premise (Cost incurred: ~INR 7.1 Lakhs) | Green energy and annual cost savings |
| 2 | Replacement of existing lights with LED Lights | Replacement of metal halides & compact fluorescent lamps with LED lights within plant premise and administration building (Cost incurred: ~INR 5 Lakhs) | Less energy consumption leading to annual cost savings as well and improved luminosity |
| 3 | Battery-Operated Electric Automotive for internal transport | - | Elimination of higher running cost of diesel automotive, emission reduction, lower maintenance cost |
| 4 | Bicycles for all employees for commuting | 660 no's bicycles distributed to employees for commuting to and from the workplace. | Zero emissions, lower maintenance cost, healthier workforce |
| 5 | Higher pipe size instrument air piping | Instrument airline (from Utilities to Complex, Utilities to Sulphuric Acid, Phosphoric acid and ETP plants) size increased. 2 numbers of Instrument Air Receivers installed to increase air hold up capacity and reduce instrument air pressure drop in the system. (Cost incurred: ~INR 80 Lakhs) | Energy conserved, annual cost savings, smooth operation of instrument air compressors, lower pressure drop and operating cost of instrument air system |
| 6 | Evaporator steam condensate recovery at utilities Plant | Evaporator steam condensate recovery at utilities plant for reuse at medium pressure boiler. Laid steam condensate piping for recovery at utilities plant along with instrument controls. | Energy conserved, improved recovery of steam condensate, control on effluent generation |
| 7 | Installation of modern 3 Star Packaged Air Handling Units by replacing multiple Window / Split Air conditioner units | - | Improved air conditioning, lower energy consumption |
| 8 | Miyawaki Plantation – Greening with fence | Miyawaki Plantation involves plantation of trees, native to the area, with species that complement each other. As saplings receive sunlight from the top and grow upward, rather than sideways. It helps prevent growth of weeds, by avoiding sunlight reaching the soil. | Creating Carbon sink in the area, control of fugitive emissions arising out of road traffic |
| 9 | Greening Transport | Roll out of BS VI compliant raw material commercial vehicles, equipped with diesel particulate filter, selective catalytic reduction system Lean NOx trap, real-time driving emission monitoring and onboard diagnostics and most importantly BS6 compliant fuel to meet emission norms. | Lower emissions by adoption of cleaner fuels, improved fuel efficiency |
| 10 | Dust Monitoring | Installation of Dust Monitoring devices on exhaust stacks | Regulatory Compliance to PCB, control on SPM emissions |
| 11 | Laid Port and Market Connectivity Roads through shortest route | Laid 2-Kilometer-long road with green plantation as barrier on the road periphery for dust control during transportation (Cost incurred: ~INR 14 crores) | Distance saving by ~2 kilometers to and from, resulting in fuel oil savings, own private road with improved logistical benefits |
| 12 | Effluent generation reduction at source | Daily monitoring of different effluent streams was initiated. Change in operation philosophy for vacuum application into process. | Effluent generation reduction, power and steam consumption reduction, annual cost savings |
| 13 | Multi-Effect Evaporator Capacity Enhancement | SOP modification to optimize feed, installation of standby centrifuge, modification of line to avoid dilution of feed, etc. to enhance the MEE capacity. | Annual cost savings, solid waste impact reduction, reduced dependency on external vendor for effluent treatment |
| 14 | Yield improvement of key crop protection products | Reduced degradation of intermediate through replacement of compressed air with nitrogen for pressurized filtration | Annual cost savings, yield enhancement |
| 15 | Natural Gas norms reduction | Installation of magnetic system at inlet of Natural gas pipeline has resulted in overall improvement in gas consumption norms. | Annual cost savings, relative positive impact on environment |

**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The company has Enterprise Risk Management Framework in place for the identification, analysis, evaluation of risks at entity level, business level and operational level. The mitigation plan is also being prepared for each kind of risks identified. The company has adopted the ISO 31000 Standard on "Risk Management" as well. Each manufacturing site has On-site emergency plan in place which includes essential information about the hazardous materials present in the plant, potential emergencies, accident-prone areas, and the emergency control plan. It outlines authority delegation, control measures, and other relevant details. Additionally, the plan provides general information such as the plant's location, layout, neighbouring industries, and the assistance they can provide.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

There has been no significant adverse impact on the environment resulting from Coromandel's value chain. The business also takes extra efforts in communicating customers as well as farmers on safe handling and disposal of agrochemical products.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Available

## PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

### Essential Indicators:

**1. a. Number of affiliations with trade and industry chambers/ associations.**

Please refer to page no 89 of Social and Relationship Capital

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Please refer to page no 89 of Social and Relationship Capital

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| | Nil | |

**Leadership Indicators:**

1. **Details of public policy positions advocated by the entity:**

Please refer to page no 89 of Social and Relationship Capital

## PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

**Essential Indicators:**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and Brief details of the project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| | | | Not Applicable | | |

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| S.No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| | | | Not Applicable | | | |

3. **Describe the mechanisms to receive and redress grievances of the community.**

Please refer to page no 90 of Social and Relationship Capital

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| | FY 2022-2023 Current Financial Year | FY 2021-2022 Previous Financial Year |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 2% | 3% |
| Sourced directly from within the district and neighboring districts | 4% | 5% |

**Leadership Indicators:**

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|---|---|
| Not Applicable | |

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| Sr.No. | State | Aspirational District | Amount Spent (In INR) |
|---|---|---|---|
| 1 | Andhra Pradesh | Visakhapatnam | 2,96,19,920 |





3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

Yes, Coromandel's Bioproducts SBU sources its raw material from marginalized / vulnerable groups indirectly.

(b) **From which marginalized /vulnerable groups do you procure?**

Coromandel's Bioproducts SBU sources raw materials from traders who, in turn, procure from rural communities comprising of old, unemployed and underprivileged village population (mostly women).

(c) **What percentage of total procurement (by value) does it constitute?**

Less than 1% of overall procurement value for the year

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

| S.No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| | | Not Applicable | | |

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| | Not Applicable | |

6. **Details of beneficiaries of CSR Projects:**

| Sr.No. | CSR Project | No. of Persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | Education | 59,421 | 100% |
| 2 | Health | 6,44,052 | 100% |
| 3 | Community Development | 4,87,392 | 100% |

## PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

**Essential Indicators:**

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Please refer to page no 85 of Social and Relationship Capital

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| | As a percentage to total turnover |
|---|---|
| **Environmental and social parameters relevant to the product** | 0% |
| **Safe and responsible usage** | 100% |
| **Recycling and/or safe disposal** | 9% |

3. **Number of consumer complaints in respect of the following[65]:**

| | FY 2022-23 (Current Financial Year) | | Remarks | FY 2021-22 (Previous Financial Year) | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | Nil | | | | | |
| Advertising | | | | | | |
| Cyber-security | | | | | | |
| Delivery of essential services | | | | | | |
| Restrictive Trade Practices | | | | | | |
| Unfair Trade Practices | | | | | | |
| Other | | | | | | |

4. **Details of instances of product recalls on account of safety issues[66]**

| | Number | Reason for recall |
|---|---|---|
| Voluntary recall | Nil | |
| Forced recall | | |

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes. The Information Security Policy is available on the intranet of the company providing the guidelines for acceptable use of information resources and seeks to reduce risks to information resources through implementation of controls designed to detect and prevent errors or irregularities.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not Applicable

**Leadership Indicators:**

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Details on products and services of the company can be accessed on:

   https://www.coromandel.biz/products-services/

   Additionally, we have launched MyGromor app through which customers can access the information on any of Coromandel's products and services of the Company.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Coromandel follows multi-pronged approach in dissemination of information regarding safe and responsible usage of its products and services. Product Stewardship is an integral part of this approach. As part of this, Coromandel celebrated Product Stewardship Day on 23rd December 2022 (coinciding with Farmers' Day / Kisan Diwas) across the company and promoted safe and responsible usage of its Agrochemical products. A total of 137 meetings were conducted with nearly 6400 farmers participating in the event across India. Coromandel's Retail SBU is in constant engagement with farmers and conducts campaigns to spread awareness in the regions where it operates its offline retail stores. Coromandel, through its Nutri-Clinics and backed by its agronomists, have also been able to transmit information related to best application practices aimed at enhancing nutrient use efficiency. The organization has also conducted drone spraying pilots with select farmers which further enhanced the knowledge of the latter community and enabling them to get accustomed to the latest advancements in technology. Lastly, through Vidhya Online, Coromandel's learning and development portal, is also accessible to the dealer community wherein all the information related to the products sold by the company have been detailed. This transmission of information, through the portal, will help them to advise farmers in the most optimal manner.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Coromandel is continuously in touch with its trade channel partners in addition to the periodic meets that are held. Through this medium, product as well as service-related updates are provided to the channel partners to keep them at pace with the market. Coromandel, through the retail stores, are in continuous engagement with the farmers and convey updates accordingly to them. Farmer awareness programmes are also held during which any updates can be conveyed by the business. COVID had also enabled connects with farmers on virtual mode and this mode of communication can also be tapped on need-basis.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, as per the Government guidelines, the company mentions product information as per legal metrology. In addition to the statutory contents mandated as per law, Coromandel also provides crop wise dosage, precaution, compatibility, safety guidelines etc. for the benefit of the farmers.

   Yes, Coromandel actively gathers consumer feedback and closely monitors the Net Promoter Score (NPS) to enhance its product and service offerings based on customer preferences. To gain a deeper understanding of customer needs, the company has undertaken an independent assessment that analyses key trends and assesses customer satisfaction in relation to its products and services. Furthermore, Coromandel is dedicated to enhancing its MyGromor ecommerce application by actively soliciting customer feedback through various channels, including Hello Gromor, to make necessary refinements and provide an optimal user experience.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact**

      Nil

   b. **Percentage of data breaches involving personally identifiable information of customers.**

      Nil

[65]GRI 417-2,3; GRI 418-1
[66]GRI 416-2

**Annexure F to Board's Report**

# Annual Report on CSR Activities

## 1. Brief outline on Corporate Social Responsibility and Sustainability (CSRS) Policy of the Company

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. Coromandel International Limited (Coromandel) upholds the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. We believe that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. Therefore, our philanthropic endeavours are a reflection of our spiritual conscience and this provides us a way to discharge our responsibilities to the various sections of the society.

The CSRS Policy of the Company inter alia provides for identification of CSR projects and programmes, modalities of execution, monitoring process. The Policy can be accessed on the Company's website at https://www.coromandel.biz/sustainability/

**Overview of the CSR Projects and Programmes:** Coromandel is committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged sections of the society through education, access to and awareness about financial services and the like.
- Provision of access to basic neccessities like healthcare, drinking water & sanitation and the like.
- Work towards eradicating hunger and poverty, through livelihood generation and skill development.
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar programme.
- Promotion of sports through training of sportspersons.
- Undertake rural development projects.
- Any other programme that falls under our CSR Policy and is aimed at the of disadvantaged sections of the society.

## 2. Composition of CSR committee$

| Name and Designation | Category | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|
| Mr. Arun Alagappan, Chairman | Executive | 1 | 1 |
| Mr. Sameer Goel, Member* | Executive | 1 | 1 |
| Dr. R Nagarajan, Member | Non-Executive & Independent | 1 | 1 |
| Mr. Sankarasubramanian S., Member@ | Executive | 1 | NA |
| Dr. Raghuram Devarakonda, Member@ | Executive | 1 | NA |
| Dr. Deepali Pant Joshi, Member^ | Non-Executive & Independent | 1 | NA |

$Reconstituted Corporate Social Responsibility (CSR) Committee and change of its name to Corporate Social Responsibility & Sustainability Committee with effect from March 22, 2023.

*Mr. Sameer Goel superannuated from the services of the Company and, consequently ceased to be the Managing Director and Member of the Committee with effect from January 31, 2023.

@Mr. Sankarasubramanian S. and Dr. Raghuram Devarakonda was appointed as Member of the committee with effect from February 2, 2023.

^Dr. Deepali Pant Joshi was appointed as Member of the committee with effect from March 22, 2023.

## 3. Provide the web link where Composition of CSRS committee, CSRS Policy and CSR projects approved by the board are disclosed on the website of the company.

CSRS Policy and CSR projects approved by Board : https://www.coromandel.biz/sustainability/

Composition: https://www.coromandel.biz/investors/committees-of-the-board/

## 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).

1. Impact Assessment on Covid Relief – Response to Disaster (2021-2022) by Blue Sky Sustainable Business Ltd
2. Impact Assessment on Education Opportunities for Girl Children in AP & Telangana by Karunachal Foundation

   Detailed impact assessment reports can be accessed at https://www.coromandel.biz/investors/annual-general-meetings/

## 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 Rs. Lakhs) | Amount required to be setoff for the financial year, if any (in Rs. Lakhs) |
|---|---|---|---|
| | - | - | - |
| | Total | - | - |

## 6. Average net profit of the company as per section 135(5):

Rs. 1,67,268 Lakhs

## 7.

**(a) Two percent of average net profit of the company as per section 135(5):**

Rs. 3,345.40 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):**

Rs. 3,345.40 Lakhs

## 8.

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

| Total Amount Spent for the Financial Year (in Rs.) | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount Unspent (in Rs.) | | |
|---|---|---|---|---|---|
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 2,553.80 lakhs | 791.60 lakhs | 29th April 2023 | - | - | - |

(b) **Details of CSR amount spent against 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 | | Project Duration | Amount allocated for the project (Rs. in Lakhs | Amount spent in the current financial year (Rs. in Lakhs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in Lakhs) | Mode of implementation on Direct (Yes/No) | Mode of Implementation-Through implementing agency | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | | | | Name | CSR registration number |
| 1 | AMM Foundation -Water bodies Rejuvenation project | Environment | NO | Tamilnadu | Sivagangai Pudukkotai | 3 years | 300.00 | 167.15 | 132.85 | No | AMM Foundation | CSR00000050 |
| 2 | AMM Foundation -TI School-New Higher secondary blocks | Education | No | Tamilnadu | Chennai | 3 years | 665.00 | 6.25 | 658.75 | No | AMM Foundation | CSR00000050 |
| | | | | | | Total | 965.00 | 173.40 | 791.60 | | | |

(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 Rs.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 | 50.00 | No | IIMAAAHC | CSR00001664 |
| 2 | Coromandel Girl Child Education Scheme | Education | Yes | Andhra Pradesh, Telangana, Tamilnadu, Gujarat | Kakinada, Visakhapatnam, Krishna, Prakasam, Srikakulam, East Godavari, Kurnool, Nizamabad, Gadwal, Valsad, Bharuch, Tiruvallur and Ranipet | 102.51 | Yes | NA | NA |
| 3 | Scholarships for class XI & XII students | Education | Yes | Andhra Pradesh, Telangana, Tamilnadu, Gujarat | Kakinada, Visakhapatnam, Krishna, Prakasam, Srikakulam, East Godavari, Kurnool, Nizamabad, Gadwal, Valsad, Bharuch, Tiruvallur and Ranipet | 10.00 | Yes | NA | NA |
| 4 | Support to Education Initiatives in Govt. Schools | Education | Yes | Andhra Pradesh, Telangana, Tamilnadu, Gujarat | Kakinada, Visakhapatnam, Valsad, Bharuch, Tiruvallur and Ranipet | 73.46 | Yes | NA | NA |
| 5 | Supporting Children with hearing impairment | Education | Yes | Tamilnadu | Chennai | 19.50 | No | Bala Vidyalaya Trust | CSR00002710 |
| 6 | Improving health Conditions for communities through the provision of basic medical services - Ennore, Vizag and Sarigam | Health | Yes | Andhra Pradesh, Tamilnadu, Gujarat | Tiruvallur, Visakhapatnam, Valsad | 125.84 | Yes | NA | NA |
| 7 | Improving government health facilities in Kakinada | Health | Yes | Andhra Pradesh | Kakinada | 40.00 | Yes | NA | NA |
| 8 | Supporting the cause of children with congenital heart diseases | Health | Yes | Telangana | Hyderabad | 55.00 | No | Hrudaya Foundation | CSR00004126 |
| 9 | Support to government health facilities | Health | Yes | Andhra Pradesh, Tamilnadu, Gujarat, Jammu | Kakinada, Tiruvallur, Visakhapatnam, Jammu, Bharuch | 60.00 | Yes | NA | NA |
| 10 | Medical camps | Health | Yes | Andhra Pradesh, Tamilnadu, Gujarat, Jammu | Kakinada, Tiruvallur, Visakhapatnam, Jammu, Bharuch | 28.00 | Yes | NA | NA |
| 11 | COVID/ Disaster relief | Health | - | - | - | - | - | - | - |
| 12 | Supporting Women farmers in Sangareddy district | Rural Development | Yes | Telangana | Sangareddy | 15.00 | No | Federation of Farmers Association | CSR00005869 |
| 13 | Retail and Agri Skill development | Skill development | Yes | Telangana | Hyderabad | 40.00 | No | Access Livelihood Foundation | CSR00003088 |
| 14 | Community Development activities | Community Development | Yes | Andhra Pradesh, Tamilnadu, Gujarat | Kakinada, Visakhapatnam, Tiruvallur, Ranipet, Valsad, Baruch | 600.00 | Yes | NA | NA |
| 15 | Community outreach through Retail outlets | Community Development | Yes | Andhra Pradesh, Telangana Tamilnadu, Gujarat, Karnataka | Kurnool, Kadappa, Raichur, Visakhapatnam, Vijayawada, Bangalore | 62.24 | Yes | NA | NA |
| 16 | Community outreach through Marketing locations | Community Development | Yes | Andhra Pradesh, Telangana | Kurnool, Kadappa, Kakinada, Anathapur, Gunthakal, Nandyala, Suryapeta, Adoni, Nizambabad, Allagadda, Hyderabad | 90.00 | Yes | NA | NA |
| 17 | Nature conservation (Covers the support to Madras Crocodile Bank Trust) | Environment | Yes | Tamilnadu | Chennai , Tamilnadu | 100.00 | No | Madras Crocodile Bank trust | CSR00005322 |
| 18 | Evaluating the impact of biochar addition on crop yield and soil quality through farmer field trials | Research | No | Punjab | Ludhiana | 12.00 | NO | Punjab Agricultural University | - |
| 19 | Increasing productivity and income of tribal farmers | Rural D evelopment | No | Telangana | Hyderabad | 50.00 | NO | WASSAN | CSR00001453 |
| 20 | Rice Initiative for Carbon Efficiency | Research | No | Chandigarh | Chandigarh | 50.00 | No | Energy Harvest Charitable Trust | CSR000004462 |
| 21 | Support to new Project Initiatives | Education, Health and Community Development | No | Andhra Pradesh, Tamilnadu, Gujarat | Tiruvallur, Cuddalore, Kakinada, Visakhapatnam | 133.90 | Yes | NA | NA |
| 22 | MCRC | Research | No | Tamilnadu | Sivagangai, Karur, Dindigul, Karur, Erode, Villupuram | 184.80 | No | Murugappa Chettiar Research Center | CSR00000057 |
| 23 | Coromandel Kakinada Hospital | Health | No | Andhra Pradesh | Kakinada | 110.69 | No | AMM Foundation | CSR00000050 |
| 24 | AMMARH Flood water drainage Plus LS | Environment | No | Tamil Nadu | Nellikuppam, Cuddalore. | 239.51 | No | AMM Foundation | CSR00000050 |
| **Total** | | | | | | **2252.45** | | | |

**(d) Amount spent in Administrative Overheads:**

Rs. 120.02 lakhs

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

Rs. 7.93 lakhs

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e):**

2553.80 Lakhs

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

| Sl.no | Particular | Amount (in Rs.) |
|---|---|---|
| i. | Two percent of average net profit of the company as per section 135(5) | 3345.40 lakhs |
| ii. | Total amount spent for the Financial Year | 2553.80 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) (Rs. in Lakhs) | Amount spent in the reporting financial year (Rs. in Lakhs) | 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 (Rs. in Lakhs) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (Rs. in Lakhs) | Date of Transfer | |
| 1 | 2021-22 | 347.00 | 347.00 | - | - | - | - |

**(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 project was commenced | Project Duration | Total Amount allocated for the Project (Rs. in Lakhs) | Amount spent on the project in the reporting financial year (Rs. in Lakhs) | Cumulative amount spent at the end of reporting financial year (Rs. in Lakhs) | Status of the Project-Completed/ ongoing |
|---|---|---|---|---|---|---|---|---|
| 1 | FY22 | AMM Foundation -Water bodies Rejuvenation project | 2021-22 | 3 years | 422.00 | 265.00 | 265.00 | Completed |
| 2 | FY22 | AMM Foundation -Centenary Science Project | 2021-22 | 3 years | 82.00 | 82.00 | 82.00 | Completed |

## 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 (Asset wise details):

| | | |
|---|---|---|
| a. | Date of creation or acquisition of the capital asset(s) | **NIL** |
| b. | Amount of CSR spent for creation or acquisition of capital assets | **NIL** |
| c. | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | **NIL** |
| d. | Provide details of the capital asset(s) created or acquired (including complete address and location). | **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 is unable to spend the CSR expenditure in respect of the following two 'ongoing projects' for the reasons mentioned below:

- While we had completed the work at Vadakudipatty and Drinking water pond, we could not complete Panangudi kanmai and Kanan Kanmai due to good spell of Northeast Monsoon in the region. In addition to water filling up in the clayey soil also made it impossible for the equipment's to be used inside the lake area.
- TI School-New Higher secondary blocks -

The design of the block has been filed for building approval. The project is not kicked off due to the delay in getting the building approval.

**Sankarasubramanian. S**
Executive Director,
Nutrient Business

**Dr. Raghuram Devarakonda**
Executive Director,
Crop Protection,
Bio Products & Retail

**Arun Alagappan**
Executive Vice Chairman,
Chairman, CSR Committee

Place: Chennai
Date: May 15, 2023

**Annexure G to Board's Report**

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

## A. CONSERVATION OF ENERGY

Various Energy conservation steps taken by the Company, as detailed below, have yielded considerable energy savings during the year 2022-23.

### Fertiliser and SSP Plants

During FY 2022-23, the Company has taken leap in Energy conservation initiatives. Centre of Excellence is inaugurated with the Energy Management cell and Digital Energy Management (EMS) was set up. All the Fertiliser units Power Balance is measured and monitored on several Energy management KPIs on real time basis for all the critical equipments.

In addition to Digital Infrastructure, there were several Capital expenditure investments towards Energy conservation initiatives. At Ennore unit the Capex investment has resulted in saving of 3 Lakh units per Annum and hence reduced Specific power consumption. Some of them is listed below.

a) TG-1 islanding operation for uninterrupted running of SAP 1, SAP 2 and PAP1 plants thereby reducing downtime of sap2 plant which was sensitive to power dips from 45hrs per year in 2019-2020 to nearly 0 in 2023. This has resulted in savings of 10 MW of power per trip or 480 MW of power per year. Also reducing SAP 1 downtime due to power dips from 7.75 hrs to 0 , thereby producing 91 MW of additional power, avoiding about 65 MT of sulphuric acid production & 100 MT of complex production & 20 MT of evaporated Phosphoric acid and PA production per trip.

b) TG-2 islanding scheme installed for uninterrupted running of PAP 2 plant results in savings of 3MW, thereby producing potential savings of reduction of downtime of minimum 1.5 hrs per power dip causing production loss of 42 MT of phosphoric acid per dip and about 1MT phosphoric acid losses through gypsum per dip.

c) TG-1 Servo booster changed, rotor blades replaced, governor refurbished for upgradation of 4.9 MW to 5.2 MW thereby providing scope of potential extra savings 0.3 MW per hour or 2232 MW additional power generation per year.

d) 1 out 3 PHE was refurbished - improved temperature of air inlet and circulation acid of DT: DT circulation acid temperature dropped to 40oC from 65 oC and furnace air inlet temperature is maintaining at 95oC against 127 oC, additional flow of sea water also supported in the reduction of temperature resulting 20 MT of additional steam generation/day.

e) CHE with upgraded design was replaced to reduce pressure drop. Resulted in additional production of 30 TPD by reducing the pressure drop across the CHE by 300 mmwc has reduced the specific power consumption from 54 Kw/MT to 50 KW/MT and additional 36 MT/day of steam. Which is equivalent of reduction of 1200 MT of LSHS per annum.

f) List of insulation damages were identified and addressed with replacement of new insulation around 1500 m2. (During field visit M/s Radha Krishna insulation workers doing insulation works with cold work permit No-5813) improving steam generation in SAP 1 from 1.08 MT/MT of SA to 1.15 MT/MT of SA. Overall additional steam generation of 4 MT of steam per hour.

g) Installed VFD for the evaporators section cooling tower for effective utilization as per plant loads. 30 KW savings in power or 216 MW per annum savings.

### CPC Plants

a) Mancozeb yield improvement by 1.87% by changing filtration method i.e. replaced compressed air by compressed N2 in agitated Nutch filter at Dahej & Sarigam.

b) Installed pusher centrifuge at MEE and enhanced its capacity by 70 KLPD resulting in cost saving of approx. 500 LPA at Dahej.

c) Installed Auto-packing machine for Mancozeb 50 kg pack size bag at Sarigam & Dahej

d) High intensity magnet used to reduce carbon foot-print of site at Sarigam & Dahej.

e) Conventional bioreactor replaced with efficient Fentop process at Dahej.

f) Manual Helical coil buoyancy type ammonia vaporizer replaced with fully automated vaporizer at Sarigam.

g) Replaced conventional burner of boiler operating at High or Low mode with new automated burner operating at different range of operation at Dahej.

### Bio Plant

a. Replaced 100 Numbers of High-Pressure sodium vapor lamp lights to LED lamp to save energy (Approximately 150 Units/day)

b. Operated process steam boiler with light diesel oil instead of furnace oil and result in 200KWHPD savings of electrical energy.

c. Replaced 20 Numbers of 250 W HPSV streetlights with solar based LED lamps.

## B. TECHNOLOGY ABSORPTION

### i. The efforts made towards technology absorptions.

### Fertiliser and SSP Plants

Some of Technology changes that were taken during FY 2022-23 in fertiliser plants were:

a) Instrument Air Drying Technology was changed from Heated type desiccant dryer technology to Heatless desiccant dryer technology for better performance and energy conservation at Ennore unit.

b) Instrument Air Compressor was changed from Reciprocating Type to Screw Type for better performance and energy conservation at Ennore Fertiliser unit.

### Bio Plant

a. Replaced gaseous ammonia with liquid ammonia for ensuring safe handling.

b. Identified and took maintenance free cartridge-based batch mark machine instead of liquid ink-based batch mark machine.

c. Introduced unity power factor based high efficiency UPS system instead of traditional UPS

### ii. 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 | : 2021-22 |
| 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 |

## C. RESEARCH AND DEVELOPMENT (R & D)

### Nutrients

In 2022-23, Nutrients R&D continued to focus on evaluation of alternative rock phosphates. The R&D team supported the Senegal phosphate mine on the optimization of the process for converting ore into concentrate. Extensive work was also done to develop a process for upgrading an indigenous source of rock phosphate.

R&D efforts were also aimed at introducing novel plant nutrition products. A new liquid fertilizer Liquid Calcium that was developed in-house was commercialised by Speciality Nutrients business. This is the second liquid fertilizer developed by R&D, the first being Liquid Zinc. A breakthrough nano technology-based fertilizer, Nano DAP, was developed by the Coromandel lab at IIT Bombay-Monash Academy and received approval under FCO. The feasibility of production of Nano DAP on commercial scale was established through trials in the Liquid Fertilizer Plant at Vizag. The material produced was used for large scale trials in farmers' fields and the results are positive. A process for Nano Urea was invented by the lab at Monash Academy and the product is under testing.

A novel Urea SSP product was conceptualized and produced by the Technology Centre at Vizag and received approval under FCO. A process for production of SSP from low grade Senegal rock phosphate was successfully demonstrated in the Pali plant.

Four patents were granted to the Company. Two process patents were granted for technological inventions in fertilizer manufacturing, specifically related to removal of colour from phosphoric acid and production of customized fertilizer granules. A patent was granted for process for production of Nano Urea. A new SSP product with higher P2O5 content also received patent registration.

FCO registration was received for two grades of fertilizers fortified with magnesium.

### Crop Protection Chemicals

During the year 2022-23 the Research Centres has included twelve products with the existing scope and got accreditation in September 2022.

During the year 2022-23, this Centre has transferred the process for 3 fungicide technicals, out of which plant has successfully commercialised AZOXYSTROBIN and CYPROCONAZOLE and getting ready to commercialise 1 more technical.

Recipe and manufacturing Processes for CANISTER, HAVANA, ORTAIN SUPER, PHENDAL ULTRA and PROP PLUS (combination products), and MALATHION 84EC and 1000 EC formulation products has been transfer to respective plant and commercialised them during the FY 22-23.

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 differential formulations.

During the year 2022-23, the formulation development team has developed recipes for 35 (Thirty-five) 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 three differential formulations established their stability and sample submitted for field trials.

During FY 22-23, the CPC R&D has developed novel process for two technical molecule Azoxystrobin (IN398893), and Cyproconazole process (IN 388889) and granted Indian patent. For formulation product total 23 (Twenty-three) patent applications were filed on combination products and granted seven Indian patents.

During the financial year 2022-23, the packaging department has generated container content compatibility (CCC) studies for Ten new combination products.

### Intellectual Property

During FY 22-23 Coromandel has received a total of 14 (Fourteen) granted patents out of which 10 patents were granted for CPC & Bio and 4 patents were granted for Fertilizer.

The Company has filed a total of 48 (forty-eight) patent applications for during the year 2022-23 out of which 30 Indian applications, 08 PCT applications and 10 national phase applications were filed in various countries as below.

| Country | Australia | Brazil | Indonesia | Thailand | Mexico | Philippines | Vietnam |
|---|---|---|---|---|---|---|---|
| Numbers | 01 | 02 | 01 | 01 | 01 | 03 | 01 |

The expenditure incurred on Research and Development:

Rs. in Lakhs

| Expenditure on R & D | 2022-23 | 2021-22 |
|---|---|---|
| Revenue | 1,822 | 1,595 |
| Capital | 184 | 224 |

Foreign exchange earnings and Outgo:

Rs. in Lakhs

| Foreign exchange earnings and Outgo: | 2022-23 | 2021-22 |
|---|---|---|
| Foreign Exchange Earnings | 98,271 | 96,791 |
| Foreign Exchange Outgo | 20,76,461 | 11,53,178 |

## Annexure H to Board's Report

**Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The details of remuneration during the year 2022-23 as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

**i. The ratio of remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2022-23:**

| Name and Designation of the Director/Key Managerial Personnel | Ratio^ | % Increase in remuneration in FY 2022-23 |
|---|---|---|
| **Non-Executive Directors** | | |
| Mr. A. Vellayan, Chairman | 27.92 | 0.79 |
| Mr. M. M. Venkatachalam, Director | 1.84 | 8.00 |
| Mr. Prasad Chandran, Independent Director# | 0.07 | (96.55) |
| Mr. Sumit Bose, Independent Director | 2.45 | 14.65 |
| Ms. Aruna B. Advani, Independent Director | 2.45 | 13.21 |
| Dr. R Nagarajan, Independent Director | 1.88 | 5.34 |
| Mr. K V Parameshwar, Independent Director | 2.33 | 14.00 |
| Mr. Sudarshan Venu, Independent Director | 0.38 | 9.30 |
| Dr. Deepali Pant Joshi | 0.36 | - |
| **Executive Directors and Key Managerial Personnel** | | |
| Mr. Arun Alagappan, Executive Vice Chairman | 100.76 | 42.35 |
| Mr. Sameer Goel, Managing Director* | 102.92 | 25.99 |
| Mr. Sankarasubramanian S., Executive Director – Nutrient Business@ | 5.81 | - |
| Dr. Raghuram Devarakonda, Executive Director – Crop Protection Bio and Retail Businesses@ | 4.68 | - |
| Mrs. Jayashree Satagopan, Chief Financial Officer | 43.53 | 17.65 |
| Mr. Rajesh Mukhija, Company Secretary | 23.44 | 13.10 |

^ Number of times to the median remuneration of employees.

* Mr. Prasad Chandran ceased to be an Independent Director of the Company on completion of his tenure with effect from close of business hours on April 20, 2022.

* Mr. Sameer Goel superannuated as a Managing director of the Company with effect from close of business hours on January 31, 2023, on completion of his term as Managing Director.

@ Mr. Sankarasubramanian and Dr. Raghuram Devarakonda appointed as Whole-Time Directors w.e.f. February 1, 2023.

**ii. Percentage increase/(decrease) in the median remuneration of employees in the financial year 2022-23:** 8.0%

**iii. Number of permanent employees on the rolls of the Company as on March 31, 2023:** 5064

**iv. 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 8.7%. Increase in the managerial remuneration for the year was 30.65%.

**v. Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is affirmed that the remuneration paid to Directors and Key Managerial Personnel during the financial year 2022-23 is as per the Remuneration Policy of the Company.

**Notes:**

1. Mr. Sankarasubramanian S. and Dr. Raghuram Devarakonda were appointed as Executive Directors and Dr. Deepali Pant Joshi as Independent Director with effect from February 1, 2023 hence ratio and percentage increase is not comparable with other directors.

2. There has been no change in payment criteria for remuneration to non -executive/ independent directors. The variation reflected in the column % increase in remuneration in FY 2022-23 for Mr. M M Venkatachalam, Mr. Sumit Bose. Ms. Aruna Advani, Dr. R. Nagarajan, Mr. K V Parameshwar and Mr. Sudarshan Venu are either due to a change in committee composition, or payment of sitting fees for attending meetings. Further, Mr. Sudarshan Venu requested for waiver of payment of Commission for the financial year 2022-23 and it was approved at the Board Meeting held on 15th May, 2023.

3. The overall increase in managerial remuneration is mainly on account of exercise of ESOPs by Mr. Sameer Goel, Managing Director during the financial year 2022-23. The total managerial remuneration is in accordance with resolution approved by the shareholders of the Company.

**On behalf of the Board of Directors**

Place: Chennai
Date :May 15, 2023

**A Vellayan**
Chairman



TÜV INDIA
TUV NORD GROUP

# Assurance Statement[67]

## Introduction and Engagement

Coromandel International Limited (hereafter 'CIL') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial ESG information disclosed in CIL's Sustainability Report (hereinafter 'the Report') based on the principles of Global Reporting Initiative (GRI) standards, and the BRSR (Business Responsibility and Sustainability Reporting) framework. The reporting period runs from 1 April 2022 to 31 March 2023. This engagement comprised "limited assurance" of CIL's ESG information following the AA1000AS v3 Standard (Type 1, Moderate Level).

## Management's Responsibility

CIL has developed the Report content and is responsible for identifying materiality, and related sustainability issues, establishing, reporting performance management, data management, and quality. The management of CIL is responsible for the information provided in the Report and the process of collecting, analysing, and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. The CIL's management is responsible for accurately preparing the Report following the applied criteria so that it is free of intended or unintended material misstatements. CIL will be responsible for archiving and reproducing the disclosed data for the stakeholders upon request.

## Scope and Boundary

In particular, the assurance engagement included the following:

a) *Review of the disclosures submitted by CIL;*
b) *Review of the quality of information;*
c) *Review of evidence (on a sample basis) for identified non-financial indicators*

TUVI has verified the below-mentioned ESG disclosures based on GRI Std 2021:

*"Water withdrawal, Water discharge, Water consumption, Waste generated, Waste diverted from disposal, Waste directed to disposal, Direct (Scope 1) GHG emissions*, Energy indirect (Scope 2) GHG emissions, GHG emission intensity ratio, Reduction of GHG emissions, Energy consumption within the organization, Reduction in energy requirements of products and services, Workers covered by an occupational health and safety management system, Work-related injuries, Work-related ill health, New employee hires and employee turnover, Benefits provided to full-time employees that are not provided totemporary or part-time employees, Average hours of training per year per employee, Operations with local community engagement"*

TUVI has verified the below Essential and Leadership Indicators disclosed as per BRSR

| Principles | Essential Indicators | Leadership Indicators |
|---|---|---|
| Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable. | 1,2,3,4,5,6,7 | 1,2 |
| Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe. | 1,2,3,4 | 1,2, 3, 4, 5 |
| Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains. | 1,2,3,4,5,6,7,8,9,10,11,12, 13,14,15 | 1,2,3,4,5, 6 |
| Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders. | 1,2 | 1,2,3 |
| Principle 5: Businesses should respect and promote human rights. | 1,2,3,4,5,6,7,8,9,10 | 1,2,3 |
| Principle 6: Businesses should respect and make efforts to protect and restore the environment. | 1,2,3,4,5,6,7,8,9,10,11,12 | 1,2,3,4, 5, 6,7,8, 9 |
| Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent. | 1,2 | 1 |

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| | | |
|---|---|---|
| Principle 8: Businesses should promote inclusive growth and equitable development. | 1,2,3,4 | 1,2,3,4, 5, 6 |
| Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner | 1,2,3,4,5,6 | 1,2,3,4,5 |

The reporting boundaries for the above topics includes 16 manufacturing plants across India. Onsite Assessment was performed at below mentioned 3 sites in May 2023 followed by remote verification (via Microsoft teams) at 2 sites.

1) *CIL(Fertilizers), Visakhapatnam Andhra Pradesh, (date: 03 & 04 May 2023, onsite)*
2) *CIL (Crop Protection), Ankleshwar (date: 09 & 10 May 2023, onsite)*
3) *CIL (Crop Protection and SSP) Ranipet Tamil Nadu, (date: 09 & 10 May 2023, onsite)*
4) *CIL (SSP) Udaipur Rajasthan, (date: 15 May 2023, remote)*
5) *CIL (Fertilizers) Kakinada, Andhra Pradesh, (date: 16 & 17 May 2023, remote)*

The assurance activities were done together with a desk review carried out for all other CIL sites within the reporting boundary. Applicable boundaries for disclosures are explained in the Report.

## Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion from the prospective information. During the assurance process, TUVI did not come across any limitations to the agreed scope of the assurance engagement. TUVI is contracted by the CIL and answerable to the CIL's management only. TUVI verified the data on a sample basis; the responsibility for the authenticity of the data entirely lies with CIL. TUVI expressly disclaims any liability or co-responsibility in case of erroneous data reported or for any decision a person or entity would make based on this assurance statement.

## Our Responsibility

TUVI's responsibility in relation to this engagement is to perform assurance and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or effectiveness of CIL's strategy, management of ESG-related issues, or sufficiency of the Report against the principles of the GRI Standards, BRSR reporting principles, and AA1000AS v3 Standard, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes non-financial quantitative and qualitative information (KPIs) disclosed by CIL. The intended users of this assurance statement are the management of 'CIL'. This assurance engagement is based on the assumption that the data and information provided to TUVI by CIL are complete and true.

## Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosed KPI's. TUVI has verified the KPIs and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

1. *TUVI examined and reviewed the documents, data, and other information made available by CIL for all disclosed KPIs (non-financial disclosures).*
2. *TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of the CIL, during the onsite verification.*
3. *Review the level of adherence to the principles of the GRI standards, and BRSR.*

## Opportunities for Improvement

The following are the opportunities for improvement reported to CIL; however, they are generally consistent with the management's objectives and programme

1) Formal grievance mechanism to capture the feedbacks from local community can be established to strengthen the inclusivity principle and hence disclosure 413-1;
2) CIL can further include the data of contract employee for reporting the disclosure 404 (Training and Education);
3) GHG, water, waste, and other applicable KPI associated with employee colony can be considered during next periodic reporting;
4) All indirect GHG emissions category as per ISO 14064 can be calculated and published during next periodic reporting;
5) CIL can reassess its GHG emission targets following the "Science-Based Targets" methodology (Sectoral de-carbonization approach or Absolute based targets or Economic approach);

## Our Conclusion

In our opinion, based on the scope of this assurance engagement, the "disclosures on ESG performance"



and reference information provide a fair representation of the material topics and meet the general content and quality requirements of the GRI Standards.

**Disclosures:** TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements. CIL refers to universal disclosure to report contextual information, while the 'Management Approach' is discussed to report the management approach for each material topic.

**Universal Standard:** CIL followed GRI 1: Foundation 2021: Requirements and principles for using the GRI Standards; GRI 2: General Disclosures 2021: Disclosures about the reporting organisation. General Disclosures were followed when reporting information about an organisation's reporting practices, activities and workers, governance, strategy, policies, practices, and stakeholder engagement. GRI 3: Material Topics 2021: Disclosures and Guidance about the Organisation's Material Topics GRI3 was selected for the determination of material topics and the disclosure of the material topics.

**Topic Specific Standard:** 300 series (Environmental topics) and 400 series (Social topics); these Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that CIL used to prepare its Report are appropriately identified and addressed.

**Assurance Conclusion:** Based on the procedures we have performed; nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. In the context of Assurance, the following contemporary principles have been observed: This assurance statement has been prepared in reference with the terms of our engagement and AA1000AS v3 Standard requirements.

**Evaluation of the adherence to AA1000 AccountAbility Principles**

***Inclusivity:*** *Stakeholder identification and engagement is carried out by CIL on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.*

***Materiality:*** *The materiality assessment process has been carried out based on the requirements of the GRI Standards, considering topics that are internal and external to the CIL range of businesses. The Report fairly brings out the aspects and topics and their respective boundaries of the diverse operations of CIL. In our view, the Report meets the requirements.*

***Responsiveness:*** *TUVI believes that the responses to the material aspects are fairly articulated in the Report, i.e., disclosures on CIL policies and management systems, including governance. In our view, the Report meets the requirements.*

***Impact:*** *CIL communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, and its policy framework encompassing the Environmental, Social, Ethical and other policies. CIL reports on ESG performance to the Top Management, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.*

## Our Assurance Team and Independence

TUVI is an independent, neutral third party providing sustainability services with qualified environmentaland social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regards to this assurance engagement. In the reporting year, TUVI did not workwith CIL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

**For and on behalf of TUV India Private Limited**

AA1000
Licensed Assurance Provider
000-138

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Date: 26-06-2023
Place: Mumbai, India
Project Reference No: 8121478648
www.tuv-nord.com/in

# 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, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained 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 for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition, measurement, valuation of Subsidy income/Government subsidies and related receivables** | |
| Refer to note 2.4 'Revenue recognition', note 2.28.1 'Key sources of estimation uncertainty' and note 24 'Revenue from operations' to the standalone financial statements. The Company has recognised subsidy income of ₹ 14,48,805 lakhs for the year ended March 31, 2023.<br><br>Subsidy income pertaining to the Nutrient and other allied business is recognised on the basis of the rates notified from time to time in accordance with the Nutrient Based Subsidy ('NBS') policy by the Department of Fertilisers ('DOF'), Government of India ('GOI') and the conditions attached to subsidy income under Direct Benefit Transfer ('DBT') System. The principles of Ind AS 20 requires matching of subsidy income with the related costs which it is intended to compensate and accordingly, subsidy income is recognized over a period on a systematic basis to match it with the related costs and on satisfaction of relevant conditions specified in the notifications.<br><br>Recognition of subsidy income and assessment of its recoverability is subject to exercise of significant judgement and interpretation of relevant notifications by the management, which includes satisfaction of conditions specified in notifications and compliance with reasonable margin guidelines, assessment of applicable rates for fertilizers sold, estimation of rates for periods not covered by relevant notifications, evaluation of recoverability of receivables etc and has accordingly been considered as a key audit matter. | Our audit procedures amongst others included the following:<br>• We understood the subsidy income recognition process, evaluated the design and implementation, and operating effectiveness of internal controls relating to subsidy income and related receivables.<br>• We enquired with the relevant personnel in the Company, read and understood their interpretations of the relevant circulars and notifications issued by GOI from time to time with regard to the subsidy policies that impact subsidy income and related receivables.<br>• We tested the notified NBS rates considered by the Company for the product subsidy with the applicable circulars and notifications; understood the basis for adjustments to product subsidy based on estimated rates considered by the management, in the absence of revised NBS rates and discussed with the management and Those Charged With Governance, the appropriateness of the subsidy rates applied to recognise subsidy income.<br>• In testing the estimated rates for the periods not covered by notified NBS rates, evaluated the appropriateness of the assumptions used for the factors determined by management as influencing the determination of the rates with externally available evidences.<br>• We correlated the sales quantity considered for subsidy income with the actual sales made by the Company and customer acknowledgements as per the iFMS portal of the DOF.<br>• We reviewed the quantities and rates considered for the purpose of recognising freight subsidy.<br>• We evaluated Management's assessment and reviewed underlying calculations regarding compliance with relevant conditions as specified in the notifications and policies including reasonable margin guidelines.<br>• We analysed and discussed the status of outstanding subsidy receivables and its realisability with the Management and assessed the reasonability of provisions made towards outstanding subsidy receivables<br>• We tested the sanction notes received from the GOI for receipts and traced credits to bank statements for the receipts during the year and also the subsequent receipts.<br>• We assessed the presentation of subsidy income along with related receivables and related disclosures in the standalone financial statements. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition and measurement of revenues** | |
| Refer to note 2.4 'Revenue recognition', note 2.28.1 'Key sources of estimation uncertainty' and note 24 'Revenue from operations' to the standalone financial statements.<br><br>Revenue from sale of goods is recognised, when the control of goods is transferred to the customers. In accordance with the accounting policy, control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the applicable terms.<br><br>Revenue recognition involves significant management judgements and estimates and has accordingly been identified as a key audit matter. | Our audit procedures amongst others included the following:<br>• We understood the revenue recognition process, evaluated the design and implementation of internal controls relating to revenue recognised.<br>• We selected samples and tested the operating effectiveness of internal controls, relating to transfer of control. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.<br>• We tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.<br>• In respect of the selected sample of transactions:<br>o We obtained the customer contracts and understood the terms and conditions including delivery and shipping terms.<br>o We tested whether the revenue is recognised upon transfer of control to customer.<br>o We tested the location stock reports from Company warehouses, where applicable, for confirmation on sales quantity made during the year.<br>o We tested on a sample basis (including for sales near to the period end) shipping documents/customer acknowledgment, as applicable. In respect of sales of fertiliser products, we have also agreed the quantities sold as per the Company books with the customer acknowledgments as per the iFMS portal of the Department of Fertilisers.<br>o We tested the data used by the Company in assessing the provision for rebates for completeness and evaluated the rebates accrued, on a sample basis, by agreeing amounts recognised to the terms of agreements and marketing circulars for rebate schemes announced by the Company.<br>• We assessed relevant disclosures in the standalone financial statements of the Company. |

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

### Responsibilities of Management and Those Charged with Governance 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities 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 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 with reference to financial statements 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 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 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.

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 for the financial year ended March 31, 2023 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 36 to the 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;

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 49 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

v. As stated in note 17 to the standalone financial statements,

a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act, to the extent it applies to payment of dividend;

b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act; and

c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(i) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Shankar Srinivasan**
Partner
Membership Number: 213271
UDIN: 23213271BGSEIK8134

Place of Signature: Chennai
Date: May 15, 2023

## Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

**Re: Coromandel International Limited ("the Company")**

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the Property, plant and equipment 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:

| Description of property | Gross carrying value (₹ in lakhs) | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of company |
|---|---|---|---|---|---|
| 446.92 acres of freehold land located at Pattamadai | 75 | E.I.D.-Parry (India) Limited | Yes – held by holding company | 2017-2023 | Acquired through business combination, pending to be registered 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:

| Description of property | Gross carrying value (₹ in lakhs) | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in name of company |
|---|---|---|---|---|---|
| 321.22 acres of leasehold land at Vishakhapatnam | 21,662 | NA | No | 2014-2023 | Lease deed pending to be renewed in the name of the Company |
| 3.52 acres of leasehold land at Madri, Udaipur | 17 | Liberty Pesticides and Fertilizers Limited | No | 1997-2023 | Lease deed pending to be transferred in the name of the Company |

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(b) As disclosed in note 18 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) According to the information and explanations given by the management, during the year the Company has provided loans and stood guarantee to other entities, the details of which are tabulated below:

(₹ In Lakhs)

| Particulars | Loans | Advance in nature of loans | Guarantees (Financial guarantees) | Security |
|---|---|---|---|---|
| Aggregate amount granted / provided during the year | | | | |
| - Subsidiaries | 15,655 | - | - | - |
| - Joint ventures | - | - | - | - |
| - Associates | - | - | - | - |
| - Others (term deposits placed with a financial institution) | 82,000 | - | - | - |
| Balance outstanding as at the balance sheet date in respect of above cases | | | | |
| - Subsidiaries | 15,655 | - | - | - |
| - Joint ventures | - | - | - | - |
| - Associates | - | - | - | - |
| - Others (Balance of term deposits placed with a financial institution and loans to others) | 164,000 | - | 3,936 | - |

(b) According to the information and explanations given to us and based on audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, securities given and the terms and conditions of all loans granted are not prejudicial to the company's interest.

(c) According to the information and explanations given to us and based on audit procedures performed by us, in respect of loans provided by the company, the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Renewal of term deposits placed with financial institutions (HDFC Limited) in the normal course of business is not considered for reporting under this clause.

(f) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Act are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of fertilizers, pesticides, other goods and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Forum where the dispute is pending | Period to which the amount relates | Amount involved (₹ Lakhs) | Amount paid under protest (₹ Lakhs) |
|---|---|---|---|---|---|
| The Income Tax Act, 1961 | Income tax | Income Tax Appellate Tribunal | 2015-16 | 46 | 9 |
| The Income Tax Act, 1961 | Income tax | CIT (Appeals) | 2016-17 to 2017-18 | 698 | 125 |
| West Bengal Sales Tax Act,1994 | Sales tax | Sales Tax Appellate Tribunal | 2008-2009, 2012-14 | 1,058 | 100 |
| Andhra Pradesh General Sales Tax Act, 1957 | Sales tax | Sales Tax Appellate Tribunal | 2013-14 | 14 | - |
| Uttar Pradesh Value Added Tax Act, 2008 | Sales tax | Deputy Commissioner | 2008-09 | 125 | 14 |
| Uttar Pradesh Value Added Tax Act, 2008 | Sales tax | Deputy Commissioner (Appeals) | 2012-13 | 1 | - |
| Uttar Pradesh Value Added Tax Act, 2008 | Sales tax | Sales Tax Appellate Tribunal | 2012-13 | 35 | - |
| Uttar Pradesh Value Added Tax Act, 2008 | Sales tax | Deputy Commissioner | 2012-14 | 5 | - |
| Uttar Pradesh Value Added Tax Act, 2008 | Sales tax | Deputy Commissioner (Appeals) | 2012-14 | 6 | 1 |
| Gujarat Value Added Tax Act,2003 | Sales tax | Sales Tax Appellate Tribunal | 2008-09 to 2013-14 | 91 | - |
| The Jammu & Kashmir Value Added Tax Act, 2005 | Sales tax | Joint Commissioner (Appeals) | 2013-14 | 13 | - |
| Electricity Supply Act, 1948 | Electricity Cess | High Court for the State of Telangana | 2003-04 to 2013-14 | 293 | - |
| Central Excise Act, 1944 | Excise duty | High Court for the State of Telangana | 2003-07 | 368 | - |
| Central Excise Act, 1944 | Excise duty | High court of Madras | 2001-03 | 7 | - |
| Central Excise Act, 1944 | Excise duty | Commissioner (Appeals) | 2004-05, 2010-11 and 2016-17 | 8 | - |

| Name of the statute | Nature of the dues | Forum where the dispute is pending | Period to which the amount relates | Amount involved (₹ Lakhs) | Amount paid under protest (₹ Lakhs) |
|---|---|---|---|---|---|
| Central Excise Act, 1944 | Excise duty | High court for the State of Jammu & Kashmir | 2008-15 | 141 | - |
| The Customs Act, 1962 | Customs duty | CESTAT | 2009-10, 2011-12 & 2017-18 | 67 | 5 |
| The Customs Act, 1962 | Customs duty | Commissioner of Customs (Appeals) | 2010-11 | 39 | - |
| The Customs Act, 1962 | Customs duty | Assistant Commissioner | 2006-10 | 344 | 23 |
| The Customs Act, 1962 | Customs duty | High Court for the state of Andhra Pradesh | 2018-19 | 461 | - |
| Central Goods and Services Tax | GST | Additional Commissioner (Appeals) | 2017-18 | 37 | - |
| Central Goods and Services Tax | GST | Assistant Commissioner | 2017-20 | 675 | - |
| The Finance Act,1994 | Service tax | CESTAT | 2015-18 | 21 | - |
| The Finance Act,1994 | Service tax | Commissioner (Appeals) | 2015-17 | 1 | - |
| The Finance Act,1994 | Service tax | CESTAT | 2009-16 | 269 | 21 |

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There are 2 registered Core Investment Companies (CICs) as a part of the Group as defined under Core Investment Companies (Reserve Bank) Directions.

(xvii) The Company has not incurred cash losses in the current or immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in note 38 to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 38 to the financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Shankar Srinivasan**
Partner
Membership Number: 213271
UDIN: 23213271BGSEIK8134

Place of Signature: Chennai
Date: May 15, 2023





## Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Coromandel International Limited

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Coromandel International Limited ("the Company") as of March 31, 2023, 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 ("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 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 Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 with reference to these standalone financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements 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 controls with reference to standalone financial statements 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 23213271BGSEIK8134

Place of Signature: Chennai
Date: May 15, 2023





# Standalone Balance Sheet

(₹ in Lakhs, unless otherwise stated)

| | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| I ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 1,82,779 | 1,70,103 |
| (b) Capital work-in-progress | 3 | 37,500 | 11,982 |
| (c) Right-of-use assets | 4 | 35,608 | 37,548 |
| (d) Other intangible assets | 5 | 854 | 628 |
| (e) Intangible assets under development | 5 | 2,295 | 2,139 |
| (f) Financial assets | | | |
| i) Investments | 6 | 21,997 | 26,678 |
| ii) Loans | 14 | 92,000 | 40,000 |
| (g) Other non-current assets | 8 | 12,586 | 6,347 |
| | | **3,85,619** | **2,95,425** |
| 2 Current assets | | | |
| (a) Inventories | 9 | 4,41,251 | 3,65,531 |
| (b) Financial assets | | | |
| i) Investments | 10 | * | * |
| ii) Trade receivables | 11 | 59,120 | 24,249 |
| iii) Government subsidies receivable | | 2,37,791 | 29,414 |
| iv) Cash and cash equivalents | 12 | 1,33,138 | 65,765 |
| v) Bank balances other than cash and cash equivalents | 13 | 2,400 | 1,04,727 |
| vi) Loans | 14 | 87,655 | 1,54,000 |
| vii) Other financial assets | 7 | 3,744 | 3,461 |
| (c) Other current assets | 15 | 68,429 | 78,732 |
| | | **10,33,528** | **8,25,879** |
| **Total assets** | | **14,19,147** | **11,21,304** |
| II EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| (a) Equity share capital | 16 | 2,940 | 2,935 |
| (b) Other equity | 17 | 7,83,856 | 6,26,866 |
| **Total equity** | | **7,86,796** | **6,29,801** |
| 2 Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| i) Lease liabilities | 4 | 36,308 | 37,089 |
| ii) Other financial liabilities | 19 | 2,113 | 195 |
| (b) Provisions | 20 | 1,953 | 1,428 |
| (c) Deferred tax liabilities (net) | 21.1 | 5,689 | 6,377 |
| (d) Other non-current liabilities | 22 | 755 | 779 |
| | | **46,818** | **45,868** |
| 3 Current liabilities | | | |
| (a) Financial liabilities | | | |
| i) Borrowings | 18 | 450 | 4 |
| ii) Lease liabilities | 4 | 2,490 | 2,403 |
| iii) Trade payables | 23 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 1,851 | 2,996 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 5,29,745 | 3,88,322 |
| iv) Other financial liabilities | 19 | 28,264 | 24,137 |
| (b) Provisions | 20 | 2,298 | 1,898 |
| (c) Current tax liabilities (net) | 21.4 | 5,715 | 7,493 |
| (d) Other current liabilities | 22 | 14,720 | 18,382 |
| | | **5,85,533** | **4,45,635** |
| **Total liabilities** | | **6,32,351** | **4,91,503** |
| **Total equity and liabilities** | | **14,19,147** | **11,21,304** |
| *less than ₹ 1 lakh | | | |
| Corporate Information and Significant accounting policies | 1 and 2 | | |
| See accompanying notes to the financial statements | | | |

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

Shankar Srinivasan
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

Arun Alagappan
Executive Vice Chairman
DIN: 00291361

A Vellayan
Chairman
DIN: 00148891

Jayashree Satagopan
Chief Financial Officer

Rajesh Mukhija
Company Secretary

# Standalone Statement of Profit and Loss

(₹ in Lakhs, unless otherwise stated)

| | | Notes | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|---|
| **I** | **Income** | | | |
| | Revenue from operations | 24 | 29,60,955 | 19,08,826 |
| | Other income | 25 | 17,476 | 14,317 |
| | **Total income** | | **29,78,431** | **19,23,143** |
| | | | | |
| **II** | **Expenses** | | | |
| | Cost of materials consumed | | 19,55,573 | 11,89,224 |
| | Purchases of stock-in-trade | | 4,66,408 | 2,43,307 |
| | Changes in inventories of finished goods, work-in-process and stock-in-trade | 26 | (75,195) | (11,511) |
| | Employee benefits expense | 27 | 65,342 | 58,316 |
| | Finance costs | 28 | 18,928 | 7,543 |
| | Depreciation and amortisation expenses | 29 | 18,120 | 17,202 |
| | Other expenses | 30 | 2,57,051 | 2,25,921 |
| | **Total expenses** | | **27,06,227** | **17,30,002** |
| **III** | **Profit before tax (I - II)** | | 2,72,204 | 1,93,141 |
| **IV** | **Tax expense:** | | | |
| | (1) Current tax | | 69,136 | 51,662 |
| | (2) Deferred tax | | (399) | 234 |
| | **Total tax expense** | | **68,737** | **51,896** |
| **V** | **Profit for the year (III-IV)** | | **2,03,467** | **1,41,245** |
| | | | | |
| **VI** | **Other Comprehensive Income** | | | |
| A | (i) Items that will not be reclassified subsequently to profit or loss | | | |
| | (a) Remeasurement of defined benefit plan | 34(a) | (610) | 293 |
| | (b) Net fair value gain/(loss) on investments in equity shares at FVTOCI | | (13,254) | 2,072 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 21.3 | 198 | (557) |
| B | (i) Items that will be reclassified subsequently to profit or loss | | | |
| | (a) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge | | (368) | (20) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | 21.3 | 93 | 5 |
| | **Total other comprehensive income (A+B)** | | **(13,941)** | **1,793** |
| **VII** | **Total comprehensive income for the year (V + VI)** | | **1,89,526** | **1,43,038** |
| **VIII** | **Earnings per equity share (Face value of ₹1 each):** | 35 | | |
| | Basic ₹ | | 69.25 | 48.14 |
| | Diluted ₹ | | 69.12 | 48.03 |
| | Corporate Information and Significant accounting policies | 1 and 2 | | |
| | See accompanying notes forming part of the financial statements | | | |

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

**Shankar Srinivasan**
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

**Arun Alagappan**
Executive Vice Chairman
DIN: 00291361

**A Vellayan**
Chairman
DIN: 00148891

**Jayashree Satagopan**
Chief Financial Officer

**Rajesh Mukhija**
Company Secretary

# Standalone Statement of Cash flows

(₹ in Lakhs, unless otherwise stated)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Profit before tax** | | 2,72,204 | 1,93,141 |
| Adjustments for: | | | |
| Depreciation and amortisation expense | | 18,120 | 17,202 |
| (Profit)/Loss on sale/scrap of property, plant and equipments (net) | | (988) | 671 |
| (Profit)/loss on sale of investment | | (3) | - |
| Exchange differences (net) | | 465 | 2,884 |
| Gain on measuring investments at FVTPL (net) | | (1) | (353) |
| Impairment allowance recognised for doubtful trade receivables, loans and advances and other liabilities no longer required, written back (net) | | 224 | (3,764) |
| Provision for impairment of investment | | - | 10,281 |
| Provision for employee benefits | | 315 | 84 |
| Share-based payments | | 771 | 281 |
| Finance costs | | 18,928 | 7,543 |
| Interest income | | (16,182) | (10,115) |
| Dividend income | | (4) | (7) |
| Others | | (93) | (66) |
| **Operating profit before working capital changes** | | **2,93,756** | **2,17,782** |
| *Changes in working capital:* | | | |
| Increase/(Decrease) in trade payables including acceptances | | 1,42,146 | 1,01,212 |
| Increase/(Decrease) in other liabilities | | (1,275) | 12,455 |
| (Increase)/Decrease in trade receivables | | (35,396) | 31,858 |
| (Increase)/Decrease in government subsidies receivable | | (2,08,377) | 29,552 |
| (Increase)/Decrease in inventories | | (75,720) | (1,06,200) |
| (Increase)/Decrease in other assets | | 11,825 | (29,579) |
| **Cash generated from operations** | | **1,26,959** | **2,57,079** |
| Direct taxes paid (net of refunds) | | (70,912) | (47,755) |
| **Net cash flows from operating activities** | **(A)** | **56,047** | **2,09,324** |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipments and other intangible assets including capital work-in-progress and capital advances | | (60,547) | (27,781) |
| Proceeds from sale of leashold land | | 2,091 | - |
| Proceeds from sale of property, plant and equipments | | 1,617 | 101 |
| Investment in subsidiary and Joint venture | | (8,614) | (1,100) |
| Proceeds from sale of non-current investments | | 34 | - |
| Inter-corporate deposits/ loans given | | (97,655) | (92,000) |
| Inter-corporate deposits matured/ loans received | | 1,12,000 | 48,012 |
| Interest received | | 14,281 | 10,451 |
| Dividend received from current and non-current investments | | - | 7 |
| Balances in margin money/ deposit accounts/Other restricted balances | | 1,02,419 | (1,02,434) |
| **Net cash flow from / (used) in investing activities (B)** | **(B)** | **65,626** | **(1,64,744)** |

# Standalone Statement of Cash flows

(₹ in Lakhs, unless otherwise stated)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Proceeds from issue of equity shares on exercise of employee stock options | | 1,963 | 434 |
| Movement in short-term borrowings | | 446 | (117) |
| Dividend paid | | (35,264) | (35,212) |
| Interest and other borrowing costs paid | | (15,216) | (3,419) |
| Repayment of lease liability | | (6,229) | (5,894) |
| **Net cash used in financing activities** | **(C)** | **(54,300)** | **(44,208)** |
| **Net increase in cash and cash equivalents (A + B + C)** | | **67,373** | **372** |
| Cash and cash equivalents at the beginning of the year | | 65,765 | 65,393 |
| Cash and cash equivalents at the end of the year (as per Note 12) | | **1,33,138** | **65,765** |

**Note:**

1. Statement of Cash Flows has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements, whereby profit / (loss) after tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments for the year. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

   Cash and cash equivalents in the Statement of Cash Flows 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.

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **2. Reconciliation of Short-term borrowings:** | | |
| Opening balance | 4 | 121 |
| Movement in short-term borrowings (net) | 446 | (117) |
| **Closing balance** | **450** | **4** |
| **3. Reconciliation of lease liabilities (Current and Non-current):** | | |
| Opening balance | 39,492 | 38,334 |
| Lease liabilities addition during the year | 2,261 | 3,400 |
| Lease liabilities deletion during the year | (334) | (395) |
| Interest | 3,608 | 4,047 |
| Repayment (net of interest) | (6,229) | (5,894) |
| **Closing balance** | **38,798** | **39,492** |
| See accompanying notes forming part of the financial statements | | |

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

**Shankar Srinivasan**
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

**Arun Alagappan**
Executive Vice Chairman
DIN: 00291361

**A Vellayan**
Chairman
DIN: 00148891

**Jayashree Satagopan**
Chief Financial Officer

**Rajesh Mukhija**
Company Secretary





# Standalone Statement of Changes in Equity

## a). Equity share capital (refer note 16)

(₹ in Lakhs, unless otherwise stated)

| | Number of shares | Amount |
|---|---|---|
| **Balance as at 1 April 2021** | 29,33,78,679 | 2,934 |
| Add: Equity shares allotted pursuant to exercise of stock options | 1,17,730 | 1 |
| **Balance as at 31 March 2022** | **29,34,96,409** | **2,935** |
| Add: Equity shares allotted pursuant to exercise of stock options | 5,17,340 | 5 |
| **Balance as at 31 March 2023** | **29,40,13,749** | **2,940** |

## b). Other equity

(₹ in Lakhs, unless otherwise stated)

| | Reserves and Surplus (refer note 17) | | | | | | | Items of other comprehensive income (refer note 17) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Capital redemption reserve | Securities premium | Central subsidy | General reserve | Share Based Payment reserve | Retained earnings | Equity instruments through other comprehensive income | Effective portion of cash flow hedges | Total |
| **Balance as at 1 April 2021** | **449** | **986** | **17,013** | **11** | **2,63,592** | **1,102** | **2,40,950** | **(6,083)** | **306** | **5,18,326** |
| Profit for the year | - | - | - | - | - | - | 1,41,245 | - | - | 1,41,245 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | - | - | 219 | 1,589 | (15) | 1,793 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **1,41,464** | **1,589** | **(15)** | **1,43,038** |
| Recognition of share-based payments | - | - | - | - | - | 281 | - | - | - | 281 |
| Dividend on equity shares including dividend distribution tax | - | - | - | - | - | - | (35,212) | - | - | (35,212) |
| Amount received on exercise of employee stock options | - | - | 433 | - | - | - | - | - | - | 433 |
| Amounts transferred within the reserves | - | - | 169 | - | - | (169) | | - | - | - |
| **Balance as at 1 April 2022** | **449** | **986** | **17,615** | **11** | **2,63,592** | **1,214** | **3,47,202** | **(4,494)** | **291** | **6,26,866** |
| Profit for the year | - | - | - | - | - | - | 2,03,467 | - | - | 2,03,467 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | - | - | (455) | (13,211) | (275) | (13,941) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **2,03,012** | **(13,211)** | **(275)** | **1,89,526** |
| Recognition of share-based payments | - | - | - | - | - | 771 | - | - | - | 771 |
| Dividend on equity shares including dividend distribution tax | - | - | - | - | - | - | (35,264) | - | - | (35,264) |
| Amount received on exercise of employee stock options | - | - | 1,958 | - | - | - | - | - | - | 1,958 |
| Amounts transferred within the reserves | - | - | 737 | - | - | (737) | - | - | - | - |
| **Balance as at 31 March 2023** | **449** | **986** | **20,310** | **11** | **2,63,592** | **1,248** | **5,14,950** | **(17,705)** | **16** | **7,83,856** |
| See accompanying notes forming part of the financial statements | | | | | | | | | | |

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

**Shankar Srinivasan**
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

**Arun Alagappan**
Executive Vice Chairman
DIN: 00291361

**A Vellayan**
Chairman
DIN: 00148891

**Jayashree Satagopan**
Chief Financial Officer

**Rajesh Mukhija**
Company Secretary

# Notes forming part of the Standalone financial statements

(₹ 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 is "Coromandel House", 1-2-10, Sardar Patel Road, Secunderabad - 500003, Telangana. The Company is engaged in the business of farm inputs comprising fertiliser, crop protection, specialty nutrients and organic compost.

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 18 manufacturing facilities located across India. The Company also operates a network of retail outlets across Andhra Pradesh, Telangana and Karnataka. 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 Basis of preparation and presentation

The financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, 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 except for the following:

The Company elected to change its accounting policy for valuation of its raw material inventory from First-in-First-out (FIFO) to weighted average cost to ensure consistency of policy adopted for other items of inventory and with general industry practice. The impact of this policy change up to 31 March 2022 is not material and consequently the comparative figures have not been restated.

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.

### 2.2 Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or





- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 2.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

### 2.4 Revenue recognition

Revenue is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

a) Sale of goods is recognised net of returns and trade discounts, volume discounts and scheme allowances as specified in the contracts with customer when the control over the goods is transferred to the customers. Accruals for discounts/incentives are estimated using the most likely method based on accumulated experience and underlying schemes and agreements with 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.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

Further, as required by Ind AS 20, the Company matches subsidy income with related costs which the subsidy is intended to compensate and accordingly, subsidy income is recognized over a period on a systematic basis to match it with the related costs and on satisfaction of relevant conditions.

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.

### 2.5 Other Income

a) Dividend income from investments is recognised in the year in which the right to receive the payment is established.

b) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.6 Leases

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.

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.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.





# Notes forming part of the Standalone financial statements

(₹ 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.

### 2.7 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 an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 2.10 Employee benefits

#### 2.10.1 Defined contribution plans

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the profit or loss each year when employees have rendered service entitling them to the contributions.

#### 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.

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.

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

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

#### 2.10.3 Short-term employee benefits

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company’s schemes based on expected obligation on an undiscounted basis.

#### 2.10.4 Other long-term employee benefits

Other Long term employee benefit 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 share-based payments reserve. 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 share-based payments reserve.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

### 2.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted 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 income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.






# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)


Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

#### 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.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax 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.

### 2.14 Property, plant and equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

| Asset | Useful lives (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.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

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

#### 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.

#### Impairment of Subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

### 2.18 Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost and net realisable value. Net realisable 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

1. Raw material, stores and spares and packing materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost (First in First Out till March 31, 2022).



Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

2. Finished goods and Work-in-process: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost of production.

3. Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost.

### 2.19 Cash and Cash equivalents

Cash comprises cash on hand, in bank and demand deposits with banks and with financial institutions. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

### 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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 2.22 Financial assets

#### 2.22.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer note 2.4.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### 2.22.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments:





Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

### 2.22.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### 2.22.4 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument.

## 2.23 Financial liabilities

### 2.23.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### 2.23.2 Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortised cost (Loans and borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

### 2.23.3 Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### 2.23.4 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## 2.24 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.25 Derivative financial instruments and hedge accounting

### 2.25.1 Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

(including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

The Company designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

### 2.26 Business Combination

The Company accounts for its business combinations under acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of the assets transferred and liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange of control of the acquiree. Acquisition related costs are generally recognised in standalone statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire, if any over





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the net of the acquisition–date amounts of the identifiable assets acquired and the liabilities assumed. Such goodwill is tested annually for impairment.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date and is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations arising from entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the entity are recorded in other equity

### 2.27 Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.28 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.

#### 2.28.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

| Items requiring significant estimate | Assumption and estimation uncertainty |
|---|---|
| Useful lives of property, plant and equipment | The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets. |
| Fair value measurements and valuation processes | Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Company determines the appropriate valuation techniques and inputs for fair value measurements.<br>In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the 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. |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| Items requiring significant estimate | Assumption and estimation uncertainty |
|---|---|
| Revenue recognition | The Company provides customer incentives, such as rebates, based on quantity purchased, timing of collections etc. Various estimates are made to recognise the impact of rebates and other incentives on revenue. These estimates are made based on historical and forecasted data, contractual terms and current conditions. |
| Subsidy income and related receivables | Subsidy income has been recognized when there is reasonable assurance that the Company will comply with all necessary conditions attached to Subsidy including those under the Direct Benefit Transfer system which was introduced by the Government of India which includes satisfaction of conditions specified and compliance with reasonable margin guidelines, assessment of applicable rates for fertilizers sold, evaluation of recoverability of receivables.<br><br>Subsidy income for the year has been recognized to the extent of rates estimated as per management's understanding of the Nutrient Based Subsidy (NBS) scheme pending finalization of NBS rates by the Government of India, and the policy guidelines thereunder. |
| Provision for doubtful receivables | The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates. |
| Estimation of net realisable value of inventories | Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices, Subsidy and costs necessary to make the sale. |
| Provision for employee benefits | The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates. |
| Leases | Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use the underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee. |

### 2.29 Recent pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

**Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact on the Standalone financial statements.

**Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.



# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company does not expect the amendments to have any impact in its recognition of Deferred taxes in its standalone financial statements.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 3. Property, plant and equipment and capital work-in-progress

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Carrying amounts of:** | | |
| Land | 27,342 | 27,284 |
| Buildings | 28,984 | 24,553 |
| Road | 2,142 | 1,057 |
| Railway sidings | 1,544 | 1,668 |
| Plant and equipment | 1,14,845 | 1,09,980 |
| Biological assets (refer note 2.15) | 72 | 77 |
| Office equipment | 3,617 | 2,719 |
| Furniture and fixtures | 1,867 | 908 |
| Vehicles | 2,366 | 1,857 |
| | **1,82,779** | **1,70,103** |
| Capital work-in-progress | 37,500 | 11,982 |

### 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 01 April 2021** | **27,284** | **34,558** | **2,995** | **3,197** | **2,19,943** | **57** | **7,874** | **3,789** | **3,099** | **3,02,796** |
| Additions | - | 1,602 | 301 | 388 | 17,811 | 30 | 1,196 | 123 | 952 | 22,403 |
| Disposals/adjustments | - | 96 | 5 | 15 | 4,744 | - | 360 | 1 | 226 | 5,447 |
| **Balance as at 31 March 2022** | **27,284** | **36,064** | **3,291** | **3,570** | **2,33,010** | **87** | **8,710** | **3,911** | **3,825** | **3,19,752** |
| Additions | 58 | 5,713 | 1,290 | 72 | 15,989 | - | 1,914 | 1,183 | 1,177 | 27,397 |
| Disposals/adjustments | - | 101 | 1 | 6 | 2,995 | - | 497 | 98 | 357 | 4,055 |
| **Balance as at 31 March 2023** | **27,342** | **41,676** | **4,580** | **3,637** | **2,46,004** | **87** | **10,127** | **4,996** | **4,646** | **3,43,094** |

| | Land | Buildings | Road | Railway sidings | Plant and equipment | Biological assets | Office equipment | Furniture and fixtures | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation and impairment** | | | | | | | | | | |
| **Balance as at 01 April 2021** | - | **10,458** | **2,042** | **1,730** | **1,16,854** | **6** | **5,523** | **2,867** | **1,737** | **1,41,217** |
| Disposals/adjustments | - | 31 | 1 | 14 | 4,198 | - | 337 | 1 | 202 | 4,784 |
| Depreciation expense | - | 1,084 | 193 | 186 | 10,374 | 4 | 805 | 137 | 433 | 13,216 |
| **Balance as at 31 March 2022** | - | **11,511** | **2,234** | **1,902** | **1,23,030** | **10** | **5,991** | **3,003** | **1,968** | **1,49,649** |
| Disposals/adjustments | - | 77 | 1 | 5 | 2,482 | - | 451 | 129 | 281 | 3,425 |
| Depreciation expense | - | 1,258 | 205 | 196 | 10,610 | 5 | 970 | 255 | 593 | 14,091 |
| **Balance as at 31 March 2023** | - | **12,692** | **2,438** | **2,092** | **1,31,159** | **15** | **6,510** | **3,129** | **2,280** | **1,60,315** |
| Net book value as at 31 March 2022 | 27,284 | 24,553 | 1,057 | 1,668 | 1,09,980 | 77 | 2,719 | 908 | 1,857 | 1,70,103 |
| Net book value as at 31 March 2023 | 27,342 | 28,984 | 2,142 | 1,544 | 1,14,845 | 72 | 3,617 | 1,867 | 2,366 | 1,82,779 |





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 3. Property, plant and equipment and capital work-in-progress (*Contd.*)

**Notes:**

1. Refer Note 18.1 for details of assets pledged.
2. Interest capitalised during the year ₹521 lakhs (2022: Nil).
3. Details of Immovable properties whose title deeds are not held in the name of the company:

| Description of item of property | Gross carrying value | Title deeds held in name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since | Reason for not being held in the name of the company |
|---|---|---|---|---|---|
| Land - 446.92 Acres located at Pattamadai | ₹ 75 Lakhs | E.I.D.- Parry (India) Limited | Holding company | May 2018 | Transfer of land acquired as part of Business combination, application pending with Tamil Nadu Government for completing registration to Coromandel International Limited |

4. Company had carried out various merger/amalgamations, etc across various years. Pursuant to these actions, Company holds certain immovable properties wherein the title of the property has been conveyed/transferred to the Company pursuant to such scheme of amalgamation/arrangement and these are considered as valid title to the immovable property and no further actions such as name change/additional registrations are necessary.

### Capital work in progress (CWIP) Movement Schedule

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 11,982 | 7,568 |
| Add: Additions during the year | 52,915 | 26,817 |
| Less: Capitalisations during the year | 27,397 | 22,403 |
| **Closing balance** | **37,500** | **11,982** |

### Capital work in progress (CWIP) Ageing Schedule

| As at 31 March 2023 | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 34,115 | 2,114 | 603 | 188 | 37,020 |
| Projects temporarily suspended | - | - | - | 480 | 480 |
| **Total** | **34,115** | **2,114** | **603** | **668** | **37,500** |

| As at 31 March 2022 | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 9,706 | 1,793 | 474 | 9 | 11,982 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **9,706** | **1,793** | **474** | **9** | **11,982** |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

Project execution plans and budgets are assessed on an annual basis and all the projects are executed as per rolling annual plan

For capital-work-in progress, whose completion is overdue compared to its original plan, details of when the project is expected to be completed is given below as of 31 March 2023 and 31 March 2022:

| As at 31 March 2023 | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Asset Expansion | 781 | 97 | - | - | 878 |
| | **781** | **97** | **-** | **-** | **878** |

| As at 31 March 2022 | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Asset Expansion | - | 470 | - | - | 470 |
| | **-** | **470** | **-** | **-** | **470** |

## 4. Right-of-use asset

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Carrying amounts of:** | | |
| Land | 24,269 | 25,307 |
| Buildings | 10,844 | 11,482 |
| Plant and equipment | 495 | 759 |
| | **35,608** | **37,548** |

### Details of Right-of-use asset:

| | Lease hold land (refer notes below) | Buildings | Plant and equipment | Total |
|---|---|---|---|---|
| **Gross carrying value** | | | | |
| **Balance as at 01 April 2021** | **28,380** | **15,687** | **1,518** | **45,585** |
| Additions | - | 3,400 | - | 3,400 |
| Disposals/adjustments | - | 507 | - | 507 |
| **Balance as at 31 March 2022** | **28,380** | **18,580** | **1,518** | **48,478** |
| Additions | 485 | 2,261 | - | 2,746 |
| Disposals/adjustments | 545 | 1,324 | 14 | 1,883 |
| **Balance as at 31 March 2023** | **28,320** | **19,517** | **1,504** | **49,340** |
| **Accumulated amortisation** | | | | |
| **Balance as at 01 April 2021** | **2,045** | **4,734** | **506** | **7,285** |
| Amortisation | 1,028 | 2,543 | 253 | 3,824 |
| Disposals/adjustments | - | 179 | - | 179 |
| **Balance as at 31 March 2022** | **3,073** | **7,098** | **759** | **10,930** |
| Amortisation | 1,029 | 2,603 | 250 | 3,882 |
| Disposals/adjustments | 51 | 1,028 | - | 1,079 |
| **Balance as at 31 March 2023** | **4,051** | **8,673** | **1,009** | **13,733** |
| **Carrying Amount** | | | | |
| Balance as at 31 March 2022 | 25,307 | 11,482 | 759 | **37,548** |
| Balance as at 31 March 2023 | 24,269 | 10,844 | 495 | **35,608** |





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

**Notes:**

1) Includes net carrying value of the Land reclassified on adoption of Ind AS 116 "Leases"

| Description of item of property | Gross carrying value ( Lakhs) | Title deeds held in name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director | Property held since | Reason for not being held in the name of the company |
|---|---|---|---|---|---|
| Leasehold Land- 321.22 Acres of located at Visakapatnam | 21,662 | NA | No | 2014-15 | Lease deed is pending to be renewed. |
| Leasehold Land- 3.52 Acres of located at Madri, Udaipur | 17 | Liberty Pesticides and Fertilisers Limited* | No | 1996-97 | Lease deed is pending to be transferred in the name of the Company |

*Pursuant to common control business combination, Liberty Pesticides and Fertilisers Limited has merged with the Company. Refer Note 47.

| Lease liabilities: | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Current | 2,490 | 2,403 |
| Non-current | 36,308 | 37,089 |
| | **38,798** | **39,492** |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 5. Other intangible assets and intangible assets under development

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Other intangible assets** | | |
| **Carrying amounts of:** | | |
| Product registrations | 808 | 582 |
| Technical know-how | 46 | 46 |
| | **854** | **628** |

### Details of Intangible assets

| | Product Registrations | Technical know-how | Total |
|---|---|---|---|
| **Cost or deemed cost** | | | |
| **Balance as at 01 April 2021** | **1,885** | **997** | **2,882** |
| Additions | - | - | - |
| Disposals/adjustments | - | - | - |
| **Balance as at 31 March 2022** | **1,885** | **997** | **2,882** |
| Additions | 373 | - | 373 |
| Disposals/adjustments | - | - | - |
| **Balance as at 31 March 2023** | **2,258** | **997** | **3,255** |
| | | | |
| **Accumulated amortisation and impairment** | | | |
| **Balance as at 01 April 2021** | **1,141** | **951** | **2,092** |
| Amortisation expense | 162 | - | 162 |
| Disposals/adjustments | - | - | - |
| **Balance as at 31 March 2022** | **1,303** | **951** | **2,254** |
| Amortisation expense | 147 | - | 147 |
| Disposals/adjustments | - | - | - |
| **Balance as at 31 March 2023** | **1,450** | **951** | **2,401** |
| | | | |
| **Carrying amount** | | | |
| Balance as at 31 March 2022 | 582 | 46 | 628 |
| Balance as at 31 March 2023 | 808 | 46 | 854 |

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Intangible assets under development** | | |
| Opening balance | 2,139 | 1,347 |
| Add: Additions during the year | 529 | 792 |
| Less: Capitalisations during the year | 373 | - |
| **Closing balance** | **2,295** | **2,139** |





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

### Intangible Assets under development Ageing Schedule*

| As at 31 March 2023 | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Projects in progress | 533 | 788 | 490 | 484 | 2,295 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **533** | **788** | **490** | **484** | **2,295** |

| As at 31 March 2022 | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Projects in progress | 802 | 497 | 92 | 748 | 2,139 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **802** | **497** | **92** | **748** | **2,139** |

*Intangible Assets under development by nature generally takes 4 to 5 years of development time.

## 6. Non-current investments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Quoted equity instruments** | | |
| **(a) Investments in quoted equity instruments at FVTPL** | | |
| **Rama Phosphate Limited** | 24 | 59 |
| 13,719 (2022: 13,719) Equity shares of ₹10 each, fully paid-up | | |
| **Total aggregate quoted investments (A)** | **24** | **59** |
| **Unquoted equity instruments** | | |
| **(b) Investment in subsidiaries at cost** | | |
| **Coromandel Chemical Limited** (formerly Parry Chemicals Limited) | 6,000 | 1,000 |
| 3,89,01,735 (2022: 1,00,00,000) Equity shares of ₹10 each, fully paid-up | | |
| **Dare Ventures Limited** (formerly Dare Investments Limited) | 5,210 | 1,600 |
| 3,72,83,729 (2022: 1,24,93,188) Equity shares of ₹10 each, fully paid-up | | |
| **CFL Mauritius Limited** | 10,281 | 10,281 |
| 2,20,25,000 (2022: 2,20,25,000) Ordinary shares of USD 1 each, fully paid-up | | |
| Less: Impairment allowance (refer note 1 below) | (10,281) | (10,281) |
| | - | - |
| **Coromandel Technology Limited** | 5 | - |
| 50,000 (2022: Nil) Equity shares of ₹10 each, fully paid-up | | |
| **Parry America, Inc** | 24 | 24 |
| 776 (2022: 776) shares of USD 100 each, fully paid-up | | |
| **Coromandel Australia Pty Ltd.** (formerly known as Sabero Australia Pty Ltd.) | 41 | 41 |
| 5,578 (2022: 5,578) Equity shares of Australian Dollar 14 each fully paid-up | | |
| **Sabero Europe B.V.** (refer note 2 below) | - | 8 |
| Nil (2022: 61) Equity shares of Dutch Guilder 453.78 each fully paid-up | | |
| **Sabero Argentina S.A.** | 17 | 17 |
| 1,61,500 (2022: 1,61,500) Equity Shares of Argentina Peso 1 each fully paid-up | | |
| **Sabero Organics America S.A.** | 927 | 927 |
| 39,90,310 (2022: 39,90,310) Equity Shares of Brazilian Real 1 each fully paid-up | | |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Coromandel Agronegocios de Mexico, S.A de C.V** (formerly Sabero Organics Mexico S.A de C.V) | 29 | 29 |
| 4,99,477 (2022: 4,99,477) Equity shares of Mexican Peso 1 each fully paid-up | | |
| **Coromandel International (Nigeria) Limited** | 21 | 21 |
| 99,99,000 (2022: 99,99,000) Ordinary shares of Nigerian Naira 1 each fully paid-up | | |
| **Coromandel Brasil Limitada,** Limited Liability Partnership (refer note 5 below) | 466 | 466 |
| 18,315 (2022: 18,315) Quotas of Brazilian Real 100 each, fully paid-up | | |
| **Coromandel Mali SASU** | 7 | 7 |
| 500 (2022: 500) Equity shares of CF Francs 10,000 each, fully paid-up | | |
| **Total aggregate investments in subsidiaries (B)** | **12,747** | **4,140** |
| **(c) Investment in joint ventures at cost** | | |
| **Yanmar Coromandel Agrisolutions Private Limited** | 1,600 | 1,600 |
| 1,60,00,000 (2022: 1,60,00,000) Equity shares of ₹10 each, fully paid-up | | |
| Less: Impairment allowance | (832) | (832) |
| | **768** | **768** |
| | | |
| **Total aggregate investments in joint ventures (C)** | **768** | **768** |
| **(d) Investment in associate at cost** | | |
| **Sabero Organics Philippines Asia Inc.** | * | * |
| 320 (2022: 320) Equity shares of PHP$100 each fully paid-up | | |
| **Total aggregate investments in associate (D)** | * | * |
| **(e) Other equity instruments at FVTOCI** | | |
| **Tunisian Indian Fertilisers S.A. (refer note 4 below)** | - | - |
| 41,79,848 (2022: 41,79,848) Ordinary shares of Tunisian Dinars (TND) 10 each, fully paid-up | | |
| **Foskor (Pty) Limited** | | |
| i) 1,99,590 (2022: 1,99,590) Ordinary shares of South African Rand 1 each, fully paid-up | - | - |
| ii) 46 (2022: 46) Class D shares of South African Rand 7,05,088 each, fully paid-up | 1,901 | 1,901 |
| **Indian Potash Limited** | 5,256 | 3,824 |
| 1,80,000 (2022: 1,80,000) Equity shares of ₹10 each, fully paid-up | | |
| **Andhra Pradesh Gas Power Corporation Limited** (refer note 3 below) | - | 13,067 |
| 53,92,160 (2022: 53,92,160) Equity shares of ₹10 each, fully paid-up | | |
| **Murugappa Management Services Private Limited** (formerly Murugappa Management Services Limited) | 73 | 73 |
| 16,139 (2022: 16,139) Equity shares of ₹100 each, fully paid-up | | |
| **Nandesari Environment Control Limited** | 36 | 45 |
| 3,600 (2022: 3,600) Equity shares of ₹10 each, fully paid-up | | |
| **Ranar Agrochem Limited** (formerly Prathyusha Chemicals and Fertilisers Limited) | 2 | 2 |
| 10,01,000 (2022: 10,01,000) Equity shares of ₹10 each, fully paid-up | | |
| **BEIL Infrastructure Limited** (formerly known as Bharuch Enviro Infrastructure Limited) | 554 | 553 |
| 16,100 (2022: 16,100) Equity shares of ₹10 each, fully paid-up | | |
| **Narmada Clean Tech** | 51 | 54 |
| 2,75,000 (2022: 2,75,000) Equity shares of ₹10 each, fully paid-up | | |
| **Total aggregate Equity investments at FVTOCI (E)** | **7,873** | **19,519** |
| **(f) Other investments at FVTPL** | | |
| **Faering Capital India Evolving Fund** | 580 | 578 |
| 19,442 (2022: 19,442) units of ₹1,000 each, fully paid-up | | |
| **Total aggregate other investments (F)** | **580** | **578** |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(g) Others** | | |
| Share application money pending allotment - at cost (refer note 40(E)) | 5 | 5 |
| Loans at FVTOCI (refer note 6 below) | - | 1,609 |
| **Total aggregate others (G)** | **5** | **1,614** |
| **Total investments (A) + (B) + (C) + (D) + (E) + (F)+ (G)** | **21,997** | **26,678** |
| *less than ₹1 lakh | | |
| Aggregate amount of quoted investments and market value thereof | 24 | 59 |
| Aggregate amount of unquoted investments | 21,973 | 26,619 |
| Aggregate amount of impairment in value of investments | 11,113 | 11,113 |

**Notes:**

1. During the year ended 31 March 2022, the company recorded an amount of ₹10,281 lakhs towards Impairment of its investment in its wholly owned subsidiary CFL Mauritius Limited as per "Ind AS 38- Impairment of Assets" after considering the forecasts and long term outlook of the business of such subsidiary and its investments.

2. Sabero Europe B.V. has been liquidated with effect from 25 May 2022.

3. Andhra Pradesh Gas Power Corporation Limited (APGPCL) has closed its plant and laid off employees, pursuant to cancellation of allocation of natural gas during the year. The Company has accordingly fair valued its investment in APGPCL at Nil.

4. 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.

5. The Company holds 100% of the quotas and is the only partner in the Limited Liability Partnership.

6. Represents loan amounting ₹ 1,609 Lakhs (2022: ₹ 1,609 Lakhs) to TIFERT which was compulsorily convertible to equity shares. Based on the terms of conversion, the said loan was due for conversion in June 2022 (originally extended by 2 years from June 2020). The Company is in discussion with TIFERT to further extend this time period for conversion. The fair value of this loan has been considered as Nil as on March 31, 2023.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 7. Other financial assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial assets carried at fair value through profit or loss (FVTPL)** | | |
| Derivatives that are not designated in hedge accounting relationships | | |
| Foreign currency forward contracts | 307 | 777 |
| | **307** | **777** |
| **Financial assets carried at fair value through other comprehensive income (FVTOCI)** | | |
| Derivatives that are designated in hedge accounting relationships | | |
| Foreign currency forward contracts | 72 | 400 |
| | **72** | **400** |
| **Financial assets carried at amortised cost** | | |
| Advances with related parties (refer note 40(E)) | 1 | 241 |
| Interest accrued but not due on deposits, loans, others* | 2,825 | 924 |
| Gratuity and Super annuation fund related receivables | - | 573 |
| Insurance claims receivable | 539 | 546 |
| | **3,365** | **2,284** |
| | **3,744** | **3,461** |
| Current | 3,744 | 3,461 |
| Non-current | - | - |
| | **3,744** | **3,461** |
| *Includes ₹564 lakhs (2022: Nil lakhs) interest receivable from related party. refer note 40(E) | | |

## 8. Other non-current assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Capital advances | 8,495 | 2,352 |
| Deposits | 3,678 | 3,546 |
| Others | 413 | 449 |
| | **12,586** | **6,347** |

## 9. Inventories

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Raw materials | 1,33,867 | 1,14,072 |
| Raw materials in-transit | 81,426 | 1,01,661 |
| Work-in-process | 6,129 | 6,536 |
| Finished goods | 1,80,682 | 1,18,560 |
| Stock-in-trade | 27,899 | 14,419 |
| Stores and spares | 7,967 | 7,411 |
| Packing materials | 3,281 | 2,872 |
| | **4,41,251** | **3,65,531** |

Note: refer note 2.18 for basis of valuation.

Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 10. Current investments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Unquoted other investments at FVTPL** | | |
| **UTI Master Shares** | * | * |
| 1,000 (2022: 1,000) shares of ₹10 each, fully paid-up | | |
| **Total unquoted investments** | * | * |
| **Total current investments** | * | * |
| *less than ₹ 1 lakh | | |
| | | |
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments | * | * |
| Aggregate amount of impairment in value of investments | - | - |

## 11. Trade receivables

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Secured, considered good | 4,410 | 5,424 |
| Unsecured, considered good* | 56,817 | 21,061 |
| Trade Receivables - credit impaired | 10,956 | 10,862 |
| | **72,182** | **37,348** |
| **Impairment Allowance (allowance for bad and doubtful debts)** | | |
| Unsecured, considered good | 2,106 | 2,236 |
| Trade Receivables - credit impaired | 10,956 | 10,862 |
| | **13,062** | **13,098** |
| **Total Trade receivables** | **59,120** | **24,249** |

* Includes 1,267 lakhs (2022: ₹ 702 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.

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.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

In accordance with Ind AS 109, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers adjusted for forward looking estimates. Accordingly, the Company creates provision for past due receivables beyond 180 days ranging between 25%-100% after reckoning the underlying collaterals. Besisdes, based on the expected credit loss model the Company also provides upto 0.5% for receivables less than 180 days.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 1. Ageing of Trade receivables as at 31 March 2023

### (a) Undisputed Trade receivables

| Particulars | Considered good | Considered doubtful |
|---|---|---|
| Not due | 43,879 | 45 |
| Less than 6 months | 16,677 | 254 |
| 6 months -1 year | 373 | 449 |
| 1-2 years | 22 | 465 |
| 2-3 years | 16 | 283 |
| More than 3 years | 215 | 2,232 |
| | **61,183** | **3,728** |

### (b) Disputed Trade receivables

| Particulars | Considered good | Considered doubtful |
|---|---|---|
| Not due | - | - |
| Less than 6 months | 1 | 1 |
| 6 months -1 year | 1 | 20 |
| 1-2 years | 24 | 116 |
| 2-3 years | 18 | 645 |
| More than 3 years | - | 6,445 |
| | **43** | **7,228** |

### (c) Total Trade receivables (a+b)

| | |
|---|---|
| Considered good | 61,226 |
| Trade Receivables - credit impaired | 10,956 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | (13,062) |
| | **59,120** |

## 2. Ageing of Trade receivables as at 31 March 2022

### (a) Undisputed Trade receivables

| Particulars | Considered good | Considered doubtful |
|---|---|---|
| Not due | 18,331 | 21 |
| Less than 6 months | 5,501 | 13 |
| 6 months -1 year | 24 | 421 |
| 1-2 years | 698 | 332 |
| 2-3 years | 50 | 513 |
| More than 3 years | 1,835 | 2,659 |
| | **26,439** | **3,959** |



Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

### (b) Disputed Trade receivables

| Particulars | Considered good | Considered doubtful |
|---|---|---|
| Not due | - | - |
| Less than 6 months | 39 | 2 |
| 6 months -1 year | 1 | 13 |
| 1-2 years | * | 439 |
| 2-3 years | 5 | 579 |
| More than 3 years | 1 | 5,870 |
| | **46** | **6,903** |

*less than ₹ 1 Lakhs

### (c) Total Trade receivables (a+b)

| | |
|---|---|
| Considered good | 26,485 |
| Trade Receivables - credit impaired | 10,862 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | (13,098) |
| | **24,249** |

## 3. Movement in the allowance for doubtful receivables

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Balance at beginning of the year | 13,098 | 15,638 |
| Impairment losses recognised/(reversed) on receivables (net) | 130 | (1,606) |
| Amounts written off during the year as uncollectible | (166) | (934) |
| **Balance at end of the year** | **13,062** | **13,098** |

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.

## 4. Relationship with Struck off companies

| Name of struck off company | Nature of transaction and relationship | Balance outstanding as at 31 March 2023 | Balance outstanding as at 31 March 2022 |
|---|---|---|---|
| Bijinepally Farmer Producer Company Limited | Sales - Customer | - | * |

* Less than ₹ 1 lakhs

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 12. Cash and cash equivalents

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Cash on hand | 29 | 19 |
| Balances with Banks: | | |
| in Current accounts | 2,708 | 4,225 |
| in Deposit accounts | 1,30,400 | 61,521 |
| | **1,33,138** | **65,765** |

## 13. Bank balances other than cash and cash equivalents

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deposit accounts | 11 | 1,02,430 |
| Restricted balances | | |
| Dividend accounts | 2,375 | 2,283 |
| Margin money/deposit | 14 | 14 |
| | **2,400** | **1,04,727** |

### 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 transfer to unpaid dividend account.

The company has transferred an amount of ₹ 269 lakhs (31 March 2022 : ₹ 201 lakhs) to IEPF during the current year.

### Margin money / deposit

Amounts in margin money/deposit accounts represents amounts deposited with certain government agencies.

## 14. Loans

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **At amortised cost** | | |
| Unsecured, considered good | | |
| -Loans and advances to related parties (refer note 40 (E)) | 15,655 | - |
| -Inter-corporate deposits * | 1,64,000 | 1,94,000 |
| | **1,79,655** | **1,94,000** |
| * Inter-corporate deposits placed with financial institution (HDFC Limited) yield fixed interest rate. | | |
| | | |
| Current | 87,655 | 1,54,000 |
| Non-current | 92,000 | 40,000 |
| | **1,79,655** | **1,94,000** |



# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 15. Other current assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advances recoverable in kind or for value to be received | | |
| Considered good | 26,626 | 28,870 |
| Considered doubtful | 325 | 325 |
| | **26,951** | **29,195** |
| Less: Impairment allowance | 325 | 325 |
| | **26,626** | **28,870** |
| Others (including Goods and Services Tax balances) | 41,803 | 49,862 |
| 6.20% Fertilizer companies' Government of India special bonds 2022 | - | * |
| Nil (2022: 10,000) bonds of ₹100/- each | | |
| 6.65% Fertilizer companies' Government of India special bonds 2023 | * | * |
| 5,000 (2022: 5,000) bonds of ₹100/- each | | |
| | **68,429** | **78,732** |

* Less than ₹ 1 lakhs

## 16. Equity

### 16.1 Equity share capital

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised Share capital:** | | |
| 55,00,00,000 (2022: 55,00,00,000) equity shares of ₹1 each (refer note 47) | 5,500 | 5,500 |
| **Issued, subscribed and fully paid-up:** | | |
| 29,40,13,749 (2022: 29,34,96,409) fully paid equity shares of ₹1 each | 2,940 | 2,935 |
| | **2,940** | **2,935** |

### 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 |
|---|---|---|
| **Balance as at 1 April 2021** | **29,33,78,679** | **2,934** |
| Add: Equity shares allotted pursuant to exercise of stock options | 1,17,730 | 1 |
| **Balance as at 31 March 2022** | **29,34,96,409** | **2,935** |
| Add: Equity shares allotted pursuant to exercise of stock options | 5,17,340 | 5 |
| **Balance as at 31 March 2023** | **29,40,13,749** | **2,940** |

### 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 2023, E.I.D.-Parry (India) Limited (Parent Company) held 16,54,55,580 (2022: 16,54,55,580) equity shares of ₹1 each fully paid-up representing 56.27% (2022: 56.37% ) 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 2023, balance number of shares reserved for issue under the 'ESOP 2007' scheme is Nil (2022: 81,32,966) equity shares of ₹1 each and under the 'ESOP 2016' scheme is 1,28,97,560 (2022: 1,34,14,900) equity shares of ₹1 each.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

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 Details of shares held by promoters

As at 31 March 2023

| Promoter name | No of shares | % of total Shares * | % Change during the year ** |
|---|---|---|---|
| E.I.D.Parry (India) Limited | 16,54,55,580 | 56.27% | - |
| Arun Venkatachalam | 2,03,010 | 0.07% | - |
| V Narayanan | 1,40,370 | 0.05% | - |
| V Arunachalam | 1,34,770 | 0.05% | - |
| A Venkatachalam | 1,22,670 | 0.04% | - |
| A Vellayan | 1,18,510 | 0.04% | - |
| Arun Alagappan | 1,03,340 | 0.04% | - |
| M A M Arunachalam | 78,660 | 0.03% | - |
| M A Alagappan | 34,298 | 0.01% | - |
| Ambadi Investments Limited | 7,453 | 0.00% | - |
| Murugappa & Sons (M V Subbiah, M A Alagappan and M M Murugappan hold shares on behalf of the firm). | 5,670 | 0.00% | - |
| M V Murugappan HUF rep. by Valli Arunachalam, Karta | 2,060 | 0.00% | - |
| Carborundum Universal Limited | 330 | 0.00% | - |
| **Promoter Group** | | | - |
| M M Muthiah Family Trust(M M Murugappan & M M Muthiah holds shares on behalf of Trust) | 3,78,520 | 0.13% | - |
| M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan holds shares on behalf of Trust) | 3,78,520 | 0.13% | - |
| Shambho Trust (M V Subbiah, S Vellayan, Kanika Subbiah holds shares on behalf of Trust) | 1,57,048 | 0.05% | -27% |
| Valli Arunachalam | 1,90,345 | 0.06% | - |
| Vellachi Murugappan | 1,90,315 | 0.06% | - |
| Meyammai Venkatachalam | 1,30,800 | 0.04% | - |
| Lakshmi Ramaswamy Family Trust (A A Alagammai & Lakshmi Ramaswamy holds shares on behalf of Trust) | 1,09,900 | 0.04% | - |
| Lalitha Vellayan | 1,03,400 | 0.04% | - |
| Saraswathi Trust (M V Subbiah, S Vellayan, M V Seetha Subbiah holds shares on behalf of Trust) | 1,03,273 | 0.04% | - |
| A M Meyammai | 72,340 | 0.02% | - |
| M V AR Meenakshi | 71,300 | 0.02% | - |
| M V Muthiah Family Trust (M M Venkatachalam and M V Muthiah hold shares on behalf of Trust) | 65,472 | 0.02% | - |
| M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian hold shares on behalf of Trust) | 65,472 | 0.02% | - |
| Lakshmi Venkatachalam Family Trust (M M Venkatachalam & Lakshmi Venkatachalam hold shares on behalf of Trust) | 65,101 | 0.02% | - |
| M M Venkatachalam Family Trust (M M Venkatachalam & Lakshmi Venkatachalam hold shares on behalf of Trust) | 65,101 | 0.02% | - |
| Sigappi Arunachalam | 63,580 | 0.02% | - |
| Valli Annamalai | 41,200 | 0.01% | - |
| AR Lakshmi Achi Trust | 25,140 | 0.01% | - |



# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| Promoter name | No of shares | % of total Shares * | % Change during the year ** |
|---|---|---|---|
| M.A.Alagappan Grand Children Trust (Arun Alagappan & A A Alagammai holds shares on behalf of Trust) | 17,000 | 0.01% | - |
| Arun Murugappan Children's Trust (MAM Arunachalam & Sigappi Arunachalam holds shares on behalf of Trust) | 15,000 | 0.01% | - |
| Pranav Alagappan | 13,295 | 0.00% | - |
| Dhruv M Arunachalam | 10,500 | 0.00% | - |
| M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan holds shares on behalf of Trust) | 8,500 | 0.00% | - |
| Valli Subbiah Benefit Trust (S Vellayan & A Vellayan holds shares on behalf of Trust) | 8,500 | 0.00% | - |
| A M M Vellayan Sons P Limited | 6,435 | 0.00% | 0.02% |
| Kadamane Estates Company (M A Alagappan hold shares on behalf of the firm) | 4,540 | 0.00% | - |
| Umayal R | 4,000 | 0.00% | - |
| Solachi Ramanathan | 3,600 | 0.00% | - |
| M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan hold shares on behalf of Trust) | 3,300 | 0.00% | - |
| V Vasantha | 2,500 | 0.00% | - |
| Uma Ramanathan | 2,000 | 0.00% | - |
| Valliammai Murugappan | 1,832 | 0.00% | - |
| Lakshmi Chockalingam | 400 | 0.00% | - |
| Murugappan Arunachalam Children Trust (Sigappi Arunachalam,M A M Arunachalam & A M Meyyammai hold shares on behalf of Trust) | 330 | 0.00% | - |
| Meenakshi Murugappan | 90 | 0.00% | - |
| M.M. Muthiah Sons Private Limited | 90 | 0.00% | - |

As at 31 March 2022

| Promoter name | No of shares | % of total Shares * | % Change during the year ** |
|---|---|---|---|
| E.I.D.Parry (India) Limited | 16,54,55,580 | 56.37% | - |
| Arun Venkatachalam | 2,03,010 | 0.07% | - |
| V Narayanan | 1,40,370 | 0.05% | - |
| V Arunachalam | 1,34,770 | 0.05% | - |
| A Venkatachalam | 1,22,670 | 0.04% | - |
| A Vellayan | 1,18,510 | 0.04% | - |
| Arun Alagappan | 1,03,340 | 0.04% | - |
| M A M Arunachalam | 78,660 | 0.03% | - |
| M A Alagappan | 34,298 | 0.01% | - |
| Ambadi Investments Limited | 7,453 | 0.00% | - |
| Murugappa & Sons (M V Subbiah, M A Alagappan and M M Murugappan hold shares on behalf of the firm). | 5,670 | 0.00% | - |
| M V Murugappan HUF rep. by Valli Arunachalam, Karta | 2,060 | 0.00% | - |
| Carborundum Universal Limited | 330 | 0.00% | - |
| **Promoter Group** | | | |
| M M Muthiah Family Trust (M M Murugappan & M M Muthiah holds shares on behalf of Trust) | 3,78,520 | 0.13% | - |
| M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan holds shares on behalf of Trust) | 3,78,520 | 0.13% | - |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| Promoter name | No of shares | % of total Shares * | % Change during the year ** |
|---|---|---|---|
| Shambho Trust (M V Subbiah, S Vellayan, Kanika Subbiah holds shares on behalf of Trust) | 2,16,217 | 0.07% | - |
| Valli Arunachalam | 1,90,345 | 0.06% | 100.00% |
| Vellachi Murugappan | 1,90,315 | 0.06% | 634283.33% |
| Meyammai Venkatachalam | 1,30,800 | 0.04% | - |
| Lakshmi Ramaswamy Family Trust (A A Alagammai & Lakshmi Ramaswamy holds shares on behalf of Trust) | 1,09,900 | 0.04% | - |
| Lalitha Vellayan | 1,03,400 | 0.04% | - |
| Saraswathi Trust (M V Subbiah, S Vellayan, M V Seetha Subbiah holds shares on behalf of Trust) | 1,03,273 | 0.04% | -10.80% |
| A M Meyammai | 72,340 | 0.02% | - |
| M V AR Meenakshi | 71,300 | 0.02% | - |
| M V Muthiah Family Trust (M M Venkatachalam and M V Muthiah hold shares on behalf of Trust) | 65,472 | 0.02% | - |
| M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian hold shares on behalf of Trust) | 65,472 | 0.02% | - |
| Lakshmi Venkatachalam Family Trust (M M Venkatachalam & Lakshmi Venkatachalam hold shares on behalf of Trust) | 65,101 | 0.02% | - |
| M M Venkatachalam Family Trust, (M M Venkatachalam & Lakshmi Venkatachalam hold shares on behalf of Trust) | 65,101 | 0.02% | - |
| Sigappi Arunachalam | 63,580 | 0.02% | - |
| Valli Annamalai | 41,200 | 0.01% | - |
| AR Lakshmi Achi Trust | 25,140 | 0.01% | - |
| M.A.Alagappan Grand Children Trust (Arun Alagappan & A A Alagammai holds shares on behalf of Trust) | 17,000 | 0.01% | - |
| Arun Murugappan Children's Trust (MAM Arunachalam & Sigappi Arunachalam holds shares on behalf of Trust) | 15,000 | 0.01% | - |
| Pranav Alagappan | 13,295 | 0.00% | - |
| Dhruv M Arunachalam | 10,500 | 0.00% | - |
| M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan holds shares on behalf of Trust) | 8,500 | 0.00% | - |
| Valli Subbiah Benefit Trust (S Vellayan & A Vellayan holds shares on behalf of Trust) | 8,500 | 0.00% | - |
| A M M Vellayan Sons P Limited | 6,310 | 0.00% | - |
| Kadamane Estates Company (M A Alagappan hold shares on behalf of the firm) | 4,540 | 0.00% | - |
| Umayal R | 4,000 | 0.00% | - |
| Solachi Ramanathan | 3,600 | 0.00% | - |
| M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan hold shares on behalf of Trust) | 3,300 | 0.00% | - |
| V Vasantha | 2,500 | 0.00% | - |
| Uma Ramanathan | 2,000 | 0.00% | - |
| Valliammai Murugappan | 1,832 | 0.00% | - |
| Lakshmi Chockalingam | 400 | 0.00% | - |
| Murugappan Arunachalam Children Trust (Sigappi Arunachalam,M A M Arunachalam & A M Meyyammai holds shares on behalf of Trust) | 330 | 0.00% | - |
| Meenakshi Murugappan | 90 | 0.00% | - |
| M.M. Muthiah Sons Private Limited | 90 | 0.00% | - |

*Represents % of shares held, computed based on total number of shares as at 31 March 2023 and 31 March 2022 respectively.

**Represents change in share holding %, computed based on the shares held at the beginning of the year and end of the year of respective holder.



# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

### 16.8 Cumulative redeemable preference shares

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised capital** | | |
| 50,00,000 (2022: 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 2023 (2022: Nil).

## 17. Other equity

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| (i) General reserve | 2,63,592 | 2,63,592 |
| (ii) Retained earnings | 5,14,950 | 3,47,202 |
| (iii) Capital reserve | 449 | 449 |
| (iv) Capital redemption reserve | 986 | 986 |
| (v) Securities Premium | 20,310 | 17,615 |
| (vi) Central subsidy | 11 | 11 |
| (vii) Share Based Payment reserve | 1,248 | 1,214 |
| (viii) Equity Instruments through OCI | (17,705) | (4,494) |
| (ix) Cash flow hedge reserve | 16 | 291 |
| | **7,83,856** | **6,26,866** |
| | | |
| **(i) General reserve** | **2,63,592** | **2,63,592** |
| The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss. | | |
| | | |
| **(ii) Retained earnings** | | |
| Balance at beginning of year | 3,47,202 | 2,40,950 |
| Profit for the year | 2,03,467 | 1,41,245 |
| Remeasurment of net defined benefit plans | (455) | 219 |
| Dividend on equity shares | (35,264) | (35,212) |
| | **5,14,950** | **3,47,202** |

Retained earnings represents the Company's undistributed earnings after taxes.

In respect of the year ended 31 March 2023, the Board at its meeting held on 02 February 2023 had approved payment of interim dividend of ₹6 per equity share (600% on face value of ₹1 per share). The total amount paid with respect to interim dividend is ₹17,640 Lakhs. The Board of Directors at their meeting held on 15 May 2023 have recommended a final dividend of ₹6 per equity share (600% on face value of ₹1 per share). The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting. The total estimated amount to be paid with respect to final dividend is ₹17,641 Lakhs. The total dividend is ₹12 per share (1200% on face value of ₹1 per share) for the year ended 31 March 2023.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

In respect of the year ended 31 March 2022, the Board at its meeting held on 03 February 2022 had approved payment of interim dividend of ₹6 per equity share (600% on face value of ₹1 per share). The total amount paid with respect to interim dividend is ₹17,610 Lakhs. The Board of Directors at their meeting held on 28 April 2022 have recommended a final dividend of ₹6 per equity share (600% on face value of ₹1 per share). The proposed final dividend was approved by the shareholders at the Annual General Meeting. The total amount paid with respect to final dividend is ₹17,624 Lakhs. The total dividend is ₹12 per share (1200% on face value of ₹1 per share) for the year ended 31 March 2022.

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 equity share (600% on face value of ₹1 per equity share). The proposed final dividend was approved by the shareholders at the Annual General Meeting. The total amount paid with respect to final dividend was ₹17,603 Lakhs.

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(iii) Capital Reserve (refer note 47)** | **449** | **449** |
| **(iv) Capital Redemption reserve** | **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) Securities premium** | | |
| Balance at beginning of year | 17,615 | 17,013 |
| Amount transferred on exercise of employee stock option | 737 | 169 |
| Amount received on exercise of employee stock option | 1,958 | 433 |
| | **20,310** | **17,615** |
| 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) Central subsidy** | **11** | **11** |
| **(vii) Share Based Payment reserve** | | |
| Balance at beginning of year | 1,214 | 1,102 |
| Amount transferred on exercise/cancellation of employee stock option | (737) | (169) |
| Recognition of share based payment expense | 771 | 281 |
| | **1,248** | **1,214** |
| Share based payment reserve 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) Reserve for equity instruments through other comprehensive income** | | |
| Balance at the beginning of the year | (4,494) | (6,083) |
| Net fair value gain/ (loss) on investments in equity instruments at FVTOCI (net of tax) | (13,211) | 1,589 |
| | **(17,705)** | **(4,494)** |
| 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) Cash flow hedge reserve** | | |
| Balance at beginning of year | 291 | 306 |
| Effective portion of cash flow hedges (net of tax) | (275) | (15) |
| | **16** | **291** |
| Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income | | |



# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 18. Borrowings

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Secured- at amortised cost** | | |
| Loan repayable on demand from banks | 450 | 4 |
| | **450** | **4** |
| Long term borrowings | - | - |
| Short term borrowings | 450 | 4 |
| | **450** | **4** |
| Quarterly returns, statements of current assets filed by the Company with banks are in agreement with the books of accounts. | | |

### 18.1 Summary of borrowing arrangements

i) There are no outstanding long-term borrowings as at 31 March 2023 and as at 31st March 2022.

ii) Secured loans repaybale 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 at an interest rates between 4.25% p.a to 8.60% p.a.

### 18.2 Breach of loan agreement

There is no breach of loan agreement

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 19. Other financial liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial liabilities measured at fair value through profit or loss (FVTPL)** | | |
| Derivatives not designated in hedge accounting relationships | | |
| Foreign currency forward contracts | 2,602 | 1,366 |
| **Financial liabilities measured at fair value through Other comprehensive income (FVTOCI)** | | |
| Derivatives designated in hedge accounting relationships | | |
| Foreign currency forward contracts | 51 | 12 |
| | **2,653** | **1,378** |
| **Financial liabilities carried at amortised cost** | | |
| Security and trade deposits received (includes non-current portion of ₹2,113 lakhs (2022: ₹195 lakhs) | 21,675 | 17,644 |
| Interest accrued but not due on borrowings | * | 1 |
| Interest accrued but not due on others | 1,436 | 1,331 |
| Unclaimed dividends | 2,375 | 2,283 |
| Payables on purchase of fixed assets | 2,238 | 1,195 |
| Others | - | 500 |
| | **27,724** | **22,954** |
| | **30,377** | **24,332** |
| Current | 28,264 | 24,137 |
| Non-current | 2,113 | 195 |
| | **30,377** | **24,332** |

Less than ₹1 Lakhs

## 20. Provisions

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Employee benefits* | 4,251 | 3,326 |
| | **4,251** | **3,326** |
| Current | 2,298 | 1,898 |
| Non-current | 1,953 | 1,428 |
| | **4,251** | **3,326** |

*The provision for employee benefits represents leave entitlements and gratuity. Refer note 34(a)(i) for details of gratuity obligation.

## 21. Income tax

### 21.1 Deferred tax liabilities (net)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deferred tax liabilities | 13,991 | 13,798 |
| Deferred tax assets | (8,302) | (7,421) |
| | **5,689** | **6,377** |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| 2022-23 | Opening balance 1 April 2022 | Recognised in Profit or loss | Recognised in other comprehensive income | Closing balance 31 March 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities/(assets) in relation to:** | | | | |
| Property, plant and equipment | 13,798 | 193 | - | 13,991 |
| Investments at FVTOCI | (1,312) | - | (44) | (1,356) |
| Provision for doubtful debts and advances | (3,379) | (66) | - | (3,445) |
| Statutory dues allowable on payment basis | (426) | (127) | - | (553) |
| Employees separation and retirement costs | (816) | (68) | (154) | (1,038) |
| Others | (1,488) | (331) | (93) | (1,912) |
| **Total** | **6,377** | **(399)** | **(291)** | **5,689** |

| 2021-22 | Opening balance 1 April 2021 | Recognised in Profit or loss | Recognised in other comprehensive income | Closing balance 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax liabilities/(assets) in relation to:** | | | | |
| Property, plant and equipment | 13,747 | 51 | - | 13,798 |
| Investments at FVTOCI | (1,796) | - | 484 | (1,312) |
| Provision for doubtful debts and advances | (4,047) | 668 | - | (3,379) |
| Statutory dues allowable on payment basis | (334) | (92) | - | (426) |
| Employees separation and retirement costs | (918) | 29 | 73 | (816) |
| Others | (1,065) | (422) | (5) | (1,488) |
| **Total** | **5,587** | **234** | **552** | **6,377** |

### 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 2023 | As at 31 March 2022 |
|---|---|---|
| -long-term capital loss* | - | 65 |
| | **-** | **65** |

Long-term capital loss of Nil (2022: ₹35 lakhs is available for set-off till 31 March 2025 and ₹9 lakhs till 31 March 2027 and ₹21 lakhs till 31 March 2029).

*does not include losses on investments recognized at FVTOCI.

### 21.3 Income tax credit/(expense) recognised directly in equity

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Tax effect on changes in fair value of other investments | 44 | (483) |
| Tax effect on actuarial gains/(losses) on defined benefit obligations | 154 | (74) |
| Tax effect on Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge | 93 | 5 |
| | **291** | **(552)** |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

### 21.4 Current tax liabilities (net)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Income tax payable (net of advance tax) | 5,715 | 7,493 |
| | **5,715** | **7,493** |

### 21.5 Reconciliation of tax expense to the accounting profit is as follows:

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Accounting profit before tax** | 2,72,204 | 1,93,141 |
| Tax expense at statutory tax rate of 25.17% (2022: 25.17%) | 68,514 | 48,614 |
| *Adjustments:* | | |
| Effect of income that is exempt from tax | - | - |
| Effect of expenses that are not deductible in determining taxable profit | 829 | 706 |
| Effect of concessions (Employment generation allowances) | (38) | (15) |
| Effect on account of Impairment of investments | - | 2,588 |
| Others | (568) | 3 |
| **Tax expense reported in the Statement of Profit and Loss** | **68,737** | **51,895** |

## 22. Other liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advances from customers | 11,706 | 15,923 |
| Other liabilities (including statutory remittances) | 3,769 | 3,238 |
| | **15,475** | **19,161** |
| Current | 14,720 | 18,382 |
| Non-current | 755 | 779 |
| | **15,475** | **19,161** |

## 23. Trade payables

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Acceptances | 3,28,940 | 1,82,138 |
| Other than Acceptances | 2,02,656 | 2,09,180 |
| | **5,31,596** | **3,91,318** |
| of the above: | | |
| i) Total outstanding dues of micro enterprises and small enterprises* | 1,851 | 2,996 |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises** | 5,29,745 | 3,88,322 |
| | **5,31,596** | **3,91,318** |

*Dues to MSME have been determined to the extent such parties have been identified on the basis of information collected by the Management. Refer note 44

**Includes amount payable to related party ₹ 531 Lakhs (2022:₹395 lakhs). Refer note 40(E)

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

### 1. Ageing of Trade payables as at 31 March 2023

(a) Other than disputed Trade payables

| Particulars | MSME | Other than MSME |
|---|---|---|
| Not due | 1,851 | 2,99,420 |
| Less than 1 Year | - | 1,57,265 |
| 1-2 years | - | 2,102 |
| 2-3 years | - | 943 |
| More than 3 years | - | 3,548 |
| | **1,851** | **4,63,279** |

(b) Disputed Trade payables

| Particulars | MSME | Other than MSME |
|---|---|---|
| Not due | - | - |
| Less than 1 Year | - | - |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | 1 |
| | **-** | **1** |
| **(c) Unbilled Trade payables** | **-** | **66,465** |
| **(d) Total Trade Payables (a+b+c)** | **1,851** | **5,29,745** |

### 2. Ageing of Trade payables as at 31 March 2022

(a) Other than disputed Trade payables

| Particulars | MSME | Other than MSME |
|---|---|---|
| Not due | 2,986 | 2,98,040 |
| Less than 1 Year | 10 | 26,295 |
| 1-2 years | - | 930 |
| 2-3 years | - | 3,593 |
| More than 3 years | - | - |
| | **2,996** | **3,28,858** |

(b) Disputed Trade payables

| Particulars | MSME | Other than MSME |
|---|---|---|
| Not due | - | - |
| Less than 1 Year | - | - |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | 4 |
| | **-** | **4** |
| **(c) Unbilled Trade payables** | **-** | **59,460** |
| **(d) Total Trade Payables (a+b+c)** | **2,996** | **3,88,322** |

### 3. Relationship with Struck off companies

| Name of struck off company | Nature of transaction and relationship | Balance outstanding as at 31 March 2023 | Balance outstanding as at 31 March 2022 |
|---|---|---|---|
| Solar Lights And Infra (India) Pvt Ltd | Purchases-Vendor | - | * |

* Less than ₹ 1 lakhs

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 24. Revenue from operations

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| The following is an analysis of the Company's revenue: | | |
| Sales (refer note 31.4) | 15,07,670 | 12,26,914 |
| Government subsidies | 14,48,805 | 6,77,528 |
| Other operating revenue | 4,480 | 4,384 |
| **Total revenue from operations** | **29,60,955** | **19,08,826** |
| Revenue is recognised at the point in time when control of the goods is transferred to the customer. | | |
| **Other operating revenues comprise:** | | |
| Service income | 166 | 617 |
| DEPB income/ excise benefits | 1,529 | 1,210 |
| Insurance claim | 191 | 26 |
| Others | 2,594 | 2,531 |
| | **4,480** | **4,384** |

## 25. Other income

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest income | 16,182 | 10,115 |
| Provision for liabilities no longer required, written back | 205 | 3,764 |
| Dividend income from investments carried at FVTPL | 3 | - |
| Dividend income from investments carried at FVTOCI | 1 | 7 |
| Profit on sale/scrap of fixed assets (net) | 988 | - |
| Profit on sale of investment | 3 | - |
| Gain on measuring investments at FVTPL (net) | 1 | 353 |
| Net gain on modification of lease | 93 | 66 |
| Others | - | 12 |
| | **17,476** | **14,317** |

## 26. Changes in inventories of finished goods, work-in-process and stock-in-trade

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Opening stock** | | |
| Work-in-process | 6,536 | 3,898 |
| Finished goods | 1,18,560 | 1,05,636 |
| Stock-in-trade | 14,419 | 18,470 |
| | **1,39,515** | **1,28,004** |
| **Less: Closing Stock** | | |
| Work-in-process | 6,129 | 6,536 |
| Finished goods | 1,80,682 | 1,18,560 |
| Stock-in-trade | 27,899 | 14,419 |
| | **2,14,710** | **1,39,515** |
| **Net (increase)/ decrease** | **(75,195)** | **(11,511)** |





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 27. Employee benefits expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Salaries, wages and bonus | 53,681 | 48,562 |
| Share based payments (refer note 33.3) | 771 | 281 |
| Contribution to provident and other funds (refer note 34) | 4,402 | 4,223 |
| Staff welfare expenses | 6,488 | 5,250 |
| | **65,342** | **58,316** |

## 28. Finance cost

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest expense | 14,238 | 2,737 |
| Other borrowing costs and charges | 1,082 | 759 |
| Lease interest cost | 3,608 | 4,047 |
| | **18,928** | **7,543** |

## 29. Depreciation and amortisation expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3) | 14,091 | 13,216 |
| Amortisation of intangible assets (refer note 5) | 147 | 162 |
| Depreciation on right-of-use assets (refer note 4) | 3,882 | 3,824 |
| | **18,120** | **17,202** |

## 30. Other expenses

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Stores and spares consumed | 19,849 | 14,805 |
| Power, fuel and water | 40,005 | 34,027 |
| Rent | 1,600 | 1,214 |
| Repairs to: | | |
| Buildings | 669 | 709 |
| Machinery | 7,276 | 5,915 |
| Others | 5,391 | 3,746 |
| Insurance charges | 3,647 | 3,317 |
| Rates and taxes | 1,088 | 473 |
| Freight and distribution | 1,13,830 | 1,03,336 |
| Exchange differences (net) | 16,628 | 6,238 |
| Loss on sale/scrap of property, plant and equipments (net) | - | 671 |
| Impairment allowance recognised for doubtful trade and other receivables, loans and advances (31 March 2022: net of provision reversal of ₹ 1,081) | 429 | - |
| Impairment allowance for Investment (refer note 6) | - | 10,281 |
| Corporate Social Responsibility expense (refer note 38) | 3,234 | 2,771 |
| Miscellaneous expenses | 43,405 | 38,418 |
| | **2,57,051** | **2,25,921** |

# Notes forming part of the Standalone financial statements

(₹ 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 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Nutrient and other allied business | 27,16,219 | 16,71,423 | 2,59,401 | 1,67,069 |
| Crop protection | 2,61,726 | 2,48,795 | 35,781 | 35,697 |
| | **29,77,945** | **19,20,218** | **2,95,182** | **2,02,766** |
| Less: Inter - segment | 16,990 | 11,392 | 145 | (175) |
| **Total** | **29,60,955** | **19,08,826** | **2,95,327** | **2,02,591** |
| | | | | |
| Other income | | | 17,476 | 14,317 |
| Unallocable expense | | | (21,671) | (16,224) |
| Finance costs | | | (18,928) | (7,543) |
| **Profit before tax** | | | **2,72,204** | **1,93,141** |

The accounting policies of the reportable segments are same as the Company's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

### 31.2 Segment assets and liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Segment assets** | | |
| Nutrient and other allied business | 8,98,573 | 5,72,520 |
| Crop protection | 1,80,179 | 1,52,409 |
| Unallocable assets | 3,40,395 | 3,96,375 |
| **Total assets** | **14,19,147** | **11,21,304** |
| | | |
| **Segment liabilities** | | |
| Nutrient and other allied business | 5,53,680 | 4,28,027 |
| Crop protection | 56,103 | 41,283 |
| Unallocable liabilities | 22,568 | 22,193 |
| **Total liabilities** | **6,32,351** | **4,91,503** |





Notes forming part of the Standalone financial statements

(₹ 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 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Nutrient and other allied business | 13,947 | 12,794 | 46,446 | 43,431 |
| Crop protection | 4,173 | 4,408 | 15,608 | 11,227 |

### 31.4 Revenue from major products/customers

a) The following is an analysis of the Company's revenue from operations from its major products:

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Phosphatic Fertilisers | 9,57,658 | 7,86,498 |
| Urea | 78,137 | 32,886 |
| Muriate of Potash | 9,678 | 9,297 |
| Single Super Phosphate | 70,628 | 41,150 |
| Others | 1,51,313 | 1,24,064 |
| | **12,67,414** | **9,93,895** |
| Government subsidies | 14,48,805 | 6,77,528 |
| **Nutrient and other allied business** | **27,16,219** | **16,71,423** |
| | | |
| Crop protection | 2,61,726 | 2,48,795 |
| **Total** | **29,77,945** | **19,20,218** |
| Less: Inter - segment | 16,990 | 11,392 |
| **Revenue from operations** | **29,60,955** | **19,08,826** |

b) There is no single external customer with transactions which are more than 10% of the reported revenue from operations.

### 31.5 Geographical information

a) Revenue from operations

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| India | 28,54,265 | 18,09,395 |
| Outside India | 1,06,690 | 99,432 |
| | **29,60,955** | **19,08,826** |

b) Non-current assets are located in India. Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, right-of-use assets, other intangible assets and intangible assets under development.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 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, Bank deposits and inter-corporate deposits with financial institutions.

The following table summarises the capital of the Company:

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Equity** | **7,86,796** | **6,29,801** |
| | | |
| Short-term borrowings | 450 | 4 |
| Inter-corporate deposits with financial institution | (1,64,000) | (1,94,000) |
| Cash and cash equivalents and Bank Deposits | (1,33,149) | (1,68,195) |
| **Net debt** | **(2,96,698)** | **(3,62,191)** |
| **Total capital (equity + net debt)** | **4,90,098** | **2,67,610** |
| Net debt to capital ratio* | - | - |
| Interest coverage ratio | 15.46 | 46.32 |

* As at 31 March 2023 and 31 March 2022, Short term borrowings are lower than the balances of Inter corporate deposits with financial institutions and Cash and Cash equivalents and Bank Deposits resulting in negative net debt.

### 32.2 Categories of financial instruments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial assets** | | |
| **Measured at fair value through profit or loss (FVTPL)*** | | |
| (a) Derivative instruments not designated in hedge accounting relationship | 307 | 777 |
| (b) Equity investments | 24 | 59 |
| (c) Other investments | 580 | 578 |
| **Measured at amortised cost** | | |
| (a) Cash and cash equivalents | 1,33,138 | 65,765 |
| (b) Bank balances other than cash and cash equivalents | 2,400 | 1,04,727 |
| (c) Other financial assets at amortised cost | 4,79,931 | 2,49,947 |
| **Measured at FVTOCI*** | | |
| (a) Investments in equity instruments designated upon initial recognition | 7,873 | 19,519 |
| (b) Investments in other instruments designated upon initial recognition | - | 1,609 |
| (c) Derivative instruments designated in hedge accounting relationship | 72 | 400 |
| **Measured at cost** | | |
| (a) Investments in equity instruments in subsidiaries, joint ventures and associate | 13,520 | 4,913 |





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial liabilities** | | |
| **Measured at fair value through profit or loss (FVTPL)*** | | |
| (a) Derivative instruments not designated in hedge accounting relationship | 2,602 | 1,366 |
| **Measured at FVTOCI*** | | |
| (a) Derivative instruments designated in hedge accounting relationship | 51 | 12 |
| **Measured at amortised cost** | 5,98,568 | 4,53,768 |

*Refer Note 32.9 for fair valuation methods and assumptions

### 32.3 Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

| Item | Primarily affected by | Risk management policies | Refer |
|---|---|---|---|
| Market risk - currency risk | USD balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings | Mitigating foreign currency risk using foreign currency forward contracts, option contracts and currency swaps | Note 32.4.1 |
| Market risk - interest rate risk | Change in market interest rates | Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies | Note 32.4.2 |
| Market risk - other price risk | Decline in value of equity instruments | Monitoring forecasts of cash flows; diversification of portfolio | Note 32.4.3 |
| Credit risk | Ability of customers or counterparties to financial instruments to meet contractual obligations | Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions | Note 32.5 |
| Liquidity risk | Fluctuations in cash flows | Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities | Note 32.6 |

### 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.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

### 32.4.1 Foreign currency risk management

The Company is exposed to foreign exchange risk on account of following:

1. Nutrient and other allied business has foreign exchange exposure for its imports of raw materials, intermediates and traded goods.

2. Crop Protection segment has foreign exchange exposure on both exports of finished goods and imports of raw materials, intermediates and traded goods.

3. Foreign currency borrowings in the form of buyers credit, packing credit etc. are availed for meeting its funding requirements.

The Company has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Company follows netting principle for managing the foreign exchange exposure for each operating segment.

There are no long-term borrowings outstanding as on 31 March 2023 and 31 March 2022.

**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 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| USD (millions) | 500.85 | 393.87 | 42 | 33.71 |
| INR (₹ in lakhs) | 4,11,621 | 2,98,547 | 34,521 | 25,550 |
| EURO (millions) | 0.01 | 0.01 | 3 | 2.99 |
| INR (₹ in lakhs) | 12 | 12 | 2,781 | 2,511 |

**b. Foreign currency forward and option contracts outstanding as at the Balance Sheet date:**

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Buy | Sell | Buy | Sell |
| **Forward contracts** | | | | |
| USD (millions) | 432.61 | 55.95 | 325.40 | 82.22 |
| INR (₹in lakhs) | 3,55,537 | 45,973 | 2,46,645 | 62,310 |
| Number of contracts | 95 | 59 | 84 | 62 |
| **Forward contracts** | | | | |
| EUR (millions) | - | 3.08 | - | 0.70 |
| INR (₹ in lakhs) | - | 2,749 | - | 588 |
| Number of contracts | - | 2 | - | 1 |

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.





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

**c. Net open exposures outstanding as at the Balance Sheet date:**

| Currency | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| USD (millions) | 68.24 | 68.47 | - | - |
| INR (₹ in lakhs) | 56,085 | 51,902 | - | - |
| EURO (millions) | 0.01 | 0.01 | 0.04 | 2.29 |
| INR (₹ in lakhs) | 12 | 12 | 32 | 2,511 |

**d. Summary of hedging instruments outstanding at the end of the year designated as cash flow hedges:**

| | As at | No. of contracts | USD (millions) | Amount in ₹ lakhs | Average exchange rate |
|---|---|---|---|---|---|
| Sell Currency - USD with tenor less than a year | 31 March 2023 | 28 | 23.78 | 19,543 | 82.18 |
| | 31 March 2022 | 45 | 58.25 | 44,146 | 75.79 |

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.

| Currency USD impact on: | 2022-23 | 2021-22 |
|---|---|---|
| Impact of ₹1 strengthening against US Dollar on profit or loss for the year | 511 | 512 |
| Impact of ₹1 weakening against US Dollar on profit or loss for the year | (511) | (512) |
| Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period | 511 | 512 |
| Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period | (511) | (512) |

### 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

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

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 2023 would decrease/increase by ₹ 2 lakhs (31 March 2022: ₹* lakhs)

### 32.4.3 Other price risks

The Company is exposed to equity price risks arising from equity investments. Certain of the Company's equity investments are held for strategic rather than trading purposes. The Company also holds certain other equity investments for trading purposes.

**a. Equity price sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower other comprehensive income/equity for the year ended 31 March 2023 would increase/decrease by ₹ 295 Lakhs (31 March 2022: ₹ 730 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.

**b. Commodity price risks**

The Company's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, sulphur and murate of potash. All being international commodities are subject to price fluctuations on account of the change in the demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the raw materials as government on a time to time basis, revises the subsidy rates payable to the fertilizer industry based on the market trend.

### 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.



# Notes forming part of the Standalone financial statements

(₹ 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 2023:

| | Carrying amount | upto 1 year | 1-3 year | More than 3 year | Total contracted cash flows |
|---|---|---|---|---|---|
| Accounts payable and acceptances | 5,31,596 | 5,31,596 | - | - | 5,31,596 |
| Borrowings and interest thereon# | 450 | 450 | - | - | 450 |
| Other financial liabilities** | 27,724 | 26,224 | - | 1,500 | 27,724 |
| Lease Liability | 38,798 | 2,490 | 6,537 | 29,772 | 38,798 |
| Foreign currency forward contracts | 2,653 | 2,653 | - | - | 2,653 |
| **Total** | **6,01,221** | **5,63,413** | **6,537** | **31,272** | **6,01,221** |

The table below provides details of financial assets as at 31 March 2023:

| | Carrying amount |
|---|---|
| Investments | * |
| Trade receivables | 59,120 |
| Government subsidies receivable | 2,37,791 |
| Cash and cash equivalents including other bank balances | 1,35,538 |
| Loans*** | 1,79,655 |
| Other financial assets | 3,365 |
| Foreign currency forward contracts | 379 |
| **Total** | **6,15,848** |

*less than ₹ 1 lakh

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2022:

| | Carrying amount | upto 1 year | 1-3 year | More than 3 year | Total contracted cash flows |
|---|---|---|---|---|---|
| Accounts payable and acceptances | 3,91,318 | 3,91,318 | - | - | 3,91,318 |
| Borrowings and interest thereon# | 5 | 5 | - | - | 5 |
| Other financial liabilities** | 22,954 | 22,734 | - | 1,500 | 24,234 |
| Lease Liability | 39,492 | 2,403 | 4,393 | 32,696 | 39,492 |
| Foreign currency forward contracts | 1,378 | 1,378 | - | - | 1,378 |
| **Total** | **4,55,147** | **4,17,838** | **4,393** | **34,196** | **4,56,427** |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

The table below provides details of financial assets as at 31 March 2022:

| | Carrying amount |
|---|---|
| Investments | * |
| Trade receivables | 24,249 |
| Government subsidies receivable | 29,414 |
| Cash and cash equivalents including other bank balances | 1,70,492 |
| Loans*** | 1,94,000 |
| Other financial assets | 2,284 |
| Foreign currency forward contracts | 1,177 |
| **Total** | **4,21,616** |

# 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 ₹20,818 Lakhs (31 March 2022: ₹17,449 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.

*** including non-current loans as these pertain to inter-corporate deposits placed with financial institution.

### 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 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 ₹ 3,936 Lakhs (31 March 2022: ₹ 7,194 Lakhs).

### 32.8 Financing facilities

The Company has access to financing facilities of which ₹ 2,39,809 Lakhs (as at 31 March 2022: ₹ 3,51,822 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.





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

### 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 2023 | As at 31 March 2022 | | |
| 1) Foreign currency forward contracts | (2,274) | (201) | Level 2 | Refer Note 3(a) below |
| 2) Investments in quoted equity instruments at FVTPL | 24 | 59 | Level 1 | Refer Note 2 below |
| 3) Investments in unquoted venture capital fund at FVTPL | 580 | 578 | Level 3 | Refer Note 4(a) below |
| 4) Investments in unquoted equity instruments at FVTOCI | 1,901 | 14,968 | Level 3 | Refer Note 4(b) below |
| | 5,972 | 4,551 | Level 3 | Refer Note 4(c) below |
| 5) Loans at FVTOCI | - | 1,609 | Level 3 | Refer Note 4(b) 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 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 ₹ 57 lakhs (2022: ₹ 15 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 (2023: 3%; 2022: 0 to 3%) | 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 ₹120 lakhs (2022: ₹1,357 lakhs) |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| Financial Instrument | Valuation Technique | Key Inputs used | Sensitivity |
|---|---|---|---|
| | | Weighted average cost of capital (WACC) as determined ranging from (2023: Nil; 2022: 0 to 3%) | 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 ₹Nil lakhs (2022: ₹ 1,676 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 60% (2022: 30% to 50%) | A 10% increase/ decrease in the discount for lack of marketability used in isolation would decrease/ increase the carrying amount by ₹338 lakhs (2022: ₹ 395 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 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | | |
| Financial assets at amortised cost: | | | | | |
| - Trade receivables | Level 2 | 59,120 | 59,120 | 24,249 | 24,249 |
| - Government subsidies receivable | Level 2 | 2,37,791 | 2,37,791 | 29,414 | 29,414 |
| - Cash and cash equivalents | Level 2 | 1,33,138 | 1,33,138 | 65,765 | 65,765 |
| - Bank balances other than cash and cash equivalents | Level 2 | 2,400 | 2,400 | 1,04,727 | 1,04,727 |
| - Loans | Level 2 | 1,79,655 | 1,79,655 | 1,94,000 | 1,94,000 |
| - Other financial assets | Level 2 | 3,365 | 3,365 | 2,284 | 2,284 |

| | Fair value hierarchy | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial liabilities** | | | | | |
| Financial liabilities at amortised cost: | | | | | |
| - Borrowings | Level 2 | 450 | 450 | 4 | 4 |
| - Trade payables | Level 2 | 5,31,596 | 5,31,596 | 3,91,318 | 3,91,318 |
| - Other financial liabilities | Level 2 | 27,724 | 27,724 | 22,954 | 22,954 |
| - Lease liabilities | Level 2 | 38,798 | 38,798 | 39,492 | 39,492 |

1. In case of trade receivables, government subsidies receivables, cash and cash equivalents, loans, 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.





Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

Reconciliation of Level 3 fair value measurements for the year ended 31 March 2023:

| | Investments in unquoted venture capital fund at FVTPL | Investments in unquoted equity instruments at FVTOCI | Total |
|---|---|---|---|
| Opening balance | 578 | 19,519 | 20,097 |
| Total gains or losses: | | | |
| - in profit or loss | 2 | - | 2 |
| - in other comprehensive income (net) | - | (11,646) | (11,646) |
| **Closing balance** | **580** | **7,873** | **8,453** |

Reconciliation of Level 3 fair value measurements for the year ended 31 March 2022:

| | Investments in unquoted venture capital fund at FVTPL | Investments in unquoted equity instruments at FVTOCI | Total |
|---|---|---|---|
| Opening balance | 266 | 17,447 | 17,713 |
| Total gains or losses: | | | |
| - in profit or loss | 312 | - | 312 |
| - in other comprehensive income (net) | - | 2,072 | 2,072 |
| **Closing balance** | **578** | **19,519** | **20,097** |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 33. Share based payments

| Particulars | Employee Stock Option Scheme 2016 ('ESOP 2016 Scheme') |
|---|---|
| Approval of shareholders | 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 | 1,45,81,000 |
| Number of equity shares per option | 1 |
| Vesting period | 1-4 years |
| Exercise period | 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. |

### 33.1 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 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | No. of Options | Weighted average exercise price (₹) | No. of Options | Weighted average exercise price (₹) |
| At the beginning of the year | 16,12,730 | 494.34 | 13,98,740 | 420.87 |
| Granted* | 4,13,700 | 969.45 | 3,31,720 | 759.56 |
| Exercised | 5,17,340 | 379.42 | 1,17,730 | 368.71 |
| Lapsed | 1,04,720 | 648.73 | - | - |
| At the end of the year | 14,04,370 | 665.12 | 16,12,730 | 494.34 |

* the weighted average fair value of options granted during the year is ₹ 356.39 (2022: ₹ 251.55)

b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 1.83 years (2022: 1.59 years). The exercise price of the outstanding options range from ₹319.65 to 969.45 (2022: ₹319.65 to ₹799.35 ). The weighted average share price during the year is ₹ 939 (2022: ₹811).

c) Number of options exercisable at the end of the year are 6,34,700 (2022: 10,39,370).

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 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Dividend yield (%) | 1.24 to 1.62 | 1.54 to 1.62 |
| Expected volatility (%) | 0.30 to 0.32 | 0.30 to 0.32 |
| Risk free interest rate (%) | 5.17 to 7.26 | 5.17 to 6.38 |
| Expected term (in years) | 3.50 to 6.51 | 3.50 to 6.51 |






# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)


### 33.2 Share based payments

The Company recorded employee share based payments of ₹771 Lakhs (2022: ₹281 Lakhs) under 'Employee benefits expense'.

**33.3** The Company in its meeting of the Board of Directors held on 22 March 2023 has approved the Employee Stock Option Plan 2023 which will replace ESOP 2016 Scheme.

## 34. Employee benefits plan

### a) Defined benefit plans

| (i) Gratuity plan | 2022-2023 | 2021-2022 |
|---|---|---|
| **Change in Defined Benefit Obligation (DBO) during the year** | | |
| Present value of DBO at the beginning of the year | 6,237 | 6,511 |
| Current service cost | 765 | 684 |
| Interest cost | 402 | 410 |
| Actuarial loss/(gain) arising from changes in financial assumptions | (14) | (122) |
| Actuarial loss/(gain) arising from changes in experience adjustments | 569 | (161) |
| Benefits paid | (1,217) | (1,085) |
| **Present value of DBO at the end of the year** | **6,742** | **6,237** |
| **Change in fair value of plan assets during the year** | | |
| Fair value of plan assets at the beginning of the year | 6,213 | 6,078 |
| Interest income | 444 | 422 |
| Employer contributions | 825 | 788 |
| Benefits paid | (1,217) | (1,085) |
| Remeasurements – return on plan assets (excluding interest income) | (55) | 10 |
| **Fair value of assets at the end of the year** | **6,209** | **6,213** |
| **Amounts recognised in the Balance Sheet** | | |
| Present value of DBO at the end of the year | 6,742 | 6,237 |
| Fair value of plan assets at the end of the year | (6,209) | (6,213) |
| **Funded status of the plans – (asset)/ liability** | **533** | **24** |
| **(Asset)/ liability recognised in the Balance Sheet** | **533** | **24** |
| **Components of employer expense** | | |
| Current service cost | 765 | 684 |
| Interest income on net defined benefit obligation | (42) | (12) |
| **Expense recognised in Statement of Profit and Loss** | 723 | 672 |
| **Remeasurement on the net defined benefit obligation** | | |
| Return on plan assets (excluding interest income) | (55) | 10 |
| Actuarial loss/(gain) arising from changes in financial assumptions | (14) | (122) |
| Actuarial loss/(gain) arising from changes in experience adjustments | 569 | (161) |
| **Remeasurements recognised in other comprehensive income** | **610** | **(293)** |
| **Total defined benefit cost recognized** | **1,333** | **379** |

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.

# Notes forming part of the Standalone 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.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Assumptions** | | |
| Discount rate | 7.18% | 7.15% |
| Estimated rate of return on plan assets | 7-12% | 7-12% |
| Expected rate of salary increase | 5-7% | 5- 7% |
| Attrition rate | 5% | 5% |

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (463) | 527 | (405) | 461 |
| Future salary growth (1% movement) | 465 | (420) | 403 | (365) |
| Attrition rate (1% movement) | 10 | (10) | 2 | (2) |

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Weighted average duration of DBO** | 11 Years | 11 Years |
| **Expected cash flows** | | |
| 1. Expected employer contribution in the next year | 724 | 643 |
| 2. Expected benefit payments | | |
| Year 1 | 814 | 912 |
| Year 2 | 597 | 694 |
| Year 3 | 644 | 529 |
| Year 4 | 607 | 528 |
| Year 5 | 554 | 498 |
| Beyond 5 years | 2,336 | 1,996 |

**ii) Contributions to PF Trust:**

Provident Fund Trust is exempted under Section 17 of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit.

The Company has obtained the actuarial valuation of interest rate obligation in respect of provident fund and having regards to the assets of the Fund and the return on the investments, the Company did not recognize any deficiency based on the actuary report obtained.

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Plan assets at the end of the year | 28,954 | 26,168 |
| Defined benefit obligation at the end of the year | 28,543 | 25,280 |





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

An amount of ₹ 1,332 Lakhs (2022: ₹ 1,229 lakhs) has been recognised as an expense in the Statement of Profit and Loss during the year towards Provident fund contribution to trust.

**Assumptions**

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Discount rate | 7.36% | 5.15% to 7.15% |
| Expected guarantee rate | 8.15% | 8.50% |
| Attrition | 5.00% | 5.00% |

### b) Defined contribution plans

In respect of the defined contribution plans, an amount of ₹ 2,347 Lakhs (2022: ₹ 2,322 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 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| i) Profit after tax (₹ in Lakhs) | [a] | 2,03,467 | 1,41,245 |
| **Basic** | | | |
| ii) Weighted average number of equity shares of ₹1/- each outstanding during the year | [b] | 29,38,14,998 | 29,34,33,933 |
| **Dilution** | | | |
| iii) Effect of potential equity shares on employees stock options outstanding | | 5,72,406 | 6,36,887 |
| iv) Weighted average number of equity shares of ₹1/- each outstanding during the year | [c] | 29,43,87,404 | 29,40,70,820 |
| **Earnings Per Share (face value of ₹1/- each)** | | | |
| v) Basic – [a]/[b] – (₹) | | 69.25 | 48.14 |
| vi) Diluted – [a]/[c] – (₹) | | 69.12 | 48.03 |

## 36. Contingent liabilities (to the extent not provided for)

**Claims against the Company not acknowledged as debt:**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| In respect of matters under dispute: | | |
| Excise duty | 322 | 322 |
| Customs duty | 820 | 831 |
| Sales tax | 1,119 | 1,203 |
| Income tax | 2,451 | 553 |
| Service tax | 265 | 292 |
| Goods and Services Tax | 680 | 37 |
| Others | 4,819 | 4,902 |

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.

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 37. Commitment

### a) Capital commitments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Capital expenditure commitments | 10,133 | 19,805 |

## 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 ₹ 3,345 Lakhs (31 March 2022 - ₹ 2,812 lakhs.)

b) Amount spent during the year on:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 2,554 | 2,466 |

c) Nature of CSR activities:

- Providing basic health care facilities to economically backward societies
- Improving health Conditions for communities through the provision of basic medical services
- Improving access to education
- Rural development projects
- Environmental sustainability
- Contribution to various disaster funds

d) Details of amount unspent relating to Ongoing projects:

| Opening balance | Amount deposited in unspent CSR account | Amount required to be spent during the year | Amount spent during the year (Refer Note below) | Closing balance |
|---|---|---|---|---|
| 346 | 346 | 3,345 | 2,554 | 792 |

**Note:**

The Company was unable to spend the allocated/budgeted amount on Ongoing Projects due to Operational reasons. The unspent CSR amount of ₹792 lakhs for the financial year 2022-23 has been transferred to unspent CSR Account before 30 April 2023 in accordance with provisions of the Companies Act, 2013 read with rules made thereunder. Further, the Company was able to spend the opening unspent amount related to Ongoing Projects amounting to ₹346 lakhs in the current year.





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 39. Research and development expenses incurred on the following heads have been accounted under the natural heads:

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Salaries, wages and bonus | 1,187 | 1,086 |
| Contribution to provident and other funds | 133 | 105 |
| Consumption of stores and spare parts | 242 | 130 |
| Power and fuel | 69 | 59 |
| Repairs to machinery | 14 | 47 |
| Miscellaneous expenses | 177 | 168 |
| | **1,822** | **1,595** |

## 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 2023 | 31 March 2022 |
| Sabero Organics America S.A. (SOAL) | Subsidiary | Brazil | 99.98 | 99.98 |
| Coromandel Australia Pty Ltd (Coromandel Australia), formerly known as Sabero Australia. | Subsidiary | Australia | 100 | 100 |
| Sabero Europe B.V. (Sabero Europe) | Subsidiary | Netherlands | - | 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 |
| Coromandel Chemicals Limited (CCL) (formerly known as Parry Chemicals Limited) | Subsidiary | India | 100 | 100 |
| Dare Ventures Limited (DVL) (formerly known as Dare Investments Limited) | Subsidiary | India | 100 | 100 |
| Coromandel Technology Limited (CTL) | Subsidiary | India | 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 (CMS) | Subsidiary | Mali | 100 | 100 |
| Sabero Organics Philippines Asia Inc.- (Sabero Philippines) | Associate | Philippines | 40 | 40 |
| Baobab Mining and Chemicals Corporation S.A (BMCC) | Associate | Senegal | 45 | - |
| Yanmar Coromandel Agrisolutions Private Limited (YCAS) | Joint venture | India | 40 | 40 |

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

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) (merged with Coromandel Provident Fund No. 1 w.e.f. 31 March 2022) | 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 (Chairman) |
| Mr. Arun Alagappan | Key management personnel (Executive Vice Chairman) |
| 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 (upto 31 January 2023) | Key management personnel (Managing director) |
| Mr. Sankarasubramanian S (w.e.f. 1 February 2023) | Key management personnel (Executive Director) |
| Dr. Raghuram Devarakonda (w.e.f. 1 February 2023) | Key management personnel (Executive Director) |
| Ms. Jayashree Satagopan | Key management personnel (Chief Financial Officer) |
| Mr. Rajesh Mukhija | Key management personnel (Company Secretary) |
| Mr. S Suresh | Key management personnel of Parent company |
| Mr. M M Venkatachalam | Non-Executive Director |
| Ms. Aruna B. Advani | Non-Executive Director |
| Mr. Prasad Chandran (upto 20 April 2022) | Non-Executive Director |
| Mr. Sumit Bose | Non-Executive Director |
| Dr. R. Nagarajan | Non-Executive Director |
| Mr. K V Parameshwar | Non-Executive Director |
| Mr. Sudarshan Venu | Non-Executive Director |
| Dr. Deepali Pant Joshi (w.e.f. 1 February 2023) | Non-Executive Director |

## (B) Transactions during the year:

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| i) Sale of finished goods/raw materials/services | | |
| a) Subsidiary- PAI | 6,116 | 7,526 |
| ii) Rent received | | |
| a) Fellow subsidiary – PICPL | 104 | 95 |
| b) PEIL | 6 | 4 |
| iii) Expenses reimbursed by | | |
| a) Subsidiary – PAI | 17 | 3 |
| b) Subsidiary – CCL | 28 | 27 |
| c) Subsidiary – DVL | - | 39 |
| iv) Purchase of finished goods and services | | |
| a) Parent company | 729 | 604 |
| b) PEIL | 1,352 | 65 |
| c) Joint Venture – YCAS | - | 35 |





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| v) Commission on sales Commission on sales | | |
| a) Subsidiary – CCL | 27 | 31 |
| b) Subsidiary – CBL | 374 | 389 |
| c) Subsidiary – Coromandel Mexico | 179 | 231 |
| d) Subsidiary – SOAL | 82 | 137 |
| e) Subsidiary – Coromandel Australia | 21 | 6 |
| f) Subsidiary – CINL | 87 | 42 |
| g) Associate – Sabero Philippines | 108 | 158 |
| vi) Expenses reimbursed to | | |
| a) Parent company | - | 242 |
| b) Subsidiary-CCL | - | 2 |
| vii) Interest on Inter corporate deposit/Loan | | |
| a) Subsidiary – DVL | - | 1 |
| b) Subsidiary – CCL | 627 | |
| viii) Investment made in Equity shares of | | |
| a) Subsidiary – DVL | 3,610 | 1,100 |
| b) Subsidiary – CCL | 5,000 | - |
| c) Subsidiary – CTL | 5 | - |
| ix) Purchase of assets and spares | | |
| a) Joint venture – YCAS | 4 | 35 |
| x) Dividend paid (including interim dividend payable) | | |
| a) Parent company | 19,855 | 19,855 |
| xi) Rent paid | | |
| a) Parent company | - | 59 |
| b) Subsidiary – CCL | 2 | 3 |
| xii) Loan | | |
| a) Loan repayment by Subsidiary – DVL | - | 12 |
| b) Interest repaid by DVL | - | 4 |
| c) Loan given to CCL | 15,655 | - |

* less than ₹1 Lakh

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

## (C) Transactions with key management personnel

a) Dividends paid to key management personnel during the year ended 31 March 2023: ₹74 Lakhs (2022: ₹ 28 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 2023 | For the Year ended 31 March 2022 |
|---|---|---|
| Short-term employee benefits | 2,504 | 1,791 |
| Others* | 292 | 307 |
| **Total compensation** | **2,796** | **2,098** |

*excludes Goods and Services Tax

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

c) During the year, the Company has not granted any employee stock options to its key managerial personnel.

**(D)** Refer Note 34 for transactions with Employee benefit funds.

### (E) Outstanding balances as at the year end

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| a) Trade receivables | | |
| - Parent company | 117 | 218 |
| - Subsidiary – CCL | 166 | 142 |
| - Subsidiary – PAI | 973 | 326 |
| - PEIL | 8 | 7 |
| - Fellow subsidiary – PICPL | 3 | 3 |
| - Associate – Sabero Philippines | - | 6 |
| b) Loans, advances and other financial assets | | |
| PF Trust | - | 241 |
| - Subsidiary – CCL | 15,655 | - |
| c) Share Application money | | |
| - Associate – Sabero Philippines | 5 | 5 |
| d) Interest of ICD | | |
| - Interest accrued but not due -CCL | 564 | - |
| e) Trade payables | | |
| - Parent company | 63 | 238 |
| - Subsidiary – CCL | 172 | 150 |
| - PEIL | 280 | 6 |
| - Joint venture – YCAS | * | 1 |
| - SOAL | * | - |
| - CBL | 10 | - |
| - Coromandel Mexico | 6 | - |
| f) Other financial liabilities | | |
| - Fellow subsidiary – PICPL | 972 | 998 |

**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 2023 | Maximum balance outstanding during the year |
|---|---|---|---|
| Coromandel Chemicals Limited (CCL) (Refer note 1) | Subsidiary | 15,655 | 15,655 |

| | Relationship | As at 31 March 2022 | Maximum balance outstanding during the year |
|---|---|---|---|
| Dare Ventures Limited (DVL) (Refer note 2) | Subsidiary | - | 12 |

**Note:**

1. The loan is repayable in one year from the date of disbursement and carried interest. The loan given has been utilised for making strategic investments as disclosed in note 49.

2. The loan was repayable on demand and carried interest.





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 42. Payments to Auditors

| | For the Year ended 31 March 2023 | For the Year ended 31 March 2022 |
|---|---|---|
| Audit fees | 85 | 75 |
| Tax audit fees | 15 | 15 |
| Limited reviews | 42 | 36 |
| Certifications | 55 | 45 |
| Reimbursement of expenses | 5 | 2 |
| **Total** | **202** | **173** |

Note: Amounts given above excludes Goods and Services Tax.

**43.** Pursuant to the requirements of SEBI circular no SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company had no Commercial papers outstanding as on 31 March 2023.

**44.** Based on and to the extent of information available with the Company under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

| Sl. No. | Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| (i) | Principal amount due to suppliers under MSMED Act, as at the end of the year | 1,851 | 2,996 |
| (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.

## 45. Ratio Analysis and its elements:

| Ratio | 31 March 2023 | 31 March 2022 | % Change | Reasons for variance > 25% |
|---|---|---|---|---|
| Current Ratio | 1.77 | 1.85 | -4% | |
| Debtors' Turnover ratio (days) | 23 | 19 | 21% | |
| Inventory turnover (days) | 63 | 80 | -21% | |
| Debt-Equity ratio | * | * | - | |
| Debt Service coverage ratio | 15.46 | 46.32 | -67% | Due to increased short-term borrowing coupled with higher interest rates |
| Return on Equity | 28.73% | 24.54% | 17% | |
| Trade payables turnover ratio (days) | 76 | 82 | 5% | |
| Net capital turnover ratio | 6.61 | 5.02 | 32% | Due to increased sales |
| Net profit ratio | 6.87% | 7.40% | -7% | |
| Return on capital employed | 34.51% | 29.29% | 18% | |
| Return on investment | 4.84% | 3.57% | 36% | Due to increased deposits |

*Less than 0.00

# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

**Formula used to compute ratios:**

| Ratio | Formula |
|---|---|
| Current Ratio | Current assets/Current liabilities |
| Debtors' Turnover ratio (days) | Revenue from Operations /Average receivables (including Government subsidy receivables) |
| Inventory turnover (days) | (Cost of materials consumed, Purchases of stock-in-trade, Changes in inventories of finished goods, work-in-process and stock-in-trade)/ Average Inventory |
| Debt-Equity ratio | (Long-term and Short-term borrowings including Current maturities of Long-term Borrowings)/(Total Equity) |
| Debt Service coverage ratio | (Profit after tax and before Depreciation and Amortisation Expense, Finance Costs excluding lease interest, Exceptional Items)/(Finance Costs excluding lease interest + Principal Repayment of Long term borrowings) |
| Return on Equity | Net Profit after tax / Average share-holders equity |
| Trade payables turnover ratio | Purchases including other expenses/ Avg Trade payables * Number of days |
| Net capital turnover ratio | Net sales / Working capital |
| Net profit ratio | Profit after tax/ Revenue from operations |
| Return on capital employed | Earnings before Interest and taxes / capital employed |
| Return on investment | Interest Income/ Avg. Investment in Inter-corporate deposits & fixed deposits. |

**46.** 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.

**47.** During the year 2020-21, the Board of Directors had earlier approved the proposed Scheme of Amalgamation of Liberty Pesticides and Fertilizers Limited (LPFL) and Coromandel SQM (India) Private Limited (CSQM) (wholly owned subsidiaries) 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. Subsequent to 31 March 2022, the Hon'ble National Company Law Tribunal, Hyderabad (NCLT) has approved the Scheme of Amalgamation ('Scheme') of LPFL and CSQM on 26 April 2022, with the Company with effect from 01 April 2021, being the appointed date under the said Scheme.

The Company had accounted for this merger under the "Pooling of interests" method for common control transactions as per the requirements of Ind AS 103 "Business Combinations" in the previous year. This merger did not have material impact on Standalone financial statements.

## 48. Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.





# Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

## 49. Details of funds advanced or loaned or invested in intermediaries and further invested or loaned by intermediaries

| Intermediaries to which amounts were advanced/ loaned/ invested by the Company | Nature of transaction | Date | Amount (₹ in Lakhs) |
|---|---|---|---|
| Dare Ventures Limited (DVL) | Investment in equity shares | 25-Mar-22 | 1,100 |
| | | 21-Jul-22 | 1,610 |
| | | 18-Oct-22 | 2,000 |
| Coromandel Chemicals Limited (CCL) | Investment in equity shares | 05-Sep-22 | 5,000 |
| | Loan | 05-Sep-22 | 10,440 |
| | | 23-Sep-22 | 1,615 |
| | | 27-Dec-22 | 3,600 |

| Parties to which such funds are further loaned or invested by DVL | Nature of transaction | Date | Amount (₹ in Lakhs) |
|---|---|---|---|
| EcoZen Solutions Private Limited | Investment in series C1 Preference shares | 23-Jun-22 | 995 |
| | Investment in equity shares | 24-Jun-22 | 5 |
| String Bio Private Limited | Investment in equity shares | 01-Aug-22 | * |
| | Investment in series B Compulsorily Convertible Preference Shares | 01-Aug-22 | 1,649 |
| Dhaksha Unmanned Systems Private Limited | Investment in equity shares | 26-Sep-22 | 351 |
| | | 24-Oct-22 | |
| | Investment in seed series Compulsorily Convertible Preference Shares | 24-Oct-22 | 1,649 |

* less than ₹1 lakh

| Parties to which such funds are further loaned or invested by CCL | Nature of transaction | Date | Amount (₹ in Lakhs) |
|---|---|---|---|
| Baobab Mining and Chemicals Corporation S.A. | Investment in equity shares | 05-Sep-22 | 15,660 |
| | Loans given | 23-Sep-22 | 1,619 |
| | | 27-Dec-22 | 4,142 |

The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

### a) Complete details of intermediaries and ultimate beneficiaries

| Name of the entity | Registered Address | Government Identification Number (CIN/RCCM) | Relationship with the Company |
|---|---|---|---|
| Dare Ventures Limited | 1-2-10, Sardar Patel Road, Secunderabad, Hyderabad, Telangana - 500003 | U65110TG2012PLC080296 | Subsidiary |
| Ecozen Solutions Private Limited | 301 Vaishnavi Appt. Plot No.29, Vijayanand Gruha Nirman Sahakari Sanstha, Narendra Nagar, Nagpur, Maharashtra - 440015 | U93090MH2010PTC209218 | Investee |
| String Bio Private Limited | No.456G,1St Main Road, Vinayaka Nagar, 9th mile Tumkur road, Hobli, Bangalore, Karnataka - 560073 | U24297KA2013PTC069481 | Investee |

## Notes forming part of the Standalone financial statements

(₹ in lakhs, unless otherwise stated)

| Name of the entity | Registered Address | Government Identification Number (CIN/RCCM) | Relationship with the Company |
|---|---|---|---|
| Dhaksha Unmanned Systems Private Limited | Plot No. 253, SIDCO (N.P.) Ambattur Industrial Estate, Chennai, Tamil Nadu - 600098 | U35900TN2019PTC128496 | Investee |
| Coromandel Chemicals Limited | Office No 704, 7th Floor Centrum IT Park, Plot No C-3 Opp Rayladevi Lake, Wagle Estate, West Thane, Maharashtra - 400604 | U74999MH1995PLC088809 | Subsidiary |
| Baobab Mining and Chemicals Corporation S.A. | Point E – Rou Kolda, Residences Les Cocotiers, 3eme droite, Dakar - Senegal | DKR 2011 B 8503 | Associate |

**b)** The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**50.** Previous period/year figures have been regrouped/reclassified, where necessary, to conform to the current period/year classification.

### 51. Approval of financial statements

The financial statements were approved by the Board of Directors on 15 May 2023.

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

**Shankar Srinivasan**
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

**Arun Alagappan**
Executive Vice Chairman
DIN: 00291361

**A Vellayan**
Chairman
DIN: 00148891

**Jayashree Satagopan**
Chief Financial Officer

**Rajesh Mukhija**
Company Secretary



# 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 (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint venture comprising of the consolidated Balance sheet as at March 31, 2023, 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, hereinafter referred to as the "consolidated financial statements".

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 other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates, joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained 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 for the financial year ended March 31, 2023. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition, measurement and valuation of Subsidy income/Government subsidies and related receivables** | |
| Refer to note 2.7 'Revenue recognition', note 2.31.1 'Key sources of estimation uncertainty' and note 24 'Revenue from operations' to the consolidated financial statements. The Holding Company has recognised subsidy income of ₹ 14,48,805 lakhs for the year ended March 31, 2023.<br><br>Subsidy income pertaining to the Nutrient and other allied business is recognised on the basis of the rates notified from time to time in accordance with the Nutrient Based Subsidy ('NBS') policy by the Department of Fertilisers ('DOF'), Government of India ('GOI') and the conditions attached to subsidy income under Direct Benefit Transfer ('DBT') System. The principles of Ind AS 20 requires matching of subsidy income with the related costs which it is intended to compensate and accordingly, subsidy income is recognized over a period on a systematic basis to match it with the related costs and on satisfaction of relevant conditions specified in the notifications.<br><br>Recognition of subsidy income and assessment of its recoverability is subject to exercise of significant judgement and interpretation of relevant notifications by the management, which includes satisfaction of conditions specified in notifications and compliance with reasonable margin guidelines, assessment of applicable rates for fertilizers sold, estimation of rates for periods not covered by relevant notifications, evaluation of recoverability of receivables etc. and has accordingly been considered as a key audit matter. | Our audit procedures amongst others included the following:<br>• We understood the subsidy income recognition process, evaluated the design and implementation, and operating effectiveness of internal controls relating to subsidy income and related receivables.<br>• We enquired with the relevant personnel in the Holding Company, read and understood their interpretations of the relevant circulars and notifications issued by GOI from time to time with regard to the subsidy policies that impact subsidy income and related receivables.<br>• We tested the notified NBS rates considered by the Company for the product subsidy with the applicable circulars and notifications; understood the basis for adjustments to product subsidy based on estimated rates considered by the management, in the absence of revised NBS rates and discussed with the management and Those Charged With Governance, the appropriateness of the subsidy rates applied to recognise subsidy income.<br>• In testing the estimated rates for the periods not covered by notified NBS rates, evaluated the appropriateness of the assumptions used for the factors determined by management as influencing the determination of the rates with externally available evidences.<br>• We correlated the sales quantity considered for subsidy income with the actual sales made by the Holding Company and customer acknowledgements as per the iFMS portal of the DOF.<br>• We reviewed the quantities and rates considered for the purpose of recognising freight subsidy.<br>• We evaluated Management's assessment and reviewed underlying calculations regarding compliance with relevant conditions as specified in the notifications and policies including reasonable margin guidelines.<br>• We analysed and discussed the status of outstanding subsidy receivables and its realisability with the Management and assessed the reasonability of provisions made towards outstanding subsidy receivables.<br>• We tested the sanction notes received from the GOI for receipts and traced credits to bank statements for the receipts during the year and also the subsequent receipts.<br>• We assessed the presentation of subsidy income along with related receivables and related disclosures in the consolidated financial statements. |



| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Recognition and measurement of revenues** | |
| Refer to note 2.7 'Revenue recognition', note 2.31.1 'Key sources of estimation uncertainty' and note 24 'Revenue from operations' to the consolidated financial statements.<br><br>Revenue from sale of goods is recognised, when the control of goods is transferred to the customers. In accordance with the accounting policy, control is transferred either when the product is delivered to the customer's site or when the product is shipped, depending on the applicable terms.<br><br>Revenue recognition involves significant management judgements and estimates and has accordingly been identified as a key audit matter | Our audit procedures amongst others included the following:<br>• We understood the revenue recognition process, evaluated the design and implementation of internal controls relating to revenue recognised.<br>• We selected samples and tested the operating effectiveness of internal controls, relating to transfer of control. We carried out a combination of procedures involving enquiry, observation and inspection of evidence in respect of operation of these controls.<br>• We tested the relevant information technology general controls, automated controls, and the related information used in recording and disclosing revenue.<br>• In respect of the selected sample of transactions:<br>o We obtained the customer contracts and understood the terms and conditions including delivery and shipping terms.<br>o We tested whether the revenue is recognised upon transfer of control to customer.<br>o We tested the location stock reports from Holding Company warehouses, where applicable, for confirmation on sales quantity made during the year.<br>o We tested on a sample basis (including for sales near to the period end) shipping documents/customer acknowledgment, as applicable. In respect of sales of fertiliser products, we have also agreed the quantities sold as per the Holding Company books with the customer acknowledgments as per the iFMS portal of the Department of Fertilisers.<br>o We tested the data used by the Holding Company in assessing the provision for rebates for completeness and evaluated the rebates accrued, on a sample basis, by agreeing amounts recognised to the terms of agreements and marketing circulars for rebate schemes announced by the Holding Company.<br>• We assessed relevant disclosures in the consolidated financial statements of the Company. |

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated 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 and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint venture 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 the 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 consolidated 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

### Auditor's Responsibilities 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 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 Holding Company has adequate internal financial controls with reference to financial statements 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 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 associates and joint venture 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 associates and joint venture 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 associates and joint venture of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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 for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of ₹ 27,825 lakhs as at March 31, 2023, and total revenues of ₹ 25 lakhs and net cash outflows of ₹ 2,346 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. 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 our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of eleven subsidiaries whose financial statements and other financial information reflect total assets of ₹ 8,210 lakhs as at March 31, 2023, and total revenues of ₹ 8,722 lakhs and net cash inflows of ₹ 3,748 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ 2,449 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of two associates and one joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, 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 and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint venture, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer note 36 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2023;

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 48A to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 48A to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

v) As stated in note 17 to the consolidated financial statements,

a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.

b) The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(i) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiaries which are companies incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Shankar Srinivasan**
Partner
Membership Number: 213271
UDIN: 23213271BGSEIL9387

Place of Signature: Chennai
Date: May 15, 2023

## Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

**Re: Coromandel International Limited ("the Company")**

In terms of the information and explanations sought by us and given by the company and to the best of our knowledge and belief, we state that:

3(xxi) There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports issued by us for the Holding Company and by the respective auditors in the CARO reports of the subsidiary companies included in the consolidated financial statements. The report of a joint venture and a subsidiary incorporated in India included in the consolidated financial statements has not been issued by its auditor till the date of our auditor's report.

| S.No | Name of the joint venture company | Corporate Identification Number |
|---|---|---|
| 1. | Yanmar Coromandel Agrisolutions Private Limited | U29253TG2014PTC094854 |
| 2. | Coromandel Technologies Limited | U35929TG2022PLC169709 |

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Shankar Srinivasan**
Partner
Membership Number: 213271
UDIN: 23213271BGSEIL9387

Place of Signature: Chennai
Date: May 15, 2023

## Annexure 2 to the Independent Auditor's Report of even date on the consolidated financial statements of Coromandel International Limited

### Report on the Internal Financial Controls 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 Coromandel International Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, 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 Holding 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 (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 Holding Company's internal financial controls with reference to consolidated financial statements 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") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 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 with reference to consolidated financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements 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, the Holding Company and its subsidiaries, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Shankar Srinivasan**
Partner
Membership Number: 213271
UDIN: 23213271BGSEIL9387

Place of Signature: Chennai
Date: May 15, 2023

# Consolidated Balance Sheet

(₹ in Lakhs, unless otherwise stated)

| | | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|---|
| **I** | **ASSETS** | | | |
| **1** | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 3 | 1,82,809 | 1,70,144 |
| | (b) Capital work-in-progress | 3 | 37,637 | 11,981 |
| | (c) Right-of-use assets | 4 | 36,288 | 38,244 |
| | (d) Goodwill | | 32 | 32 |
| | (e) Other intangible assets | 5 | 913 | 737 |
| | (f) Intangible assets under development | 5 | 2,295 | 2,139 |
| | (g) Financial assets | | | |
| | i) Investments | | | |
| | a) Investments in joint ventures and associate | 6 | 14,810 | 1,733 |
| | b) Other investments | 6 | 13,856 | 22,613 |
| | ii) Loans | | 97,752 | 40,000 |
| | (h) Income tax assets (net) | | 22 | 481 |
| | (i) Other non-current assets | 8 | 12,705 | 6,347 |
| | | | **3,99,119** | **2,94,451** |
| **2** | **Current assets** | | | |
| | (a) Inventories | 9 | 4,41,645 | 3,66,323 |
| | (b) Financial assets | | | |
| | i) Investments | 10 | * | * |
| | ii) Trade receivables | 11 | 58,927 | 26,487 |
| | iii) Government subsidies receivable | | 2,37,791 | 29,414 |
| | iv) Cash and cash equivalents | 12 | 1,39,376 | 70,601 |
| | v) Bank balances other than cash and cash equivalents | 13 | 2,400 | 1,04,727 |
| | vi) Loans | 14 | 72,000 | 1,54,000 |
| | vii) Other financial assets | 7 | 3,338 | 3,496 |
| | (c) Other current assets | 15 | 68,884 | 78,975 |
| | | | **10,24,361** | **8,34,023** |
| | **Total assets** | | **14,23,480** | **11,28,474** |
| **II** | **EQUITY AND LIABILITIES** | | | |
| **1** | **Equity** | | | |
| | (a) Equity share capital | 16 | 2,940 | 2,935 |
| | (b) Other equity | 17 | 7,87,839 | 6,32,892 |
| | **Equity attributable to owners of the Company** | | **7,90,779** | **6,35,827** |
| **2** | **Non-current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | i) Lease liabilities | 4 | 36,308 | 37,089 |
| | ii) Other financial liabilities | 19 | 2,113 | 195 |
| | (b) Provisions | 20 | 1,953 | 1,428 |
| | (c) Deferred tax liabilities (net) | 21.1 | 5,909 | 6,597 |
| | (d) Other non-current liabilities | 22 | 769 | 779 |
| | | | **47,052** | **46,088** |
| **3** | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | i) Borrowings | 18 | 460 | 4 |
| | ii) Lease liabilities | 4 | 2,490 | 2,403 |
| | iii) Trade payables | 23 | | |
| | Total outstanding dues of micro enterprises and small enterprises | | 1,851 | 2,996 |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | | 5,29,526 | 3,88,358 |
| | iv) Other financial liabilities | 19 | 28,333 | 24,638 |
| | (b) Provisions | 20 | 2,433 | 1,943 |
| | (c) Current tax liabilities (net) | 21.4 | 5,718 | 7,544 |
| | (d) Other current liabilities | 22 | 14,838 | 18,673 |
| | | | **5,85,649** | **4,46,559** |
| | **Total liabilities** | | **6,32,701** | **4,92,647** |
| | **Total equity and liabilities** | | **14,23,480** | **11,28,474** |
| | *less than ₹ 1 lakh | | | |
| | Corporate Information and Significant accounting policies | 1 and 2 | | |
| | See accompanying notes forming part of the consolidated financial statements | | | |

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

**Shankar Srinivasan**
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

**Arun Alagappan**
Executive Vice Chairman
DIN: 00291361

**A Vellayan**
Chairman
DIN: 00148891

**Jayashree Satagopan**
Chief Financial Officer

**Rajesh Mukhija**
Company Secretary



# Consolidated Statement of Profit and Loss

(₹ in Lakhs, unless otherwise stated)

| | | Notes | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|---|
| **I** | **Income** | | | |
| | Revenue from operations | 24 | 29,62,790 | 19,11,085 |
| | Other income | 25 | 17,113 | 14,427 |
| | **Total income** | | **29,79,903** | **19,25,512** |
| **II** | **Expenses** | | | |
| | Cost of materials consumed | | 19,55,625 | 11,89,698 |
| | Purchases of stock-in-trade | | 4,66,411 | 2,43,501 |
| | Changes in inventories of finished goods, work-in-process and stock-in-trade | 26 | (74,784) | (11,545) |
| | Employee benefits expense | 27 | 65,655 | 58,718 |
| | Finance costs | 28 | 19,001 | 7,547 |
| | Depreciation and amortisation expenses | 29 | 18,195 | 17,265 |
| | Other expenses | 30 | 2,57,267 | 2,15,727 |
| | **Total expenses** | | **27,07,370** | **17,20,911** |
| **III** | **Profit before tax (I-II)** | | **2,72,533** | **2,04,601** |
| **IV** | **Share of profit/(loss) of joint venture and associate** | 43 | (2,449) | 374 |
| **V** | **Profit for the year (III+IV)** | | **2,70,084** | **2,04,975** |
| **VI** | **Tax expense:** | | | |
| | (1) Current tax | | 69,189 | 51,872 |
| | (2) Deferred tax | | (398) | 257 |
| | **Total tax expense** | | **68,791** | **52,129** |
| **VII** | **Profit for the year (V-VI)** | | **2,01,293** | **1,52,846** |
| **VIII** | **Other Comprehensive Income** | | | |
| A | (i) Items that will not be reclassified subsequently to profit or loss | | | |
| | (a) Remeasurement of defined benefit plan | 34(a) | (610) | 293 |
| | (b) Net fair value gain/(loss) on investments in equity shares at FVTOCI | | (13,372) | 2,240 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 21.3 | 211 | (575) |
| B | (i) Items that will be reclassified subsequently to profit or loss | | | |
| | (a) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge | | (368) | (20) |
| | (b) Exchange differences on translating foreign operations | | 209 | 478 |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | 21.3 | 93 | 5 |
| | **Total other comprehensive income (A+B)** | | **(13,837)** | **2,421** |
| **IX** | **Total Comprehensive Income for the year (VII+VIII)** | | **1,87,456** | **1,55,267** |
| **X** | **Earnings per equity share of (Face value of ₹1 each):** | 35 | | |
| | Basic ₹ | | 68.51 | 52.09 |
| | Diluted ₹ | | 68.38 | 51.98 |
| | Corporate Information and Significant accounting policies | 1 and 2 | | |
| | See accompanying notes forming part of the consolidated financial statements | | | |

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

**Shankar Srinivasan**
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

**Arun Alagappan**
Executive Vice Chairman
DIN: 00291361

**A Vellayan**
Chairman
DIN: 00148891

**Jayashree Satagopan**
Chief Financial Officer

**Rajesh Mukhija**
Company Secretary

# Consolidated Cash flow statement

(₹ in Lakhs, unless otherwise stated)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Profit before tax** | | 2,70,084 | 2,04,975 |
| Adjustments for: | | | |
| Depreciation and amortisation expense | | 18,195 | 17,265 |
| (Profit)/Loss on sale/ scrap of property, plant and equipments (net) | | (988) | 652 |
| Profit on sale of investment | | (3) | - |
| Exchange differences (net) | | 460 | 2,884 |
| Share of loss/(profit) of joint ventures accounted using equity method | | 2,449 | (374) |
| Gain on measuring investments at FVTPL (net) | | (1) | (353) |
| Impairment allowance recognised for doubtful trade receivables, loans and advances and other liabilities no longer required, written back (net) | | 224 | (3,764) |
| Provision for employee benefits | | 405 | 119 |
| Share-based payments | | 771 | 281 |
| Finance costs | | 19,001 | 7,547 |
| Interest income | | (15,818) | (10,183) |
| Dividend income | | (4) | (7) |
| Others | | (93) | (66) |
| **Operating profit before working capital changes** | | **2,94,682** | **2,18,976** |
| *Changes in working capital:* | | | |
| Increase/(Decrease) in trade payables including acceptances | | 1,41,891 | 1,01,627 |
| Increase/(Decrease) in other liabilities | | (1,923) | 12,608 |
| (Increase)/Decrease in trade receivables | | (32,965) | 29,038 |
| (Increase)/Decrease in government subsidies receivable | | (2,08,377) | 29,552 |
| (Increase)/Decrease in inventories | | (75,322) | (1,06,235) |
| (Increase)/Decrease in other assets | | 11,494 | (29,426) |
| **Cash generated from operations** | | **1,29,480** | **2,56,140** |
| Direct taxes paid (net of refunds) | | (70,383) | (48,335) |
| **Net cash flows from operating activities** | **(A)** | **59,097** | **2,07,805** |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipments and other intangible assets including capital work-in-progress and capital advances | | (60,524) | (27,792) |
| Proceeds from sale of leashold land | | 2,091 | - |
| Proceeds from sale of property, plant and equipments | | 1,617 | 133 |
| Acquisition of non-current investments in joint ventures, associate and others | | (15,660) | - |
| Investment in others | | (4,649) | - |
| Inter-corporate deposits/ loans given | | (87,752) | (92,000) |
| Inter-corporate deposits matured/ loans received | | 1,12,000 | 49,368 |
| Interest received | | 14,358 | 10,522 |
| Dividend received from current and non-current investments | | 4 | 7 |
| Balances in margin money/ deposit accounts/Other restricted balances | | 1,02,419 | (1,02,437) |
| **Net cash from / (used in) investing activities** | **(B)** | **63,904** | **(1,62,199)** |



Consolidated Cash flow statement

(₹ in Lakhs, unless otherwise stated)

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Proceeds from issue of equity shares on exercise of employee stock options | | 1,963 | 434 |
| Movement in short-term borrowings to add in CFS | | 456 | (157) |
| Dividend paid | | (35,264) | (35,213) |
| Interest and other borrowing costs paid | | (15,232) | (3,422) |
| Repayment of Lease liabilty | | (6,228) | (5,894) |
| **Net cash flow from/(used) in financing activities** | **(C)** | **(54,305)** | **(44,252)** |
| **Net increase in cash and cash equivalents (A + B + C)** | | 68,696 | 1,354 |
| Cash and cash equivalents at the beginning of the year | | 70,601 | 69,210 |
| Exchange gain on cash and cash equivalents | | 79 | 37 |
| Cash and cash equivalents at the end of the year (as per Note 12) | | **1,39,376** | **70,601** |

**Note:**

1. Statement of Cash Flows has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements, whereby profit / (loss) after tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments for the year. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

   Cash and cash equivalents in the Statement of Cash Flows 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.

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **2. Reconciliation of Short-term borrowings:** | | |
| Opening balance | 4 | 161 |
| Movement in short-term borrowings to add in CFS | 456 | (157) |
| **Closing balance** | **460** | **4** |
| **3. Reconciliation of lease liabilities (Current and Non-current):** | | |
| Opening balance | 39,492 | 38,334 |
| Lease liabilities addition during the year | 2,261 | 3,400 |
| Lease liabilities deletion during the year | (334) | (395) |
| Interest | 3,608 | 4,047 |
| Repayment (net of interest) | (6,228) | (5,894) |
| **Closing balance** | **38,798** | **39,492** |
| See accompanying notes forming part of the consolidated financial statements | | |

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

Shankar Srinivasan
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

Arun Alagappan
Executive Vice Chairman
DIN: 00291361

A Vellayan
Chairman
DIN: 00148891

Jayashree Satagopan
Chief Financial Officer

Rajesh Mukhija
Company Secretary

# Consolidated Statement of Changes in Equity

## a). Equity share capital (refer note 16)

(₹ in Lakhs, unless otherwise stated)

| | Number of shares | Amount |
|---|---|---|
| **Balance as at 1 April 2021** | 29,33,78,679 | 2,934 |
| Add: Equity shares allotted pursuant to exercise of stock options | 1,17,730 | 1 |
| **Balance as at 31 March 2022** | **29,34,96,409** | **2,935** |
| Add: Equity shares allotted pursuant to exercise of stock options | 5,17,340 | 5 |
| **Balance as at 31 March 2023** | **29,40,13,749** | **2,940** |

## b). Other equity

(₹ in Lakhs, unless otherwise stated)

| | Reserves and Surplus (refer Note 17) | | | | | | | Items of other comprehensive income (refer Note 17) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Capital redemption reserve | Securities premium | Central subsidy | General reserve | Share Based Payment reserve | Retained earnings | Foreign currency translation reserve | Equity instruments through other comprehensive income | Effective portion of cash flow hedges | Total |
| **Balance as at 1 April 2021** | **618** | **986** | **17,013** | **11** | **2,63,592** | **1,102** | **2,44,447** | **5,564** | **(21,514)** | **306** | **5,12,125** |
| Profit for the year | - | - | - | - | - | - | 1,52,846 | - | - | - | 1,52,846 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | - | - | 219 | 478 | 1,738 | (15) | 2,420 |
| **Total comprehensive income for the year** | | | | | | | **1,53,065** | **478** | **1,738** | **(15)** | **1,55,266** |
| Recognition of share-based payments | - | - | - | - | - | 281 | - | - | - | - | 281 |
| Dividend on equity shares including dividend distribution tax | - | - | - | - | - | - | (35,213) | - | - | - | (35,213) |
| Amount received on exercise of employee stock options | - | - | 433 | - | - | - | - | - | - | - | 433 |
| Amounts transferred within the reserves | - | - | 169 | - | - | (169) | - | - | - | - | - |
| **Balance as at 1 April 2022** | **618** | **986** | **17,615** | **11** | **2,63,592** | **1,214** | **3,62,299** | **6,042** | **(19,776)** | **291** | **6,32,892** |
| Profit for the year | - | - | - | - | - | - | 2,01,293 | - | - | - | 2,01,293 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | - | - | (456) | 209 | (13,314) | (275) | (13,837) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **2,00,837** | **209** | **(13,314)** | **(275)** | **1,87,457** |
| Recognition of share-based payments | - | - | - | - | - | 771 | - | - | - | - | 771 |
| Dividend on equity shares including dividend distribution tax | - | - | - | - | - | - | (35,264) | - | - | - | (35,264) |
| Amount received on exercise of employee stock options | - | - | 1,984 | - | - | - | - | - | - | - | 1,984 |
| Amounts transferred within the reserves | - | - | 737 | - | - | (737) | - | - | - | - | - |
| **Balance as at 31 March 2023** | **618** | **986** | **20,336** | **11** | **2,63,592** | **1,248** | **5,27,871** | **6,251** | **(33,090)** | **16** | **7,87,839** |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

**Shankar Srinivasan**
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

**Arun Alagappan**
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DIN: 00291361

**A Vellayan**
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DIN: 00148891

**Jayashree Satagopan**
Chief Financial Officer

**Rajesh Mukhija**
Company Secretary





# Notes forming part of the consolidated financial statements

(₹ 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 is "Coromandel House", 1-2-10, Sardar Patel Road, Secunderabad – 500003, Telangana. The Company is engaged in the business of farm inputs comprising fertiliser, crop protection, specialty nutrients and organic compost.

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 Basis of preparation and presentation

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 except for the following:

The Group elected to change its accounting policy for valuation of its raw material inventory from First-in-First-out (FIFO) to weighted average cost to ensure consistency of policy adopted for other items of inventory and with general industry practice. The impact of this policy change up to 31 March 2022 is not material and consequently the comparative figures have not been restated.

The consolidated financial statements include accounts of Coromandel International Limited ("the Company") and the following entities: (all together referred to as 'the Group')

**Subsidiaries:**

- Sabero Organics America S.A.,
- Coromandel Australia Pty Ltd (formerly known as Sabero Australia Pty Ltd)
- Sabero Europe B.V. (liquidated w.e.f. 25 May 2022)
- Sabero Argentina S.A.
- Coromandel Agronegocios de Mexico S.A de C.V (formerly known as Sabero Organics Mexico S.A de C.V)
- Coromandel Chemicals Limited (formerly known as Parry Chemicals Limited)
- Dare Ventures Limited (formerly known as Dare Investments Limited)
- CFL Mauritius Limited
- Coromandel Brasil Limitada (a Limited Liability Partnership)
- Parry America Inc
- Coromandel International (Nigeria)
- Coromandel Mali SASU
- Coromandel Technology Limited (w.e.f 27 December 2022)

**Joint venture company:**

- Yanmar Coromandel Agrisolutions Private Limited

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

**Associate Companies:**

- Sabero Organics Philippines Asia Inc.
- Baobab Mining and Chemicals Corporation S.A. (w.e.f 05 September 2022).

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.

### 2.2 Current and Non-current

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### 2.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.





# Notes forming part of the consolidated financial statements

(₹ 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.

The principal accounting policies are set out below.

### 2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

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.

#### 2.4.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted 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.

### 2.5 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.

### 2.6 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.





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

### 2.7 Revenue recognition

Revenue is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

a) Sale of goods is recognised net of returns and trade discounts, volume discounts and schemes as specified in the contracts with customer when the control over the goods is transferred to the customers. Accruals for discounts/incentives are estimated using the most likely method based on accumulated experience and underlying schemes and agreements with 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.

   Further, as required by Ind AS 20, the Company matches subsidy income with related costs which the subsidy is intended to compensate and accordingly, subsidy income is recognized over a period on a systematic basis to match it with the related costs and on satisfaction of relevant conditions.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

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.

### 2.8 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.

### 2.9 Leases

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.

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.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### 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 an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 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.

#### 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.

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.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

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 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 share-based payment reserve. 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 share-based payment reserve.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### 2.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the parent Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent Company and the weighted average number of shares outstanding during the period are adjusted 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 income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

#### 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.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax 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.

### 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.

## Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

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 capitalized 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.



## Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### 2.20 Impairment

**Tangible and intangible assets**

The Group assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Group estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognised. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognised impairment loss no longer exists or may have decreased such reversal of impairment loss is recognised in the profit or loss.

### 2.21 Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost and net realisable 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

1. Raw material, stores and spares and packing materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost (First in First Out till March 31, 2022).

2. Finished goods and Work-in-process: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost of production.

3. Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost.

### 2.22 Cash and Cash equivalents

Cash comprises cash on hand, in bank and demand deposits with banks and with financial institutions. The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

### 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.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 2.24 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## 2.25 Financial assets

### 2.25.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer note 2.7.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### 2.25.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

### 2.25.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### 2.25.4 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

## 2.26 Financial liabilities

### 2.26.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### 2.26.2 Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)



# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortised cost (Loans and borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### 2.26.3 Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### 2.26.4 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## 2.27 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 2.28 Derivative financial instruments and hedge accounting

### 2.28.1 Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.



# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

The Group designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

## 2.29 Business combination

The Company accounts for its business combinations under acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of the assets transferred and liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange of control of the acquiree. Acquisition related costs are generally recognised in standalone statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire, if any over the net of the acquisition–date amounts of the identifiable assets acquired and the liabilities assumed. Such goodwill is tested annually for impairment.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date and is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations arising from entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the entity are recorded in other equity

## 2.30 Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 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 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

| Items requiring significant estimate | Assumption and estimation uncertainty |
|---|---|
| Useful lives of property, plant and equipment | The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets. |
| Fair value measurements and valuation processes | Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group determines the appropriate valuation techniques and inputs for fair value measurements.<br><br>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 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. |





Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| Items requiring significant estimate | Assumption and estimation uncertainty |
|---|---|
| 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 which includes satisfaction of conditions specified and compliance with reasonable margin guidelines, assessment of applicable rates for fertilizers sold, evaluation of recoverability of receivables.<br><br>Subsidy income for the year has been recognized to the extent of rates estimated as per management's understanding of the Nutrient Based Subsidy (NBS) scheme pending finalization of NBS rates by the Government of India, and the policy guidelines thereunder. |
| 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. |
| 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 |

## 2.32 Recent pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

**Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendment is essentially a clarification, and the Group does not expect the amendment to have any significant impact on the Consolidated financial statements.

**Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material'

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Group does not expect the amendments to have any impact in its recognition of Deferred taxes in its consolidated financial statements.





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 3. Property, plant and equipment and capital work-in-progress

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Carrying amounts of:** | | |
| Land | 27,327 | 27,269 |
| Buildings | 29,035 | 24,604 |
| Road | 2,142 | 1,057 |
| Railway sidings | 1,543 | 1,667 |
| Plant and equipment | 1,14,838 | 1,09,973 |
| Biological assets (refer note 2.18) | 72 | 77 |
| Office equipment | 3,617 | 2,719 |
| Furniture and fixtures | 1,853 | 903 |
| Vehicles | 2,381 | 1,875 |
| | **1,82,809** | **1,70,144** |
| Capital work-in-progress | 37,637 | 11,981 |

### 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 01 April 2021** | **27,269** | **34,589** | **2,995** | **3,196** | **2,19,947** | **57** | **7,892** | **3,789** | **3,183** | **3,02,917** |
| Additions | - | 1,602 | 301 | 388 | 17,811 | 30 | 1,200 | 123 | 952 | 22,407 |
| Disposals/ adjustments | - | 75 | 5 | 15 | 4,765 | - | 360 | 1 | 285 | 5,506 |
| Effect of translation | - | - | - | - | - | - | 1 | - | 4 | 5 |
| **Balance as at 31 March 2022** | **27,269** | **36,116** | **3,291** | **3,569** | **2,32,993** | **87** | **8,733** | **3,911** | **3,854** | **3,19,823** |
| Additions | 58 | 5,713 | 1,290 | 72 | 15,989 | - | 1,914 | 1,183 | 1,177 | 27,397 |
| Disposals/ adjustments | - | 101 | 1 | 6 | 2,995 | - | 497 | 98 | 357 | 4,055 |
| Effect of translation | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31 March 2023** | **27,327** | **41,728** | **4,580** | **3,636** | **2,45,987** | **87** | **10,150** | **4,996** | **4,675** | **3,43,165** |

| | Land | Buildings | Road | Railway sidings | Plant and equipment | Biological assets | Office equipment | Furniture and fixtures | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation and impairment** | | | | | | | | | | |
| **Balance as at 01 April 2021** | **-** | **10,458** | **2,042** | **1,730** | **1,16,843** | **6** | **5,543** | **2,869** | **1,793** | **1,41,284** |
| Disposals/ adjustments | - | 30 | 1 | 14 | 4,197 | - | 337 | - | 255 | 4,834 |
| Depreciation expense | - | 1,084 | 193 | 186 | 10,374 | 4 | 808 | 138 | 439 | 13,226 |
| Effect of translation | - | - | - | - | - | - | - | 1 | 2 | 3 |
| **Balance as at 31 March 2022** | **-** | **11,512** | **2,234** | **1,902** | **1,23,020** | **10** | **6,014** | **3,008** | **1,979** | **1,49,679** |
| Disposals/ adjustments | - | 77 | 1 | 5 | 2,482 | - | 451 | 129 | 281 | 3,425 |
| Depreciation expense | - | 1,258 | 205 | 196 | 10,610 | 5 | 970 | 262 | 595 | 14,101 |
| Effect of translation | - | - | - | - | - | - | - | 1 | - | 1 |
| **Balance as at 31 March 2023** | **-** | **12,693** | **2,438** | **2,092** | **1,31,149** | **15** | **6,533** | **3,143** | **2,293** | **1,60,356** |
| Net book value as at 31 March 2022 | 27,269 | 24,604 | 1,057 | 1,667 | 1,09,973 | 77 | 2,719 | 903 | 1,875 | 1,70,144 |
| Net book value as at 31 March 2023 | 27,327 | 29,035 | 2,142 | 1,543 | 1,14,838 | 72 | 3,617 | 1,853 | 2,381 | 1,82,809 |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 3. Property, plant and equipment and capital work-in-progress (*Contd.*)

**Notes:**

1. Refer Note 18.1 for details of assets pledged.
2. Interest capitalised during the year ₹521 lakhs (2022: Nil).
3. Details of Immovable properties whose title deeds are not held in the name of the company:

| Description of item of property | Gross carrying value | Title deeds held in name of | Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director | Property held since | Reason for not being held in the name of the company |
|---|---|---|---|---|---|
| Land | ₹ 75 Lakhs | E.I.D.- Parry (India) Limited | Holding company | May 2018 | Transfer of land acquired as part of Business combination, application pending with Tamil Nadu Government for completing registration to Coromandel International Limited |

4. Company had carried out various merger/amalgamations, etc across various years. Pursuant to these actions, Company holds certain immovable properties wherein the title of the property has been conveyed/transferred to the Company pursuant to such scheme of amalgamation/arrangement and these are considered as valid title to the immovable property and no further actions such as name change/additional registrations are necessary.

### Capital work in progress (CWIP) Movement Schedule

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 11,981 | 7,570 |
| Add: Additions during the year | 53,053 | 26,818 |
| Less: Capitalisations during the year | 27,397 | 22,407 |
| **Closing balance** | **37,637** | **11,981** |

### Capital work in progress (CWIP) Ageing Schedule

| As at 31 March 2023 | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 34,252 | 2,114 | 603 | 188 | 37,157 |
| Projects temporarily suspended | - | - | - | 480 | 480 |
| **Total** | **34,252** | **2,114** | **603** | **668** | **37,637** |

| As at 31 March 2022 | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 9,705 | 1,793 | 474 | 9 | 11,981 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **9,705** | **1,793** | **474** | **9** | **11,981** |

Project execution plans and budgets are assessed on an annual basis and all the projects are executed as per rolling annual plan.





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

For capital-work-in-progress, whose completion compared to its original plan, details of when the project is expected to be completed is given below as of 31 March 2023 and 31 March 2022.

| As at 31 March 2023 | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Asset expansion | 781 | 97 | - | - | 878 |
| **Total** | **781** | **97** | **-** | **-** | **878** |

| As at 31 March 2022 | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Asset expansion | - | 470 | - | - | 470 |
| **Total** | **-** | **470** | **-** | **-** | **470** |

## 4. Right-of-use asset

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Carrying amounts of:** | | |
| Land | 24,948 | 26,003 |
| Buildings | 10,845 | 11,483 |
| Plant and equipment | 495 | 759 |
| | **36,288** | **38,244** |

### Details of Right-of-use asset:

| | Land (Refer notes below) | Buildings | Plant and equipment | Total |
|---|---|---|---|---|
| **Gross carrying value** | | | | |
| **As at 01 April 2021** | **29,124** | **15,688** | **1,518** | **46,330** |
| Additions | - | 3,400 | - | 3,400 |
| Disposals | - | 507 | - | 507 |
| **Balance as at 31 March 2022** | **29,124** | **18,581** | **1,518** | **49,223** |
| Additions | 485 | 2,261 | - | 2,746 |
| Disposals | 545 | 1,324 | 14 | 1,883 |
| **Balance as at 31 March 2023** | **29,064** | **19,518** | **1,504** | **50,085** |
| | | | | |
| **Accumulated amortisation** | | | | |
| **As at 01 April 2021** | **2,077** | **4,734** | **506** | **7,317** |
| Amortisation | 1,044 | 2,543 | 253 | 3,840 |
| Disposal | - | 179 | - | 179 |
| **Balance as at 31 March 2022** | **3,121** | **7,098** | **759** | **10,978** |
| Amortisation | 1,045 | 2,637 | 250 | 3,932 |
| Disposal | 51 | 1,062 | - | 1,113 |
| | | | | |
| **Carrying amount** | **4,115** | **8,673** | **1,009** | **13,797** |
| Balance as at 31 March 2022 | 26,002 | 11,483 | 759 | **38,244** |
| Balance as at 31 March 2023 | 24,948 | 10,845 | 495 | **36,288** |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

**Notes:**

1) Includes net carrying value of the Land reclassified on adoption of Ind AS 116 "Leases"

| Description of item of property | Gross carrying value (Lakhs) | Title deeds held in name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since | Reason for not being held in the name of the company |
|---|---|---|---|---|---|
| Leasehold Land- 321.22 Acres of located at Visakapatnam | 21,662 | NA | No | 2014-15 | Lease deed is pending to be renewed. |
| Leasehold Land- 3.52 Acres of located at Madri, Udaipur | 17 | Liberty Pesticides and Fertilisers Limited* | No | 1996-97 | Lease deed is pending to be transferred in the name of the Company |

*Pursuant to common control business combination, Liberty Pesticides and Fertilisers Limited has merged with the Company. Refer Note 45.

| Lease liabilities: | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Current | 2,490 | 2,403 |
| Non-current | 36,308 | 37,089 |
| | **38,798** | **39,492** |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 5. Other intangible assets and intangible assets under development

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Carrying amounts of:** | | |
| Product registrations | 867 | 691 |
| Technical know-how | 46 | 46 |
| | **913** | **737** |

### Details of Intangible assets

| | Product Registrations | Technical know-how | Total |
|---|---|---|---|
| **Cost or deemed cost** | | | |
| **Balance as at 01 April 2021** | **2,271** | **997** | **3,268** |
| Additions | 58 | - | 58 |
| Disposals/adjustments | - | - | - |
| Effect of translation | 91 | - | 91 |
| **Balance as at 31 March 2022** | **2,420** | **997** | **3,417** |
| Additions | 373 | - | 373 |
| Disposals/adjustments | - | - | - |
| Effect of translation | 1 | - | 1 |
| **Balance as at 31 March 2023** | **2,794** | **997** | **3,791** |
| | | | |
| **Accumulated amortisation and impairment** | | | |
| **Balance as at 01 April 2021** | **1,451** | **951** | **2,402** |
| Amortisation expense | 199 | - | 199 |
| Effect of translation | 79 | - | 79 |
| **Balance as at 31 March 2022** | **1,729** | **951** | **2,680** |
| Amortisation expense | 162 | - | 162 |
| Effect of translation | 36 | - | 36 |
| **Balance as at 31 March 2023** | **1,927** | **951** | **2,878** |

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Intangible assets under development** | | |
| Opening balance | **2,139** | **1,408** |
| Add: Additions during the year | 529 | 731 |
| Less: Capitalisations during the year | 373 | 58 |
| **Closing balance** | **2,295** | **2,139** |

### Intangible Assets under development Ageing Schedule*

| As at 31 March 2023 | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Projects in progress | 533 | 788 | 490 | 484 | 2,295 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **533** | **788** | **490** | **484** | **2,295** |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| As at 31 March 2022 | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Projects in progress | 802 | 497 | 92 | 748 | 2,139 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **802** | **497** | **92** | **748** | **2,139** |

* Intangible Assets under development by nature generally takes 4 to 5 years of development time.

## 6. Non-current investments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Quoted equity instruments** | | |
| **(a) Investments in quoted equity instruments at FVTPL** | | |
| **Rama Phosphate Limited** | 24 | 59 |
| 13,719 (2022: 13,719) Equity shares of ₹10 each, fully paid-up | | |
| **Total aggregate quoted equity investments at FVTPL (A)** | **24** | **59** |
| **(b) Investments in quoted equity instruments at FVTOCI** | | |
| **Coromandel Engineering Company Limited** | 725 | 843 |
| 25,00,100 (2022: 25,00,100) Equity shares of ₹10 each, fully paid-up | | |
| **Total aggregate quoted equity investments at FVTOCI (B)** | **725** | **843** |
| | | |
| **Unquoted equity instruments** | | |
| **(c) Investments in unquoted equity investments at FVTOCI** | | |
| **Tunisian Indian Fertilisers S.A.** (refer note 2 below) | - | - |
| 41,79,848 (2022: 41,79,848) Ordinary shares of Tunisian Dinars (TND) 10 each, fully paid-up | | |
| **Foskor (Pty) Limited** | | |
| i) 1,99,590 (2022: 1,99,590) Ordinary shares of South African Rand 1 each, fully paid-up | - | - |
| ii) 46 (2022: 46) Class D shares of South African Rand 7,05,088 each, fully paid-up | 1,901 | 1,901 |
| **Indian Potash Limited** | 5,256 | 3,824 |
| 180,000 (2022: 1,80,000) Equity shares of ₹10 each, fully paid-up | | |
| **Andhra Pradesh Gas Power Corporation Limited** (refer note 1 below) | - | 13,067 |
| 53,92,160 (2022: 53,92,160) Equity shares of ₹10 each, fully paid-up | | |
| **Murugappa Management Services Private Limited** (formerly Murugappa Management Services Limited) | 73 | 73 |
| 16,139 (2022: 16,139) Equity shares of ₹100 each, fully paid-up | | |
| **Nandesari Environment Control Limited** | 36 | 45 |
| 3,600 (2022: 3,600) Equity shares of ₹10 each, fully paid-up | | |
| **Ranar Agrochem Limited** (formerly Prathyusha Chemicals and Fertilisers Limited) | 2 | 2 |
| 10,01,000 (2022: 10,01,000) Equity shares of ₹10 each, fully paid-up | | |
| **BEIL Infrastructure Limited** (formerly known as Bharuch Enviro Infrastructure Limited) | 554 | 553 |
| 16,100 (2022: 16,100) Equity shares of ₹10 each, fully paid-up | | |
| **Narmada Clean Tech** | 51 | 54 |
| 2,75,000 (2022: 2,75,000) Equity shares of ₹10 each, fully paid-up | | |
| **Daksha Unmanned Systems Private Limited** | 1,999 | - |
| 212(2022: Nil) Equity shares of Re.10 each fully paid up | | |
| 998 (2022: Nil) CC Preference shares of Re.10 each fully paid up | | |
| **Ecozen Solutions Private Limited** | 1,000 | - |
| 100 (2022: Nil) Equity shares of Re.10 each fully paid up | | |
| 19078 (2022: Nil) C1 Preference shares of Re.10 each fully paid up | | |
| **Strings Bio Private Limited** | 1,650 | - |
| 1(2022: Nil) Equity shares of Re.10 each fully paid up | | |
| 42,502 (2022: Nil) C1 Preference shares of Re.10 each fully paid up | | |
| **Total aggregate Equity investments at FVTOCI (C)** | **12,522** | **19,519** |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(d) Investment in joint ventures** | | |
| **Yanmar Coromandel Agrisolutions Private Limited** | 1,729 | 1,718 |
| 1,60,00,000 (2022: 1,60,00,000) Equity shares of ₹10 each, fully paid-up | | |
| **Total aggregate investments in joint ventures (D)** | **1,729** | **1,718** |
| | | |
| **(e) Investment in associate** | | |
| **Sabero Organics Philippines Asia Inc. - Associate** | 10 | 15 |
| 320 (2021: 320) Equity shares of PHP$100 each fully paid-up | | |
| **Baobob Mining and Chemicals Corporation, S.A.** | 13,072 | - |
| 2,25,000 (2022: Nil) Equity shares of CFA Franc 23000 each fully paid up | | |
| **Total aggregate investment in associate (E)** | **13,082** | **15** |
| | | |
| **(f) Other investments at FVTPL** | | |
| **Faering Capital India Evolving Fund** | 580 | 578 |
| 19,442 (2022: 19,442) units of ₹1,000 each, fully paid-up | | |
| **Total aggregate other investments (F)** | **580** | **578** |
| | | |
| **(g) Others** | | |
| Share application money pending allotment - at cost (Refer Note 40(E)) | 5 | 5 |
| Loans at FVTOCI (refer note 3 below) | - | 1,609 |
| **Total aggregate others (G)** | **5** | **1,614** |
| **Total investments (A) + (B) + (C) + (D) + (E) + (F) + (G)** | **28,666** | **24,346** |
| of the above | | |
| Investments in Joint Ventures and Associate **(D) + (E)** | 14,810 | 1,733 |
| Other Investments **(A) + (B) + (C) + (F) + (G)** | 13,856 | 22,613 |
| *less than ₹1 lakh | | |
| Aggregate amount of quoted investments and market value thereof | 749 | 902 |
| Aggregate amount of unquoted investments | 27,917 | 23,444 |
| Aggregate amount of impairment in value of investments | - | - |

**Notes:**

1. Andhra Pradesh Gas Power Corporation Limited (APGPCL) has closed its plant and laid off employees, pursuant to cancellation of allocation of natural gas during the year. The Company has accordingly fair valued its investment in APGPCL at Nil.

2. 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.

3. Represents loan amounting ₹1,609 Lakhs (2022: ₹1,609 Lakhs) to TIFERT which was compulsorily convertible to equity shares. Based on the terms of conversion, the said loan was due for conversion in June 2022 (originally extended by 2 years from June 2020). The Company is in discussion with TIFERT to further extend this time period for conversion. The fair value of this loan has been considered as Nil as on March 31, 2023.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 7. Other financial assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial assets carried at fair value through profit or loss (FVTPL)** | | |
| Derivatives that are not designated in hedge accounting relationships | | |
| Foreign currency forward contracts | 307 | 777 |
| | **307** | **777** |
| **Financial assets carried at fair value through other comprehensive income (FVTOCI)** | | |
| Derivatives that are designated in hedge accounting relationships | | |
| Foreign currency forward contracts | 72 | 400 |
| | **72** | **400** |
| **Financial assets carried at amortised cost** | | |
| Advances with related parties (Refer Note 40(E)) | 1 | 241 |
| Interest accrued but not due on deposits, loans, others | 2,419 | 959 |
| Gratuity and Super annuation fund related receivables | - | 573 |
| Insurance claims receivable | 539 | 546 |
| | **2,959** | **2,319** |
| | **3,338** | **3,496** |
| | | |
| Current | 3,338 | 3,496 |
| Non-current | - | - |
| | **3,338** | **3,496** |

## 8. Other non-current assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Capital advances | 8,495 | 2,352 |
| Deposits | 3,678 | 3,546 |
| Advance income tax | 120 | - |
| Others | 413 | 449 |
| | **12,705** | **6,347** |

## 9. Inventories

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Raw materials | 1,33,867 | 1,14,072 |
| Raw materials in-transit | 81,426 | 1,01,661 |
| Work-in-process | 6,129 | 6,536 |
| Finished goods | 1,81,076 | 1,19,352 |
| Stock-in-trade | 27,899 | 14,419 |
| Stores and spares | 7,967 | 7,411 |
| Packing materials | 3,281 | 2,872 |
| | **4,41,645** | **3,66,323** |

Note: Refer note 2.21 for basis of valuation.

Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 10. Current investments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Unquoted other investments at FVTPL** | | |
| **UTI Master Shares** | * | * |
| 1,000 (2022: 1,000) shares of ₹10 each, fully paid-up | | |
| **Total unquoted investments** | * | * |
| **Total current investments** | * | * |
| *less than ₹ 1 lakh | | |
| | | |
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments | * | * |
| Aggregate amount of impairment in value of investments | - | - |

## 11. Trade receivables

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Secured, considered good | 4,410 | 5,424 |
| Unsecured, considered good* | 56,624 | 23,299 |
| Trade Receivables - credit impaired | 10,956 | 10,862 |
| | **71,989** | **39,585** |
| | | |
| **Impairment Allowance (allowance for bad and doubtful debts)** | | |
| Unsecured, considered good | 2,106 | 2,236 |
| Trade Receivables - credit impaired | 10,956 | 10,862 |
| | **13,062** | **13,098** |
| | **58,927** | **26,487** |

* Includes ₹125 lakhs (2022: ₹ 231 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.

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.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

In accordance with Ind AS 109, the Group uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers adjusted for forward looking estimates. Accordingly, the Group creates provision for past due receivables beyond 180 days ranging between 25%-100% after reckoning the underlying collaterals. Besides, based on the expected credit loss model the Group also provides upto 0.5% for receivables less than 180 days.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### 1. Ageing of Trade receivables as at 31 March 2023

#### (a) Undisputed Trade receivables

| Particulars | Considered good | Considered doubtful |
|---|---|---|
| Not due | 43,686 | 45 |
| Less than 6 months | 16,677 | 254 |
| 6 months -1 year | 373 | 449 |
| 1-2 years | 22 | 465 |
| 2-3 years | 16 | 283 |
| More than 3 years | 215 | 2,232 |
| | **60,990** | **3,728** |

#### (b) Disputed Trade receivables

| Particulars | Considered good | Considered doubtful |
|---|---|---|
| Not due | - | - |
| Less than 6 months | 1 | 1 |
| 6 months -1 year | 1 | 20 |
| 1-2 years | 24 | 116 |
| 2-3 years | 18 | 645 |
| More than 3 years | - | 6,445 |
| | **43** | **7,228** |

#### (c) Total Trade receivables (a+b)

| | |
|---|---|
| Considered good | 61,033 |
| Trade Receivables - credit impaired | 10,956 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | (13,062) |
| | **58,927** |

### 2. Ageing of Trade receivables as at 31 March 2022

#### (a) Undisputed Trade receivables

| Particulars | Considered good | Considered doubtful |
|---|---|---|
| Not due | 20,392 | 21 |
| Less than 6 months | 5,678 | 13 |
| 6 months -1 year | 25 | 421 |
| 1-2 years | 698 | 332 |
| 2-3 years | 50 | 513 |
| More than 3 years | 1,834 | 2,659 |
| | **28,677** | **3,959** |

#### (b) Disputed Trade receivables

| Particulars | Considered good | Considered doubtful |
|---|---|---|
| Not due | - | - |
| Less than 6 months | 39 | 2 |
| 6 months -1 year | 1 | 13 |
| 1-2 years | * | 439 |
| 2-3 years | 5 | 579 |
| More than 3 years | 1 | 5,870 |
| | **46** | **6,903** |

*Less than ₹ 1 Lakhs





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

#### (c) Total Trade receivables (a+b)

| | |
|---|---|
| Considered good | 28,723 |
| Trade Receivables - credit impaired | 10,862 |
| Less: Impairment Allowance (allowance for bad and doubtful debts) | (13,098) |
| | **26,487** |

### 3. Movement in the allowance for doubtful receivables

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Balance at beginning of the year | 13,098 | 15,638 |
| Impairment losses recognised/(reversed) on receivables (net) | 130 | (1,606) |
| Amounts written off during the year as uncollectible | (166) | (934) |
| **Balance at end of the year** | **13,062** | **13,098** |

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.

### 4. Relationship with Struck off companies

| Name of struck off company | Nature of transaction and relationship | Balance outstanding as at 31 March 2023 | Balance outstanding as at 31 March 2022 |
|---|---|---|---|
| Bijinepally Farmer Producer Company Limited | Sales - Customer | - | * |

* Less than ₹ 1 lakhs

## 12. Cash and cash equivalents

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Cash on hand | 36 | 27 |
| Balances with Banks: | | |
| in Current accounts | 8,817 | 6,529 |
| in Deposit accounts | 1,30,522 | 64,045 |
| | **1,39,376** | **70,601** |

## 13. Bank balances other than cash and cash equivalents

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deposit accounts | 11 | 1,02,430 |
| Restricted balances | | |
| Dividend accounts | 2,375 | 2,283 |
| Margin money/deposit | 14 | 14 |
| | **2,400** | **1,04,727** |

### 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

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

transferred to the Investor Education and Protection Fund ('IEPF'), administered by the Central Government after a period of seven years from the date of transfer to unpaid dividend account.

The company had transferred an amount of ₹ 269 lakhs (31 March 2022 : ₹ 201 lakhs) to IEPF during the current year.

**Margin money / deposit**

Amounts in margin money/deposit accounts represents amounts deposited with certain government agencies.

## 14. Loans

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **At amortised cost** | | |
| Unsecured, considered good | | |
| -Loans and advances to related parties (Refer Note 41 (E)) | 5,752 | - |
| -Inter-corporate deposits * | 1,64,000 | 1,94,000 |
| | **1,69,752** | **1,94,000** |
| * Inter-corporate deposits placed with financial institution (HDFC Limited) yield fixed interest rate. | | |
| | | |
| Current | 72,000 | 1,54,000 |
| Non-current | 97,752 | 40,000 |
| | **1,69,752** | **1,94,000** |

## 15. Other current assets

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advances recoverable in kind or for value to be received | | |
| Considered good | 26,750 | 28,934 |
| Considered doubtful | 325 | 325 |
| | **27,075** | **29,259** |
| Less: Impairment allowance | 325 | 325 |
| | **26,750** | **28,934** |
| Others (including Goods and Services Tax balances) | 42,133 | 50,041 |
| 6.20% Fertilizer companies' Government of India special bonds 2022 | - | * |
| 10,000 (2022: 10,000) bonds of ₹100/- each | | |
| 6.65% Fertilizer companies' Government of India special bonds 2023 | * | * |
| 5,000 (2022: 5,000) bonds of ₹100/- each | | |
| | **68,884** | **78,975** |

*less than ₹ 1 Lakhs

## 16. Equity

### 16.1 Equity share capital

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised Share capital:** | | |
| 55,00,00,000 (2022: 55,00,00,000) fully paid equity shares of ₹1 each (refer note 45) | 5,500 | 5,500 |
| **Issued, subscribed and fully paid-up:** | | |
| 29,40,13,749 (2022: 29,34,96,409 ) fully paid equity shares of ₹1 each | 2,940 | 2,935 |
| | **2,940** | **2,935** |





# Notes forming part of the consolidated financial statements

(₹ 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 |
|---|---|---|
| **Balance as at 1 April 2021** | **29,33,78,679** | **2,934** |
| Add: Equity shares allotted pursuant to exercise of stock options | 1,17,730 | 1 |
| **Balance as at 31 March 2022** | **29,34,96,409** | **2,935** |
| Add: Equity shares allotted pursuant to exercise of stock options | 5,17,340 | 5 |
| **Balance as at 31 March 2023** | **29,40,13,749** | **2,940** |

### 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 2023, E.I.D.-Parry (India) Limited (Parent Company) held 16,54,55,580 (2022: 16,54,55,580) equity shares of ₹1 each fully paid-up representing 56.27% (2022: 56.37% ) 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 2023, balance number of shares reserved for issue under the 'ESOP 2007' scheme is Nil (2022: 81,32,966) equity shares of ₹1 each and under the 'ESOP 2016' scheme is 1,28,97,560 (2022: 1,34,14,900 ) equity shares of ₹1 each.

Share options granted under the Group's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 33.

**16.6** 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 Details of shares held by promoters

As at 31 March 2023

| Promoter name | No of shares | % of total Shares* | % Change during the year** |
|---|---|---|---|
| E.I.D.Parry (India) Limited | 16,54,55,580 | 56.27% | - |
| Arun Venkatachalam | 2,03,010 | 0.07% | - |
| V Narayanan | 1,40,370 | 0.05% | - |
| V Arunachalam | 1,34,770 | 0.05% | - |
| A Venkatachalam | 1,22,670 | 0.04% | - |
| A Vellayan | 1,18,510 | 0.04% | - |
| Arun Alagappan | 1,03,340 | 0.04% | - |
| M A M Arunachalam | 78,660 | 0.03% | - |
| M A Alagappan | 34,298 | 0.01% | - |
| Ambadi Investments Limited | 7,453 | 0.00% | - |
| Murugappa & Sons (M V Subbiah, M A Alagappan and M M Murugappan hold shares on behalf of the firm). | 5,670 | 0.00% | - |
| M V Murugappan HUF rep. by Valli Arunachalam, Karta | 2,060 | 0.00% | - |
| Carborundum Universal Limited | 330 | 0.00% | - |
| | | | |
| **Promoter Group** | | | - |
| M M Muthiah Family Trust (M M Murugappan & M M Muthiah holds shares on behalf of Trust) | 3,78,520 | 0.13% | - |
| M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan holds shares on behalf of Trust) | 3,78,520 | 0.13% | - |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| Promoter name | No of shares | % of total Shares* | % Change during the year** |
|---|---|---|---|
| Shambho Trust (M V Subbiah, S Vellayan, Kanika Subbiah holds shares on behalf of Trust) | 1,57,048 | 0.05% | -27% |
| Valli Arunachalam | 1,90,345 | 0.06% | - |
| Vellachi Murugappan | 1,90,315 | 0.06% | - |
| Meyammai Venkatachalam | 1,30,800 | 0.04% | - |
| Lakshmi Ramaswamy Family Trust (A A Alagammai & Lakshmi Ramaswamy holds shares on behalf of Trust) | 1,09,900 | 0.04% | - |
| Lalitha Vellayan | 1,03,400 | 0.04% | - |
| Saraswathi Trust (M V Subbiah, S Vellayan, M V Seetha Subbiah holds shares on behalf of Trust) | 1,03,273 | 0.04% | - |
| A M Meyammai | 72,340 | 0.02% | - |
| M V AR Meenakshi | 71,300 | 0.02% | - |
| M V Muthiah Family Trust (M M Venkatachalam and M V Muthiah hold shares on behalf of Trust) | 65,472 | 0.02% | - |
| M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian hold shares on behalf of Trust) | 65,472 | 0.02% | - |
| Lakshmi Venkatachalam Family Trust (M M Venkatachalam & Lakshmi Venkatachalam hold shares on behalf of Trust) | 65,101 | 0.02% | - |
| M M Venkatachalam Family Trust (M M Venkatachalam & Lakshmi Venkatachalam hold shares on behalf of Trust) | 65,101 | 0.02% | - |
| Sigappi Arunachalam | 63,580 | 0.02% | - |
| Valli Annamalai | 41,200 | 0.01% | - |
| AR Lakshmi Achi Trust | 25,140 | 0.01% | - |
| M.A.Alagappan Grand Children Trust (Arun Alagappan & A A Alagammai holds shares on behalf of Trust) | 17,000 | 0.01% | - |
| Arun Murugappan Children's Trust (MAM Arunachalam & Sigappi Arunachalam holds shares on behalf of Trust) | 15,000 | 0.01% | - |
| Pranav Alagappan | 13,295 | 0.00% | - |
| Dhruv M Arunachalam | 10,500 | 0.00% | - |
| M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan holds shares on behalf of Trust) | 8,500 | 0.00% | - |
| Valli Subbiah Benefit Trust (S Vellayan & A Vellayan holds shares on behalf of Trust) | 8,500 | 0.00% | - |
| A M M Vellayan Sons P Limited | 6,435 | 0.00% | 0.02% |
| Kadamane Estates Company (M A Alagappan hold shares on behalf of the firm) | 4,540 | 0.00% | - |
| Umayal R | 4,000 | 0.00% | - |
| Solachi Ramanathan | 3,600 | 0.00% | - |
| M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan hold shares on behalf of Trust) | 3,300 | 0.00% | - |
| V Vasantha | 2,500 | 0.00% | - |
| Uma Ramanathan | 2,000 | 0.00% | - |
| Valliammai Murugappan | 1,832 | 0.00% | - |
| Lakshmi Chockalingam | 400 | 0.00% | - |
| Murugappan Arunachalam Children Trust (Sigappi Arunachalam,M A M Arunachalam & A M Meyyammai hold shares on behalf of Trust) | 330 | 0.00% | - |
| Meenakshi Murugappan | 90 | 0.00% | - |
| M.M. Muthiah Sons Private Limited | 90 | 0.00% | - |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### As at 31 March 2022

| Promoter name | No of shares | % of total Shares * | % Change during the year ** |
|---|---|---|---|
| E.I.D.Parry (India) Limited | 16,54,55,580 | 56.37% | - |
| Arun Venkatachalam | 2,03,010 | 0.07% | - |
| V Narayanan | 1,40,370 | 0.05% | - |
| V Arunachalam | 1,34,770 | 0.05% | - |
| A Venkatachalam | 1,22,670 | 0.04% | - |
| A Vellayan | 1,18,510 | 0.04% | - |
| Arun Alagappan | 1,03,340 | 0.04% | - |
| M A M Arunachalam | 78,660 | 0.03% | - |
| M A Alagappan | 34,298 | 0.01% | - |
| Ambadi Investments Limited | 7,453 | 0.00% | - |
| Murugappa & Sons (M V Subbiah, M A Alagappan and M M Murugappan hold shares on behalf of the firm). | 5,670 | 0.00% | - |
| M V Murugappan HUF rep. by Valli Arunachalam, Karta | 2,060 | 0.00% | - |
| Carborundum Universal Limited | 330 | 0.00% | - |
| | | | |
| **Promoter Group** | | | |
| M M Muthiah Family Trust (M M Murugappan & M M Muthiah holds shares on behalf of Trust) | 3,78,520 | 0.13% | - |
| M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan holds shares on behalf of Trust) | 3,78,520 | 0.13% | - |
| Shambho Trust (M V Subbiah, S Vellayan, Kanika Subbiah holds shares on behalf of Trust) | 2,16,217 | 0.07% | - |
| Valli Arunachalam | 1,90,345 | 0.06% | 100.00% |
| Vellachi Murugappan | 1,90,315 | 0.06% | 634283.33% |
| Meyammai Venkatachalam | 1,30,800 | 0.04% | - |
| Lakshmi Ramaswamy Family Trust (A A Alagammai & Lakshmi Ramaswamy holds shares on behalf of Trust) | 1,09,900 | 0.04% | - |
| Lalitha Vellayan | 1,03,400 | 0.04% | - |
| Saraswathi Trust (M V Subbiah, S Vellayan, M V Seetha Subbiah holds shares on behalf of Trust) | 1,03,273 | 0.04% | -10.80% |
| A M Meyammai | 72,340 | 0.02% | - |
| M V AR Meenakshi | 71,300 | 0.02% | - |
| M V Muthiah Family Trust (M M Venkatachalam and M V Muthiah hold shares on behalf of Trust) | 65,472 | 0.02% | - |
| M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian hold shares on behalf of Trust) | 65,472 | 0.02% | - |
| Lakshmi Venkatachalam Family Trust (M M Venkatachalam & Lakshmi Venkatachalam hold shares on behalf of Trust) | 65,101 | 0.02% | - |
| M M Venkatachalam Family Trust (M M Venkatachalam & Lakshmi Venkatachalam hold shares on behalf of Trust) | 65,101 | 0.02% | - |
| Sigappi Arunachalam | 63,580 | 0.02% | - |
| Valli Annamalai | 41,200 | 0.01% | - |
| AR Lakshmi Achi Trust | 25,140 | 0.01% | - |
| M.A.Alagappan Grand Children Trust (Arun Alagappan & A A Alagammai holds shares on behalf of Trust) | 17,000 | 0.01% | - |
| Arun Murugappan Children's Trust (MAM Arunachalam & Sigappi Arunachalam holds shares on behalf of Trust) | 15,000 | 0.01% | - |
| Pranav Alagappan | 13,295 | 0.00% | - |
| Dhruv M Arunachalam | 10,500 | 0.00% | - |
| M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan holds shares on behalf of Trust) | 8,500 | 0.00% | - |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| Promoter name | No of shares | % of total Shares * | % Change during the year ** |
|---|---|---|---|
| Valli Subbiah Benefit Trust (S Vellayan & A Vellayan holds shares on behalf of Trust) | 8,500 | 0.00% | - |
| A M M Vellayan Sons P Limited | 6,310 | 0.00% | - |
| Kadamane Estates Company (M A Alagappan hold shares on behalf of the firm) | 4,540 | 0.00% | - |
| Umayal R | 4,000 | 0.00% | - |
| Solachi Ramanathan | 3,600 | 0.00% | - |
| M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan hold shares on behalf of Trust) | 3,300 | 0.00% | - |
| V Vasantha | 2,500 | 0.00% | - |
| Uma Ramanathan | 2,000 | 0.00% | - |
| Valliammai Murugappan | 1,832 | 0.00% | - |
| Lakshmi Chockalingam | 400 | 0.00% | - |
| Murugappan Arunachalam Children Trust (Sigappi Arunachalam,M A M Arunachalam & A M Meyyammai holds shares on behalf of Trust) | 330 | 0.00% | - |
| Meenakshi Murugappan | 90 | 0.00% | - |
| M.M. Muthiah Sons Private Limited | 90 | 0.00% | - |

*Represents % of shares held, computed based on total number of shares as 31 March 2023 and 31 March 2022 respectively.

**Represents change in share holding %, computed based on the shares held at the beginning of the year and end of the year of respective holder.

### 16.8 Cumulative redeemable preference shares

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised capital** | | |
| 50,00,000 (2022: 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 2023 (2022: Nil).





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 17. Other equity

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| General reserve | 2,63,592 | 2,63,592 |
| Retained earnings | 5,27,871 | 3,62,299 |
| Capital reserve | 618 | 618 |
| Capital redemption reserve | 986 | 986 |
| Securities Premium | 20,336 | 17,615 |
| Central subsidy | 11 | 11 |
| Share Based Payment reserve | 1,248 | 1,214 |
| Foreign currency translation reserve | 6,251 | 6,042 |
| Equity Instruments through OCI | (33,090) | (19,776) |
| Cash flow hedge reserve | **16** | **291** |
| | **7,87,839** | **6,32,892** |
| **(i) General reserve** | **2,63,592** | **2,63,592** |

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.

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(ii) Retained earnings** | | |
| Balance at beginning of year | 3,62,299 | 2,44,447 |
| Profit for the year | 2,01,293 | 1,52,846 |
| Remeasurment of net defined benefit plans | (456) | 219 |
| Dividend on equity shares | (35,264) | (35,213) |
| | **5,27,871** | **3,62,299** |

Retained earnings represents the Company's undistributed earnings after taxes.

In respect of the year ended 31 March 2023, the Board at its meeting held on 02 February 2023 had approved payment of interim dividend of ₹6 per equity share (600% on face value of ₹1 per share). The total amount paid with respect to interim dividend is ₹17,640 Lakhs. The Board of Directors at their meeting held on 15 May 2023 have recommended a final dividend of ₹6 per equity share (600% on face value of ₹1 per share). The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting. The total estimated amount to be paid with respect to final dividend is ₹17,641 Lakhs. The total dividend is ₹12 per share (1200% on face value of ₹1 per share) for the year ended 31 March 2023.

In respect of the year ended 31 March 2022, the Board at its meeting held on 03 February 2022 had approved payment of interim dividend of ₹6 per equity share (600% on face value of ₹1 per share). The total amount paid with respect to interim dividend is ₹17,610 Lakhs. The Board of Directors at their meeting held on 28 April 2022 have recommended a final dividend of ₹6 per equity share (600% on face value of ₹1 per share). The proposed final dividend was approved by the shareholders at the Annual General Meeting. The total amount paid with respect to final dividend is ₹17,624 Lakhs. The total dividend is ₹12 per share (1200% on face value of ₹1 per share) for the year ended 31 March 2022.

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 equity share (600% on face value of ₹1 per equity share). The proposed final dividend was approved by the shareholders at the Annual General Meeting. The total amount paid with respect to final dividend was ₹17,603 Lakhs.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(iii) Capital Reserve** | **618** | **618** |
| **(iv) Capital Redemption reserve** | **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) Securities premium** | | |
| Balance at beginning of year | 17,615 | 17,013 |
| Amount transferred on exercise of employee stock option | 737 | 169 |
| Amount received on exercise of employee stock option | 1,984 | 433 |
| | **20,336** | **17,615** |
| 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) Central subsidy** | **11** | **11** |
| **(vii) Share Based Payment reserve** | | |
| Balance at beginning of year | 1,214 | 1,102 |
| Amount transferred on exercise/cancellation of employee stock option | (737) | (169) |
| Recognition of share based payment expense | 771 | 281 |
| | **1,248** | **1,214** |
| Share based payment reserve 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) Foreign currency translation reserve** | | |
| Balance at beginning of year | 6,042 | 5,564 |
| Movement during the year | 209 | 478 |
| | **6,251** | **6,042** |
| Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency i.e. Indian Rupee (₹) are recognised directly and accumulated in the foreign currency translation reserve. These balances are reclassified to profit or loss on the disposal of the foreign operations. | | |
| **(ix) Reserve for equity instruments through other comprehensive income** | | |
| Balance at the beginning of the year | (19,776) | (21,514) |
| Net fair value gain/ (loss) on investments in equity instruments at FVTOCI (net of tax) | (13,314) | 1,738 |
| | **(33,090)** | **(19,776)** |
| 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. | | |
| **(x) Cash flow hedge reserve** | | |
| Balance at beginning of year | 291 | 306 |
| Effective portion of cash flow hedges (net of tax) | (275) | (15) |
| | **16** | **291** |
| Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income | | |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 18. Borrowings

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Secured- at amortised cost** | | |
| Loan repayable on demand from banks | 460 | 4 |
| | **460** | **4** |
| Long term borrowings | - | - |
| Short term borrowings | 460 | 4 |
| | **460** | **4** |
| Quarterly returns, statements of current assets filed by the Company with banks are in agreement with the books of accounts. | | |

### 18.1 Summary of borrowing arrangements

i) There are no outstanding long-term borrowings as at 31 March 2023 and as at 31 March 2022.

ii) Secured loans repaybale 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 at an interest rates between 4.25% p.a to 8.60% p.a.

### 18.2 Breach of loan agreement

There is no breach of loan agreement

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 19. Other financial liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial liabilities measured at fair value through profit or loss (FVTPL)** | | |
| Derivatives not designated in hedge accounting relationships | | |
| Foreign currency forward contracts | 2,602 | 1,366 |
| **Financial liabilities measured at fair value through Other comprehensive income** | | |
| Derivatives designated in hedge accounting relationships | | |
| Foreign currency forward contracts | 51 | 12 |
| | **2,653** | **1,378** |
| **Financial liabilities carried at amortised cost** | | |
| Security and trade deposits received (includes non-current portion of ₹2113 lakhs (2022: ₹195 lakhs) | 21,675 | 17,644 |
| Interest accrued but not due on borrowings | * | 1 |
| Interest accrued but not due on others | 1,493 | 1,331 |
| Unclaimed dividends | 2,375 | 2,283 |
| Payables on purchase of fixed assets | 2,238 | 1,195 |
| Others | 12 | 1,001 |
| | **27,793** | **23,455** |
| | **30,446** | **24,833** |
| Current | 28,333 | 24,638 |
| Non-current | 2,113 | 195 |
| | **30,446** | **24,833** |

* Less than ₹1 Lakhs

## 20. Provisions

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Employee benefits* | 4,386 | 3,371 |
| | **4,386** | **3,371** |
| Current | 2,433 | 1,943 |
| Non-current | 1,953 | 1,428 |
| | **4,386** | **3,371** |

*The provision for employee benefits represents leave entitlements and gratuity. Refer Note 34(a)(i) for details of gratuity obligation.

## 21. Income tax

### 21.1 Deferred tax liabilities (net)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Deferred tax liabilities | 14,171 | 13,977 |
| Deferred tax assets | (8,262) | (7,380) |
| | **5,909** | **6,597** |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| 2022-23 | Opening balance 1 April 2022 | Recognised in Profit or loss | Recognised in other comprehensive income | Closing balance 31 March 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities/(assets) in relation to:** | | | | |
| Property, plant and equipment | 13,977 | 194 | - | 14,171 |
| Investments at FVTOCI | (1,275) | - | 58 | (1,332) |
| Provision for doubtful debts and advances | (3,379) | 66 | - | (3,445) |
| Statutory dues allowable on payment basis | (426) | 127 | - | (553) |
| Employees separation and retirement costs | (816) | 68 | 154 | (1,037) |
| Others | (1,498) | 331 | 93 | (1,922) |
| **Total** | **6,597** | **(398)** | **(304)** | **5,909** |

| 2021-22 | Opening balance 1 April 2021 | Recognised in Profit or loss | Recognised in other comprehensive income | Closing balance 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax liabilities/(assets) in relation to:** | | | | |
| Property, plant and equipment | 13,902 | 74 | - | 13,977 |
| Investments at FVTOCI | (1,777) | - | 502 | (1,275) |
| Provision for doubtful debts and advances | (4,047) | 668 | - | (3,379) |
| Statutory dues allowable on payment basis | (334) | (92) | - | (426) |
| Employees separation and retirement costs | (918) | 29 | 73 | (816) |
| Others | (1,071) | (422) | (5) | (1,498) |
| **Total** | **5,756** | **257** | **570** | **6,597** |

### 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 2023 | As at 31 March 2022 |
|---|---|---|
| -long-term capital loss | - | 65 |
| -unused tax losses | 811 | 268 |
| | **811** | **333** |

Long-term capital loss of Nil (2022: ₹35 lakhs is available for set-off till 31 March 2025 and ₹9 lakhs till 31 March 2027 and ₹21 lakhs till 31 March 2029).

Unused tax losses amounting ₹262 lakhs (2022: ₹266 lakhs) do not have any expiry, and balance unused tax losses have an expiry ranging from 2024 till 2031.

### 21.3 Income tax credit/(expense) recognised directly in equity

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Tax effect on changes in fair value of other investments | 58 | (502) |
| Tax effect on actuarial gains/(losses) on defined benefit obligations | 154 | (73) |
| Tax effect on Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge | 93 | 5 |
| | **304** | **(570)** |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### 21.4 Current tax liabilities (net)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Income tax payable (net of advance tax) | 5,718 | 7,544 |
| | **5,718** | **7,544** |

### 21.5 Reconciliation of tax expense to the accounting profit is as follows:

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Accounting profit before tax** | **2,70,084** | **2,04,975** |
| Tax expense at statutory tax rate of 25.17% (2022: 25.17%) | 67,980 | 51,592 |
| *Adjustments:* | | |
| Effect of income that is exempt from tax | - | - |
| Effect of expenses that are not deductible in determining taxable profit | 829 | 706 |
| Effect of concessions (research and development and other allowances) | (38) | (15) |
| Others | 20 | (154) |
| **Tax expense reported in the Consolidated Statement of Profit and Loss** | **68,791** | **52,129** |

## 22. Other liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advances from customers | 11,706 | 15,923 |
| Income received in advance | - | 779 |
| Other liabilities (including statutory remittances) | 3,900 | 2,750 |
| | **15,606** | **19,452** |
| Current | 14,838 | 18,673 |
| Non-current | 769 | 779 |
| | **15,606** | **19,452** |

## 23. Trade payables

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Acceptances | 3,28,940 | 1,82,138 |
| Other than Acceptances | 2,02,437 | 2,09,216 |
| | **5,31,377** | **3,91,354** |
| of the above: | | |
| i) Total outstanding dues of micro enterprises and small enterprises* | 1,851 | 2,996 |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises** | 5,29,526 | 3,88,358 |
| | **5,31,377** | **3,91,354** |

*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 44.

**Includes amount payable to related party ₹ 343 Lakhs (2022: ₹ 245 lakhs). Also Refer Note 40(E).



Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### 1. Ageing of Trade payables as at 31 March 2023

(a) Other than disputed Trade payables

| Particulars | MSME | Other than MSME |
|---|---|---|
| Not due | 1,851 | 2,99,201 |
| Less than 1 Year | - | 1,57,265 |
| 1-2 years | - | 2,102 |
| 2-3 years | - | 943 |
| More than 3 years | - | 3,548 |
| | **1,851** | **4,63,060** |

(b) Disputed Trade payables

| Particulars | MSME | Other than MSME |
|---|---|---|
| Not due | - | - |
| Less than 1 Year | - | - |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | 1 |
| | **-** | **1** |
| **(c) Unbilled Trade payables** | - | 66,465 |
| **(d) Total Trade Payables ( a+ b + c)** | **1,851** | **5,29,526** |

### 2. Ageing of Trade payables as at 31 March 2022

(a) Other than disputed Trade payables

| Particulars | MSME | Other than MSME |
|---|---|---|
| Not due | 2,996 | 2,98,066 |
| Less than 1 Year | - | 26,305 |
| 1-2 years | - | 930 |
| 2-3 years | - | 3,593 |
| More than 3 years | - | - |
| | **2,996** | **3,28,895** |

(b) Disputed Trade payables

| Particulars | MSME | Other than MSME |
|---|---|---|
| Not due | - | - |
| Less than 1 Year | - | - |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | 4 |
| | **-** | **4** |
| **(c) Unbilled Trade payables** | - | 59,460 |
| **(d) Total Trade Payables ( a+ b+ c)** | **2,996** | **3,88,358** |

### 3. Relationship with Struck off companies

| Name of struck off company | Nature of transaction and relationship | Balance outstanding as at 31 March 2023 | Balance outstanding as at 31 March 2022 |
|---|---|---|---|
| Solar Lights And Infra (India) Pvt Ltd | Purchases-Vendor | - | * |

* Less than ₹ 1 lakhs

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 24. Revenue from operations

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| The following is an analysis of the Group's revenue: | | |
| Sales (refer note 31.4) | 15,09,884 | 12,29,256 |
| Government subsidies | 14,48,805 | 6,77,528 |
| Other operating revenue | 4,102 | 4,301 |
| **Total revenue from operations** | **29,62,790** | **19,11,085** |
| | | |
| Revenue is recognised at the point in time when control of the goods is transferred to the customer. | | |
| | | |
| **Other operating revenues comprise:** | | |
| Service income | 160 | 611 |
| DEPB income/ excise benefits | 1,529 | 1,210 |
| Insurance claim | 191 | 26 |
| Others | 2,222 | 2,454 |
| | **4,102** | **4,301** |

## 25. Other income

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest income | 15,818 | 10,183 |
| Provision for liabilities no longer required, written back | 205 | 3,764 |
| Dividend income from investments carried at FVTPL | 3 | - |
| Dividend income from investments carried at FVTOCI | 1 | 7 |
| Profit on sale/scrap of fixed assets (net) | 988 | - |
| Profit on sale of investment | 3 | - |
| Gain on measuring investments at FVTPL (net) | 1 | 353 |
| Net Gain on Modification ( lease) | 93 | 66 |
| Others | 1 | 54 |
| | **17,113** | **14,427** |

## 26. Changes in inventories of finished goods, work-in-process and stock-in-trade

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Opening stock** | | |
| Work-in-process | 6,536 | 3,898 |
| Finished goods | 1,19,372 | 1,06,394 |
| Stock-in-trade | 14,419 | 18,470 |
| | **1,40,327** | **1,28,762** |
| **Less: Closing Stock** | | |
| Work-in-process | 6,129 | 6,536 |
| Finished goods | 1,81,082 | 1,19,352 |
| Stock-in-trade | 27,899 | 14,419 |
| | **2,15,110** | **1,40,307** |
| **Net (increase)/ decrease** | **(74,784)** | **(11,545)** |





Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 27. Employee benefits expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Salaries, wages and bonus | 53,950 | 48,945 |
| Share based payments (Refer Note 33.3) | 771 | 281 |
| Contribution to provident and other funds (Refer Note 34) | 4,438 | 4,240 |
| Staff welfare expenses | 6,496 | 5,252 |
| | **65,655** | **58,718** |

## 28. Finance cost

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest expense | 14,309 | 2,738 |
| Other borrowing costs and charges | 1,083 | 762 |
| Lease interest cost | 3,608 | 4,047 |
| | **19,001** | **7,547** |

## 29. Depreciation and amortisation expense

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Depreciation of property, plant and equipment (refer Note 3) | 14,101 | 13,226 |
| Amortisation of intangible assets (refer Note 5) | 162 | 199 |
| Depreciation on right-of-use assets (refer Note 4 ) | 3,932 | 3,840 |
| | **18,195** | **17,265** |

## 30. Other expenses

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Stores and spares consumed | 19,849 | 14,805 |
| Power, fuel and water | 40,011 | 34,033 |
| Rent | 1,632 | 1,241 |
| Repairs to: | | |
| Buildings | 673 | 709 |
| Machinery | 7,279 | 5,915 |
| Others | 5,418 | 3,785 |
| Insurance charges | 3,672 | 3,361 |
| Rates and taxes | 1,260 | 514 |
| Freight and distribution | 1,13,841 | 1,03,336 |
| Exchange differences (net) | 16,637 | 6,237 |
| Loss on sale/scrap of property, plant and equipments (net) | - | 652 |
| Impairment allowance recognised for doubtful trade and other receivables, loans and advances (31 March 2022: net of provision reversal of ₹ 1,081) | 429 | - |
| Corporate Social Responsibility expense (refer note 38) | 3,234 | 2,771 |
| Miscellaneous expenses | 43,331 | 38,368 |
| | **2,57,267** | **2,15,727** |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 31. Segment information

### 31.1 Products and services from which reportable segments derive their revenues

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. Accordingly, the Group's reportable segments under Ind AS 108 are as follows:

1. Nutrient and other allied business

2. Crop protection

The following is an analysis of the Group's revenue and results from operations by reportable segment:

| | Segment revenue | | Segment profit | |
|---|---|---|---|---|
| | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Nutrient and other allied business | 27,16,218 | 16,71,423 | 2,59,368 | 1,77,283 |
| Crop protection | 2,63,562 | 2,51,054 | 36,579 | 36,837 |
| | **29,79,780** | **19,22,477** | **2,95,947** | **2,14,120** |
| Less: Inter - segment | 16,990 | 11,392 | 145 | (175) |
| **Total** | **29,62,790** | **19,11,085** | **2,96,092** | **2,13,945** |
| Other income | | | 17,113 | 14,427 |
| Unallocable expense | | | (21,671) | (16,224) |
| Finance costs | | | (19,001) | (7,547) |
| Share in profit/(loss) of joint venture and associate | | | (2,449) | 374 |
| **Profit before tax** | | | **2,70,084** | **2,04,975** |

The accounting policies of the reportable segments are same as the Group's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

### 31.2 Segment assets and liabilities

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Segment assets** | | |
| Nutrient and other allied business | 8,83,127 | 5,74,823 |
| Crop protection | 2,03,137 | 1,57,034 |
| Unallocable assets | 3,37,216 | 3,96,617 |
| **Total assets** | **14,23,480** | **11,28,474** |
| | | |
| **Segment liabilities** | | |
| Nutrient and other allied business | 5,37,440 | 4,28,017 |
| Crop protection | 72,266 | 42,120 |
| Unallocable liabilities | 22,995 | 22,510 |
| **Total liabilities** | **6,32,701** | **4,92,647** |





# Notes forming part of the consolidated financial statements

(₹ 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 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Nutrient and other allied business | 10,015 | 12,794 | 46,504 | 43,489 |
| Crop protection | 4,248 | 4,471 | 15,608 | 11,227 |

### 31.4 Revenue from major products/customers

a) The following is an analysis of the Group's revenue from operations from its major products:

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Phosphatic Fertilisers | 9,57,658 | 7,86,498 |
| Urea | 78,137 | 32,886 |
| Muriate of Potash | 9,678 | 9,297 |
| Single Super Phosphate | 70,628 | 41,150 |
| Others | 1,51,312 | 1,24,064 |
| | **12,67,413** | **9,93,895** |
| Government subsidies | 14,48,805 | 6,77,528 |
| **Nutrient and other allied business** | **27,16,218** | **16,71,423** |
| Crop protection | 2,63,562 | 2,51,054 |
| **Total** | **29,79,780** | **19,22,477** |
| Less: Inter - segment | 16,990 | 11,392 |
| **Revenue from operations** | **29,62,790** | **19,11,085** |

b) There is no single external customer with transactions which are more than 10% of the reported revenue from operations.

### 31.5 Geographical information

a) Revenue from operations

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| India | 28,54,290 | 18,09,422 |
| Outside India | 1,08,500 | 1,01,663 |
| | **29,62,790** | **19,11,085** |

b) Non-current assets

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| India | 2,59,732 | 2,23,113 |
| Outside India | 210 | 132 |
| | **2,59,942** | **2,23,245** |

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, right-of-use assets, other intangible assets and intangible assets under development.

# Notes forming part of the consolidated financial statements

(₹ 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, Bank deposits and inter-corporate deposits with financial institutions.

The following table summarises the capital of the Group:

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Equity** | **7,90,779** | **6,35,827** |
| | | |
| Short-term borrowings | 460 | 4 |
| Inter-corporate deposits with financial institutions | (72,000) | (1,54,000) |
| Cash and cash equivalents and Bank Deposits | (1,39,387) | (1,73,031) |
| **Net debt** | **(2,10,927)** | **(3,27,027)** |
| **Total capital (equity + net debt)** | **5,79,852** | **3,08,800** |
| Net debt to capital ratio* | - | - |
| Interest coverage ratio | 15.26 | 30.45 |

* As at 31 March 2022 and 31 March 2023, Short term borrowings are lower than the balances of Inter corporate deposits with financial institutions and Cash and Cash equivalents and Bank Deposits resulting in negative net debt.

### 32.2 Categories of financial instruments

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial assets** | | |
| **Measured at fair value through profit or loss (FVTPL)*** | | |
| (a) Derivative instruments not designated in hedge accounting relationship | 307 | 777 |
| (b) Equity investments | 24 | 59 |
| (c) Other investments | 580 | 578 |
| **Measured at amortised cost** | | |
| (a) Cash and cash equivalents | 1,39,376 | 70,601 |
| (b) Bank balances other than cash and cash equivalents | 2,386 | 1,04,727 |
| (c) Other financial assets at amortised cost | 3,71,696 | 2,52,620 |
| **Measured at FVTOCI*** | | |
| (a) Investments in equity instruments designated upon initial recognition | 13,247 | 20,362 |
| (b) Investments in other instruments designated upon initial recognition | - | 1,609 |
| (c) Derivative instruments designated in hedge accounting relationship | 72 | 400 |
| **Measured at cost** | | |
| (a) Investments in equity instruments in joint venture and associate | 14,810 | 1,738 |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Financial liabilities** | | |
| **Measured at fair value through profit or loss (FVTPL)*** | | |
| (a) Derivative instruments not designated in hedge accounting relationship | 2,602 | 1,366 |
| **Measured at FVTOCI*** | | |
| (a) Derivative instruments designated in hedge accounting relationship | 51 | 12 |
| **Measured at amortised cost** | 5,98,568 | 4,54,305 |

*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.

# Notes forming part of the consolidated financial statements

(₹ 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 2023 and 31 March 2022.

**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 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| USD (millions) | 500.85 | 393.87 | 42.01 | 33.71 |
| INR (₹ in lakhs) | 4,11,621 | 2,98,547 | 34,520.69 | 25,550 |
| EURO (millions) | 0.01 | 0.01 | 3.11 | 2.99 |
| INR (₹ in lakhs) | 12 | 12 | 2,781.23 | 2,511 |

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

**b. Foreign currency forward and option contracts outstanding as at the Balance Sheet date:**

| | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Buy | Sell | Buy | Sell |
| **Forward contracts** | | | | |
| USD (millions)* | 432.61 | 55.95 | 325.40 | 82.22 |
| INR (₹in lakhs) | 3,55,536.83 | 45,973.31 | 2,46,645.07 | 62,310.17 |
| Number of contracts | 95.00 | 59.00 | 84.00 | 62.00 |
| **Forward contracts** | | | | |
| EUR (millions) | - | 3.08 | - | 0.70 |
| INR (₹ in lakhs) | - | 2,749.36 | - | 588.49 |
| Number of contracts | - | 2.00 | - | 1.00 |

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.



# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

**c. Net open exposures outstanding as at the Balance Sheet date:**

| Currency | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| USD (millions) | 68.24 | 68.47 | - | - |
| INR (₹ in lakhs) | 56,085 | 51,902 | - | - |
| EURO (millions) | 0.01 | 0.01 | 0.04 | 2.99 |
| INR (₹ in lakhs) | 12 | 12 | 32 | 2,511 |

**d. Summary of hedging instruments outstanding at the end of the year designated as cash flow hedges:**

| | As at | No. of contracts | USD (millions) | Amount in ₹ lakhs | Average exchange rate |
|---|---|---|---|---|---|
| Sell Currency - USD with tenor less than a year | 31 March 2023 | 28 | 23.78 | 19,543 | 82.18 |
| | 31 March 2022 | 45 | 58.25 | 44,146 | 75.79 |

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.

| Currency USD impact on: | 2022-23 | 2021-22 |
|---|---|---|
| Impact of ₹1 strengthening against US Dollar on profit or loss for the year | 511 | 512 |
| Impact of ₹1 weakening against US Dollar on profit or loss for the year | (511) | (512) |
| Impact of ₹1 strengthening against US Dollar on Equity as at the end of the reporting period | 511 | 512 |
| Impact of ₹1 weakening against US Dollar on Equity as at the end of the reporting period | (511) | (512) |

### 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.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended 31 March 2023 would decrease/ increase by ₹ 2 lakhs (31 March 2022: ₹ 0.02 lakhs)

### 32.4.3 Other price risks

The Group is exposed to equity price risks arising from equity investments. Certain of the Group's equity investments are held for strategic rather than trading purposes. The Group also holds certain other equity investments for trading purposes.

**a. Equity price sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower other comprehensive income/equity for the year ended 31 March 2023 would increase/decrease by ₹ 740 Lakhs (31 March 2022: ₹ 762 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.

**b. Commodity price risks**

The Group's operating activities require the ongoing purchase of rock phosphates, phosphoric acid, sulphur and murate of potash. All being international commodities are subject to price fluctuations on account of the change in the demand supply pattern and exchange rate fluctuations. The Company is not affected by the price volatility of the raw materials as government on a time to time basis, revises the subsidy rates payable to the fertilizer industry based on the market trend.

### 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 2023:

| | Carrying amount | upto 1 year | 1-3 year | More than 3 year | Total contracted cash flows |
|---|---|---|---|---|---|
| Accounts payable and acceptances | 5,31,377 | 5,31,377 | - | - | 5,31,377 |
| Borrowings and interest thereon# | 460 | - | - | - | - |
| Other financial liabilities** | 27,793 | - | - | 1,500 | 1,500 |
| Lease liabilities | 38,798 | 2,490 | 6,537 | 29,772 | 38,798 |
| Foreign currency forward contracts | 2,653 | - | - | - | - |
| **Total** | **6,01,081** | **5,33,867** | **6,537** | **31,272** | **5,71,675** |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

The table below provides details of financial assets as at 31 March 2023:

| | Carrying amount |
|---|---|
| Investments | 28,666 |
| Trade receivables | 58,927 |
| Government subsidies receivable | 2,37,791 |
| Cash and cash equivalents including bank balances | 1,41,776 |
| Loans*** | 1,69,752 |
| Other financial assets | 2,959 |
| Foreign currency forward contracts | 379 |
| **Total** | **6,40,250** |

* less than a lakh

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2022:

| | Carrying amount | upto 1 year | 1-3 year | More than 3 year | Total contracted cash flows |
|---|---|---|---|---|---|
| Accounts payable and acceptances | 3,91,354 | 3,92,933 | - | - | 3,92,933 |
| Borrowings and interest thereon# | 5 | 5 | - | - | 5 |
| Other financial liabilities** | 23,454 | 23,235 | - | 1,500 | 24,735 |
| Lease liabiities | 39,492 | 2,403 | 4,393 | 32,696 | 39,492 |
| Foreign currency forward and option contracts | 1,378 | 1,378 | - | - | 1,378 |
| **Total** | **4,55,683** | **4,19,954** | **4,393** | **34,196** | **4,58,543** |

The table below provides details of financial assets as at 31 March 2022:

| | Carrying amount |
|---|---|
| Investments | * |
| Trade receivables | 26,487 |
| Government subsidies receivable | 29,414 |
| Cash and cash equivalents including bank balances | 1,75,328 |
| Loans*** | 1,94,000 |
| Other financial assets | 2,319 |
| Foreign currency forward contracts | 1,177 |
| **Total** | **4,28,725** |

#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 ₹21,318 Lakhs (2022: ₹ 17,449 Lakhs). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment, these deposits have been classified as current balances. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

***including non-current loans as these pertain to inter-corporate deposits placed with financial institution.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### 32.7 Financial guarantee contract

The Company has provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of installment due to the lenders and delayed the payment. The same was not agreed to by the Lenders and the acceleration notice was served on TIFERT by lenders on 28 March 2017. The loan instalment was immediately paid on 30 March 2017 by TIFERT. However, on 4 April 2017 the lenders followed up with call notice on shareholders towards guaranteed amount (Coromandel's share USD 35.25 million outstanding as on 31 March 2017). The Company alongwith other shareholders of TIFERT are in discussion with the Lenders to resolve the matter with regard to liquidity situation and operational improvements of TIFERT and also to find a solution for meeting the future debt obligations of TIFERT.

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 ₹ 3,936 Lakhs (31 March 2022: ₹ 7,194 Lakhs).

### 32.8 Financing facilities

The Company has access to financing facilities of which ₹ 2,39,809 Lakhs (2022: ₹ 3,51,822 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 2023 | As at 31 March 2022 | | |
| 1) Foreign currency forward contracts | (2,274) | (201) | Level 2 | Refer Note 3(a) below |
| 2) Investments in quoted equity instruments at FVTPL | 24 | 59 | Level 1 | Refer Note 2 below |
| 3) Investments in unquoted venture capital fund at FVTPL | 580 | 578 | Level 3 | Refer Note 4(a) below |
| 4) Investments in quoted equity investments at FVTOCI | 725 | 843 | Level 1 | Refer Note 2 below |
| 5) Investments in unquoted equity instruments at FVTOCI | 6,550 | 14,968 | Level 3 | Refer Note 4(b) below |
| | 5,972 | 4,551 | Level 3 | Refer Note 4(c) below |
| 6) Loans at FVTOCI | - | 1,609 | Level 3 | Refer Note 4(b) 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:





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| 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 Group uses net asset value (NAV) as reported by the venture capital fund for its valuation purpose. | A 10% increase/ decrease in the value of unquoted investments of the fund would increase/ decrease the carrying amount of investment by ₹57 Lakhs (2022: ₹15 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 2023: 3% (2022: 0 to 3%) | 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 ₹414 lakhs (2022: ₹1.357 lakhs) |
| | | Weighted average cost of capital (WACC) as determined ranging from 2023: Nil (2022: 13% to 17%) | 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 ₹ Nil lakhs (2022: ₹1,676 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 60% (2022: 30% to 50%) | A 10% increase/ decrease in the discount for lack of marketability used in isolation would decrease/ increase the carrying amount by ₹338 lakhs (2022: ₹395 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 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | | |
| Financial assets at amortised cost: | | | | | |
| - Trade receivables | Level 2 | 58,927 | 58,927 | 26,487 | 26,487 |
| - Government subsidies receivable | Level 2 | 2,37,791 | 2,37,791 | 29,414 | 29,414 |
| - Cash and cash equivalents | Level 2 | 1,39,376 | 1,39,376 | 70,601 | 70,601 |
| - Bank balances other than cash and cash equivalents | Level 2 | 2,400 | 2,400 | 1,04,727 | 1,04,727 |
| - Loans | Level 2 | 1,69,752 | 1,69,752 | 1,94,000 | 1,94,000 |
| - Other financial assets | Level 2 | 2,959 | 2,959 | 2,319 | 2,319 |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| | Fair value hierarchy | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial liabilities** | | | | | |
| Financial liabilities at amortised cost: | | | | | |
| - Borrowings | Level 2 | 460 | 460 | 4 | 4 |
| - Trade payables | Level 2 | 5,31,377 | 5,31,377 | 3,91,354 | 3,91,354 |
| - Other financial liabilities | Level 2 | 27,793 | 27,793 | 23,455 | 23,455 |
| - Lease liabilities | Level 2 | 38,798 | 38,798 | 38,334 | 38,334 |

1. In case of trade receivables, government subsidies receivables, cash and cash equivalents, loans, 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 2023:**

| | Investments in unquoted venture capital fund at FVTPL | Investments in unquoted equity instruments at FVTOCI | Total |
|---|---|---|---|
| Opening balance | 578 | 19,519 | 20,097 |
| Total gains or losses: | | | |
| - in profit or loss | 2 | - | 2 |
| - in other comprehensive income (net) | - | (11,646) | (11,646) |
| Purchases | - | 4,649 | 4,649 |
| **Closing balance** | **580** | **12,522** | **13,102** |

**Reconciliation of Level 3 fair value measurements for the year ended 31 March 2022:**

| | Investments in unquoted venture capital fund at FVTPL | Investments in unquoted equity instruments at FVTOCI | Total |
|---|---|---|---|
| Opening balance | 266 | 17,447 | 17,713 |
| Total gains or losses: | | | |
| - in profit or loss | 312 | - | 312 |
| - in other comprehensive income | - | 2,072 | 2,072 |
| **Closing balance** | **578** | **19,519** | **20,097** |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 33. Share based payments

| Particulars | Employee Stock Option Scheme 2016 ('ESOP 2016 Scheme') |
|---|---|
| Approval of shareholders | 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 | 1,45,81,000 |
| Number of equity shares per option | 1 |
| Vesting period | 1-4 years |
| Exercise period | 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. |

### 33.1 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 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | No. of Options | Weighted average exercise price (₹) | No. of Options | Weighted average exercise price (₹) |
| At the beginning of the year | 16,12,730 | 494.34 | 13,98,740 | 420.87 |
| Granted* | 4,13,700 | 969.45 | 3,31,720 | 759.56 |
| Exercised | 5,17,340 | 379.42 | 1,17,730 | 368.71 |
| Lapsed | 1,04,720 | 648.73 | - | - |
| At the end of the year | 14,04,370 | 665.12 | 16,12,730 | 494.34 |

*the weighted average fair value of options granted during the year is ₹ 356.39 (2022: ₹ 251.55)

b) The above outstanding options have been granted in various tranches and have a weighted average remaining life of 2.88 years (2022: 1.59 years). The exercise price of the outstanding options range from ₹ 319.65 to ₹969.45 (2022: ₹ 319.65 to ₹799.35 ). The weighted average share price during the year is ₹939 (2022: ₹811).

c) Number of options exercisable at the end of the year are 6,34,700 (2022: 10,39,370).

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 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Dividend yield (%) | 1.24 to 1.62 | 1.54 to 1.62 |
| Expected volatility (%) | 0.30 to 0.32 | 0.30 to 0.32 |
| Risk free interest rate (%) | 5.17 to 7.26 | 5.17 to 6.38 |
| Expected term (in years) | 3.50 to 6.51 | 3.50 to 6.51 |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### 33.2 Share based payments

The Group recorded employee share based payments of ₹771 Lakhs (2022: ₹281 Lakhs) under 'Employee benefits expense'

**33.3** The Company in its meeting of the Board of Directors held on 22 March 2023 has approved the Employee Stock Option Plan 2023 which will replace ESOP 2016 Scheme.

## 34. Employee benefits plan

### a) Defined benefit plans

| i. Gratuity plan | Gratuity plan 2022-2023 | Gratuity plan 2021-2022 |
|---|---|---|
| **Change in Defined Benefit Obligation (DBO) during the year** | | |
| Present value of DBO at the beginning of the year | 6,237 | 6,511 |
| Current service cost | 765 | 684 |
| Interest cost | 402 | 410 |
| Actuarial loss/(gain) arising from changes in financial assumptions | (14) | (122) |
| Actuarial loss/(gain) arising from changes in experience adjustments | 569 | (161) |
| Benefits paid | (1,217) | (1,085) |
| **Present value of DBO at the end of the year** | **6.742** | **6,237** |
| **Change in fair value of plan assets during the year** | | |
| Fair value of plan assets at the beginning of the year | 6,213 | 6,078 |
| Interest income | 444 | 422 |
| Employer contributions | 825 | 788 |
| Benefits paid | (1,217) | (1,085) |
| Remeasurements – return on plan assets (excluding interest income) | (55) | 10 |
| **Fair value of assets at the end of the year** | **6,209** | **6,213** |
| **Amounts recognised in the Balance Sheet** | | |
| Present value of DBO at the end of the year | 6,742 | 6,237 |
| Fair value of plan assets at the end of the year | (6,209) | (6,213) |
| **Funded status of the plans – (asset)/ liability** | **533** | **24** |
| **(Asset)/ liability recognised in the Balance Sheet** | **533** | **24** |
| Current service cost | 765 | 684 |
| Interest income on net defined benefit obligation | (42) | (12) |
| **Expense recognised in Statement of Profit and Loss** | **723** | **672** |
| **Remeasurement on the net defined benefit obligation** | | |
| Return on plan assets (excluding interest income) | (55) | 10 |
| Actuarial loss/(gain) arising from changes in financial assumptions | (14) | (122) |
| Actuarial loss/(gain) arising from changes in experience adjustments | 569 | (161) |
| **Remeasurements recognised in other comprehensive income** | **610** | **(293)** |
| **Total defined benefit cost recognized** | **1,333** | **379** |

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.





# Notes forming part of the consolidated 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.

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Assumptions** | | |
| Discount rate | 7.18% | 7.15% |
| Estimated rate of return on plan assets | 7-12% | 7-12% |
| Expected rate of salary increase | 5-7% | 5-7% |
| Attrition rate | 5% | 5% |

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (463) | 527 | (405) | 461 |
| Future salary growth (1% movement) | 465 | (420) | 403 | (365) |
| Attrition rate (1% movement) | 10 | (10) | 2 | -2 |

| | 2022-23 | 2021-22 |
|---|---|---|
| **Weighted average duration of DBO** | 11 Years | 11 years |
| **Expected cash flows** | | |
| 1. Expected employer contribution in the next year | 724 | 643 |
| 2. Expected benefit payments | | |
| Year 1 | 814 | 912 |
| Year 2 | 597 | 694 |
| Year 3 | 644 | 529 |
| Year 4 | 607 | 528 |
| Year 5 | 554 | 498 |
| Beyond 5 years | 2,336 | 1,996 |

### ii. Contributions to PF Trust:

Provident Fund Trust is exempted under Section 17 of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for the grant of exemption stipulate that the employer shall make good the deficiency, if any, in the interest rate declared by the Trust over the statutory limit.

The Group has obtained the actuarial valuation of interest rate obligation in respect of provident fund and having regards to the assets of the Fund and the return on the investments, the Group did not recognize any deficiency based on the actuary report obtained.

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Plan assets at the end of the year | 28,954 | 26,168 |
| Defined benefit obligation at the end of the year | 28,543 | 25,280 |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

An amount of ₹ 1,332 Lakhs (2022: ₹ 1,229 lakhs) has been recognised as an expense in the Consolidated Statement of Profit and Loss during the year towards Provident fund contribution to trust.

### Assumptions

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Discount rate | 7.36% | 5.15% to 7.15% |
| Expected guarantee rate | 8.15% | 8.50% |
| Attrition | 5.00% | 5.00% |

### b) Defined contribution plans

In respect of the defined contribution plans, an amount of ₹ 2,383 Lakhs (2022: ₹2,312 lakhs) has been recognised as an expense in the Consolidated Statement of Profit and Loss during the year.

## 35. Earnings per share

| | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| i) Profit after tax (₹ in lakhs) | [a] | 2,01,293 | 1,52,846 |
| **Basic** | | | |
| ii) Weighted average number of equity shares of ₹1/- each outstanding during the year | [b] | 29,38,14,998 | 29,34,33,933 |
| **Dilution** | | | |
| iii) Effect of potential equity shares on employees stock options outstanding | | 5,72,406 | 6,36,887 |
| iv) Weighted average number of equity shares of ₹1/- each outstanding during the year | [c] | 29,43,87,404 | 29,40,70,820 |
| **Earnings Per Share (face value of ₹1/- each)** | | | |
| v) Basic – [a]/[b] – (₹) | | 68.51 | 52.09 |
| vi) Diluted – [a]/[c] – (₹) | | 68.38 | 51.98 |

## 36. Contingent liabilities (to the extent not provided for)

**Claims against the Group not acknowledged as debt:**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| In respect of matters under dispute: | | |
| Excise duty | 322 | 322 |
| Customs duty | 820 | 831 |
| Sales tax | 1,119 | 1,203 |
| Income tax | 2,451 | 553 |
| Service tax | 265 | 292 |
| Goods and Services Tax | 680 | 37 |
| Others | 4,819 | 4,902 |

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.





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 37. Commitments

**Capital commitments**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Capital expenditure commitments | 10,133 | 19,805 |

## 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 ₹ 3,345 Lakhs (31 March 2022-₹ 2,812 lakhs.).

b) Amount spent during the year on:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 2,554 | 2,466 |

c) Nature of CSR activities:

- Providing basic health care facilities to economically backward societies
- Improving health Conditions for communities through the provision of basic medical services
- Improving access to education
- Rural development projects
- Environmental sustainability
- Contribution to various disaster funds

d) Details of amount unspent relating to Ongoing projects:

| Opening balance | Amount deposited in unspent CSR account | Amount required to be spent during the year | Amount spent during the year | Closing balance (Refer Note below) |
|---|---|---|---|---|
| 346 | 346 | 3,345 | 2,554 | 792 |

**Note:**

The Company was unable to spend the allocated/budgeted amount on Ongoing Projects due to COVID-19 pandemic. The unspent CSR amount of ₹792 lakhs for the financial year 2022-23 has been transferred to unspent CSR Account before 30 April 2023 in accordance with provisions of the Companies Act, 2013 read with rules made thereunder. Further, the Company was able to spend the opening unspent amount related to Ongoing Projects amounting to ₹346 lakhs in the current year.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 39. Research and development expenses incurred on the following heads have been accounted under the natural heads:

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Salaries, wages and bonus | 1,187 | 1,086 |
| Contribution to provident and other funds | 133 | 105 |
| Consumption of stores and spare parts | 242 | 130 |
| Power and fuel | 69 | 59 |
| Repairs to machinery | 14 | 47 |
| Miscellaneous expenses | 177 | 168 |
| | **1,822** | **1,595** |

## 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 Provident Fund (PF Trust) (merged with Coromandel Provident Fund No. 1 w.e.f. 31 March 2022) | 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 (Chairman) |
| Mr. Arun Alagappan | Key management personnel (Executive Vice Chairman) |
| 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 (upto 31 January 2023) | Key management personnel (Managing director) |
| Mr. Sankarasubramanian S (w.e.f. 1 February 2023) | Key management personnel (Executive Director) |
| Dr. Raghuram Devarakonda (w.e.f. 1 February 2023) | Key management personnel (Executive Director) |
| Ms. Jayashree Satagopan | Key management personnel (Chief Financial officer) |
| Mr. Rajesh Mukhija | Key management personnel (Company Secretary) |
| Mr. S Suresh | Key management personnel of Parent Company |
| Mr. M M Venkatachalam | Non-Executive Director |
| Ms. Aruna B. Advani | Non-Executive Director |
| Mr. Prasad Chandran (upto 20 April 2022) | Non-Executive Director |
| Mr. Sumit Bose | Non-Executive Director |
| Dr. R. Nagarajan | Non-Executive Director |
| Mr. K V Parameshwar | Non-Executive Director |
| Mr. Sudarshan Venu | Non-Executive Director |
| Dr Deepali Pant Joshi(w.e.f 1 February 2023) | Non-Executive Director |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

### (B) Transactions during the year:

| | For the Year ended 31 March 2023 | For the Year ended 31 March 2022 |
|---|---|---|
| i) Rent received | | |
| a) PEIL | 6 | 4 |
| ii) Purchase of finished goods and services | | |
| a) Parent company | 729 | 604 |
| b) PEIL | 1,352 | 65 |
| c) Joint Venture – YCAS | - | 35 |
| iii) Commission on sales | | |
| a) Associate – Sabero Philippines | 108 | 158 |
| iv) Expenses reimbursed to | | |
| a) Parent company | - | 242 |
| v) Purchase of assets and spares | | |
| a) Joint venture – YCAS | 4 | 35 |
| vi) Dividend paid (including interim dividend payable) | | |
| a) Parent company | 19,855 | 19,855 |
| vii) Rent paid | | |
| a) Parent company | - | 59 |
| viii) Equity investment -BMCC | 15,660 | - |
| ix) Loan & Accrued Interest | | |
| a) Short term loan - BMCC | 5,761 | - |
| b) Accrued interest income – BMCC | 154 | - |

*less than ₹ 1 Lakhs

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 key management personnel during the year ended 31 March 2023 ₹74 Lakhs (2022: ₹28 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 2023 | For the Year ended 31 March 2022 |
|---|---|---|
| Short-term employee benefits | 2,504 | 1,791 |
| Others* | 292 | 307 |
| **Total compensation** | **2,796** | **2,098** |

*excludes Goods and Services Tax

c) During the year, the Company has not granted any employee stock options to its key managerial personnel

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

**(D)** Refer Note 34 for transactions with Employee benefit funds.

**(E) Outstanding balances as at the year end**

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| a) Trade receivables | | |
| - Parent company | 117 | 218 |
| - PEIL | 8 | 7 |
| - Associate – Sabero Philippines | - | 6 |
| b) Loans, advances and other financial assets | | |
| PF Trust | - | 24 |
| - BMCC | 5,915 | - |
| c) Share Application money | | |
| - Associate – Sabero Philippines | 5 | 5 |
| b) Trade payables | | |
| - Parent company | 63 | 238 |
| - PEIL | 280 | 6 |
| - Joint venture – YCAS | * | 1 |
| e) Other financial liabilities | | |
| - Fellow subsidiary – PICPL | 972 | 998 |

* less than 1 lakh

**41. A. Financial information in respect of joint ventures and associates that are not individually material:**

i. Joint ventures - Yanmar Coromandel Agrisolutions Private Limited

| | For the Year ended 31 March 2023 | For the Year ended 31 March 2022 |
|---|---|---|
| Group's share of profit/ (loss) | 129 | 365 |
| Group's share of other comprehensive income | - | - |
| **Group's share of total comprehensive income** | **129** | **365** |

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Aggregate carrying amount of the Group's interests in joint venture | 1,729 | 1,718 |

ii. Associate - Sabero Organics Philippines Asia Inc.

| | For the Year ended 31 March 2023 | For the Year ended 31 March 2022 |
|---|---|---|
| Group's share of profit/ (loss) | (5) | 9 |
| Group's share of other comprehensive income | - | - |
| Group's share of total comprehensive income | (5) | 9 |

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Aggregate carrying amount of the Group's interests in this associate | 10 | 15 |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

**41. B. Financial information in respect of joint ventures and associates that are material:**

i. Associate - Baobob Mining and Chemicals Corporation, S.A. (BMCC)

During the current year, the Group has acquired 45% interest in BMCC, which is involved in the mining of rock phosphate in Senegal. The Group's interest in BMCC is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in BMCC:

| | 31 March 2023 |
|---|---|
| Total assets | 17,958 |
| Total liabilities | 28,823 |
| Net assets | **(10,865)** |
| | |
| Group's share in net assets - 45 % | (4,889) |
| Goodwill and mining rights | 17,961 |
| Group's carrying amount of the investment | **13,072** |
| | |
| Share of Group's loss for the current year | 2,247 |
| Amortisation of mining rights for the current year | 326 |

## 42. Payments to Auditors of the Company

| | For the Year ended 31 March 2023 | For the Year ended 31 March 2022 |
|---|---|---|
| Audit fees | 85 | 75 |
| Tax audit fees | 15 | 15 |
| Limited reviews | 42 | 36 |
| Certifications | 55 | 45 |
| Reimbursement of expenses | 5 | 2 |
| **Total** | **202** | **173** |

Note: Amounts given above excludes GST/ service tax

**43.** Pursuant to the requirements of SEBI circular no SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company had no Commercial papers outstanding as on 31 March 2023.

**44.** Based on and to the extent of information available with the Group under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

| Sl. No. | Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| (i) | Principal amount due to suppliers under MSMED Act, as at the end of the year | 1,851 | 2,996 |
| (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) | - | - |

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

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.

**45.** During the year 2020-21, the Board of Directors had earlier 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. Subsequent to 31 March 2022, the Hon'ble National Company Law Tribunal, Hyderabad (NCLT) has approved the Scheme of Amalgamation ('Scheme') of Liberty Pesticides and Fertilizers Limited (LPFL) and Coromandel SQM (India) Private Limited (CSQM) (wholly owned subsidiaries) on 26 April 2022, with the Company with effect from 01 April 2021, being the appointed date under the said Scheme.

The Company has accounted for this merger under the "Pooling of interests" method for common control transactions as per the requirements of Ind AS 103 "Business Combinations". This merger did not have material impact on Consolidated financial statements.

**46.** 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.

## 47. Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**48.** **A. Details of funds advanced or loaned or invested in intermediaries and further invested or loaned by intermediaries**

| Intermediaries to which amounts were advanced/ loaned/ invested by the Company | Nature of transaction | Date | Amount (₹ in Lakhs) |
|---|---|---|---|
| Dare Ventures Limited (DVL) | Investment in equity shares | 25-Mar-22 | 1,100 |
| | | 21-Jul-22 | 1,610 |
| | | 18-Oct-22 | 2,000 |
| Coromandel Chemicals Limited (CCL) | Investment in equity shares | 05-Sep-22 | 5,000 |
| | Loan | 05-Sep-22 | 10,440 |
| | | 23-Sep-22 | 1,615 |
| | | 27-Dec-22 | 3,600 |





# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

| Parties to which such funds are further loaned or invested by DVL | Nature of transaction | Date | Amount (₹ in Lakhs) |
|---|---|---|---|
| EcoZen Solutions Private Limited | Investment in series C1 Preference shares | 23-Jun-22 | 995 |
| | Investment in equity shares | 24-Jun-22 | 5 |
| String Bio Private Limited | Investment in equity shares | 01-Aug-22 | * |
| | Investment in series B Compulsorily Convertible Preference Shares | 01-Aug-22 | 1,649 |
| Dhaksha Unmanned Systems Private Limited | Investment in equity shares | 26-Sep-22<br>24-Oct-22 | 351 |
| | Investment in seed series Compulsorily Convertible Preference Shares | 24-Oct-22 | 1,649 |

* less than ₹1 lakh

| Parties to which such funds are further loaned or invested by CCL | Nature of transaction | Date | Amount (₹ in Lakhs) |
|---|---|---|---|
| Baobab Mining and Chemicals Corporation S.A. | Investment in equity shares | 05-Sep-22 | 15,660 |
| | Loans given | 23-Sep-22 | 1,619 |
| | | 27-Dec-22 | 4,142 |

The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

### i. Complete details of intermediaries and ultimate beneficiaries

| Name of the entity | Registered Address | Government Identification Number (CIN/RCCM) | Relationship with the Company |
|---|---|---|---|
| Dare Ventures Limited | 1-2-10, Sardar Patel Road, Secunderabad, Hyderabad, Telangana - 500003 | U65110TG2012PLC080296 | Subsidiary |
| Ecozen Solutions Private Limited | 301 Vaishnavi Appt. Plot No.29, Vijayanand Gruha Nirman Sahakari Sanstha, Narendra Nagar, Nagpur, Maharashtra - 440015 | U93090MH2010PTC209218 | Investee |
| String Bio Private Limited | No.456G,1St Main Road, Vinayaka Nagar, 9th mile Tumkur road, Hobli, Bangalore, Karnataka - 560073 | U24297KA2013PTC069481 | Investee |
| Dhaksha Unmanned Systems Private Limited | Plot No. 253, SIDCO (N.P.) Ambattur Industrial Estate, Chennai, Tamil Nadu - 600098 | U35900TN2019PTC128496 | Investee |
| Coromandel Chemicals Limited | Office No 704, 7th Floor Centrum IT Park, Plot No C-3 Opp Rayladevi Lake, Wagle Estate, West Thane, Maharashtra - 400604 | U74999MH1995PLC088809 | Subsidiary |
| Baobab Mining and Chemicals Corporation S.A. | Point E – Rou Kolda, Residences Les Cocotiers, 3eme droite, Dakar - Senegal | DKR 2011 B 8503 | Associate |

ii. The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

## 48. B. Additional disclosures related to consolidated financial statements:

### i. 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 2023 | Net assets 31 March 2023 % of consolidated net assets | Net assets 31 March 2023 Amount in lakhs | Share in profit/(loss) 31 March 2023 % of consolidated profit/(loss) | Share in profit/(loss) 31 March 2023 Amount in lakhs | Share in other comprehensive income 31 March 2023 % of consolidated other comprehensive income | Share in other comprehensive income 31 March 2023 Amount in lakhs | Share in total comprehensive income 31 March 2023 % of consolidated total comprehensive income | Share in total comprehensive income 31 March 2023 Amount in lakhs |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Coromandel International Limited | Parent | India | - | 96% | 7,57,573 | 101% | 2,03,472 | 99% | (13,732) | 101% | 1,89,740 |
| Sabero Organics America S.A. (SOAL) | Subsidiary | Brazil | 99.98 | * | 72 | * | (52) | - | - | * | (52) |
| Coromandel Australia Pty Ltd ( formerly Sabero Australia Pty Ltd, Australia (Sabero Australia)) | Subsidiary | Australia | 100 | * | 1 | * | 7 | - | - | * | 7 |
| Sabero Argentina S.A. (Sabero Argentina) | Subsidiary | Argentina | 95 | * | (1) | - | - | - | - | - | - |
| Coromandel Agronegocios de Mexico, S.A de C.V (Coromandel Mexico) | Subsidiary | Mexico | 100 | * | 215 | * | 4 | - | - | * | 4 |
| Coromandel International (Nigeria) Limited (CNL) | Subsidiary | Nigeria | 99.99 | * | 4 | * | 4 | - | - | * | 4 |
| Parry America, Inc (PAI) | Subsidiary | USA | 100 | 1% | 6,574 | * | 945 | - | - | 1% | 945 |
| Coromandel Chemical Limited (formerly Parry Chemicals Limited) | Subsidiary | India | 100 | 1% | 6,164 | * | (557) | - | - | * | (557) |
| Dare Ventures Limited (formerly Dare Investments Limited (DVL)) | Subsidiary | India | 100 | 1% | 5,358 | * | 3 | 1% | (105) | * | (102) |
| CFL Mauritius Limited (CML) | Subsidiary | Mauritius | 100 | * | 118 | * | (32) | - | - | * | (32) |
| Coromandel Brasil Limitada (CBL), Limited Liability Partnership | Subsidiary | Brazil | 100 | * | (122) | * | (49) | - | - | * | (49) |
| Coromandel Mali SASU (CMS) | Subsidiary | Mali | 100 | * | 7 | * | (0) | - | - | * | (0) |
| Coromandel Technology Limited | Subsidiary | India | 100 | * | 5 | - | - | - | - | - | - |
| Yanmar Coromandel Agrisolutions Private Limited (YCAS) | Joint venture | India | 40 | * | 1,729 | * | 129 | - | - | 0% | 129 |
| Sabero Organics Philippines Asia Inc (SOPA) | Associate | Philippines | 40 | * | 10 | * | (5) | - | - | 0% | (5) |
| Baobob Mining and Chemicals Corporation, SA (BMCC) | Associate | Senegal | 45 | 2% | 13,072 | -1% | (2,573) | - | - | -1% | (2,573) |
| **Total** | | | | | **7,90,779** | | **2,01,293** | | **(13,837)** | | **1,87,456** |

*less than 1%

a. In respect of Sabero Argentina, CML, CBL, CMS, SOPA, SOAL, BMCC, Coromandel Mexico, Sabero Australia and CNL the financial year is from 1 January 2022 to 31 December 2022, however the un-audited financial statements for the period from 1 April 2022 to 31 March 2023 has been considered for the purpose of preparation of consolidated financial statements.

b. In respect of PAI and YCAS the financial year is from 1 April 2023 to 31 March 2023, however the un-audited financial statements for the period from 1 April 2022 to 31 March 2023 has been considered for the purpose of preparation of consolidated financial statements.

c. In respect of CTL the financial year is from 27 December 2022 to 31 March 2023, however un-audited financial statements for the period 27 December 2022 to 31 March 2023 has been considered for the purpose of preparation of consolidated financial statements.



# Notes forming part of the consolidated financial statements

(₹ in lakhs, unless otherwise stated)

**49.** Previous period/year figures have been regrouped/reclassified, where necessary, to conform to the current period/year classification.

## 50. Approval of financial statements

The financial statements were approved by the Board of Directors on 15 May 2023.

In terms of our report attached
**For S.R. Batliboi & Associates LLP**
Chartered Accountants
Firm Registration Number : 101049W/E300004

Shankar Srinivasan
Partner
Membership Number : 213271

Place: Chennai
Date: 15 May 2023

**For and on behalf of the Board of Directors**
**Coromandel International Limited**

Arun Alagappan
Executive Vice Chairman
DIN: 00291361

A Vellayan
Chairman
DIN: 00148891

Jayashree Satagopan
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